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ASX Announcement

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Martin County Activity Update

Advance Energy Limited is pleased to report that the current workover program on the newly acquired Motherlode Phase II project has exceeded expectations. In summary it is anticipated that the production of oil will stabilise at approx. 390 Barrels of Oil Per Day (BOPD) and 625 Thousand Cubic Feet of Gas Per Day (MCFPD) from the wells listed below. Based on current pricing levels this would equate to approx. US$27,300/day for oil and US$5,000/day for gas. Advance Energy has a 12.5% working interest in these wells.

The Thomas 5-1 well was put on production on June 26, 2007 and is pumping at a rate of 40 BOPD and 40 MCFPD. It is estimated that this well will stabilize at a producing rate 100 BOPD and 150 MCFPD from all zones combined.

The Prudie Brown 10-2 well is currently producing at a rate of 75 BOPD and 90 MCFPD. It is projected that the rates will peak at 100 BOPD and 150 MCFPD as the load water is recovered.

The Thomas 9-1 well has been flowing at increasing rates and pressure since February 1, 2007. Currently the well is flowing 75 BOPD and 125 MCFPD and 60 BLWPD. It is projected that the rates will peak at 100 BOPD and 200 MCFPD while still flowing. Once the well is put on pump and the remaining load water is produced, the well should continue to increase production before re-stabilizing. Three offsets to this well are planned for the fourth quarter of 2007 and the first half of 2008.

The Strain 16-3 well continues to increase in production as the frac load water is recovered. Currently the well is pumping at a rate of 50 BOPD and 80 MCFPD. It is projected that the rates will peak at 90 BOPD and 125 MCFPD.

The results achieved with the above wells are further indication of the success of the joint venture partnership with North American Energy (NAE). In addition, it has created significant value by identifying additional targets and expanding the Company's position in Martin County.

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Advance Energy Limited is focused on the acquisition and development of oil and gas producing assets in Texas USA. The company aims to acquire assets with a combination of debt and equity that have current production and cash flow and to enhance production and cash flow through the further development of these assets. Once a property has reached its full productive potential and/or has achieved economic payout to Advance Energy, the Company would look to on sell all or part of its interest. It is the aim of the Company to develop a portfolio of assets which will be developed and traded to maximize returns on funds invested.