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ASX Announcement

29 August 2007

Martin County Activity Update

Thomas 5-1

Project	Motherlode Phase II
Prospect	Key East
Well Type	Oil and Associated Gas
Location	Martin County Texas
Depth	11,000 feet
Working interest	12.5 %
Operator	North American Energy and Endeavor Energy Resources
Status	Producing

The well has been producing at rates as high of 200 BOEPD over the past month. Due to weather issues the well has been shut in intermittently as oil transport trucks have not been able to access the well site to haul the oil. It is estimated that this well will stabilize at a producing rate 100 BOPD and 150 MCFPD from all zones combined. Three offsets to this well are planned for 2008.

Thomas 9-1

Project	Motherlode Phase II
Prospect	Key East
Well Type	Oil and Associated Gas
Location	Martin County Texas
Depth	11,250 feet
Working interest	12.5 %
Operator	North American Energy and Endeavor Energy Resources
Status	Well on production and stabilizing (Flowing)

The well, *acquired as of May 1, 2007*, has been flowing at increasing rates and pressure since February 1, 2007. Currently the well is flowing 60 BOPD, 90 MCFPD and 30 BLWPD. Once the well is put on pump and the remaining load water is produced, the well should continue to increase in rate before re-stabilizing. Three offsets to this well are planned for the 4th quarter 2007 and the first half of 2008.

Strain 16-4

Project	Motherlode Phase II
Prospect	Totem
Well Type	Oil and Associated Gas
Location	Martin County Texas
Depth	10,750 feet
Working interest	12.5 %
Operator	North American Energy and Endeavor Energy Resources
Status	Drilled & Cased; Waiting on Frac

The well, successfully cased on July 27, 2007, well will be perforated and stimulated in nine different productive horizons later this month. Offset wells have peaked in excess of 150 BOEPD.

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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.