www.advanceenergyltd.com.au

Suite 4, 16 Ord Street
West Perth, Australia
PO Box 1779
West Perth 6872

tel: 08 9486 1122
fax: 08 9486 1011
ACN 111 823 762

ASX ANNOUNCEMENT

25th February 2008

Hedging program 2008

Advance Energy, Ltd announced today its initial 2008 risk management activities. Hedged production volumes are currently 15,000 MMbtu of natural gas per month (approximately 500 MMbtu per day). The Company has hedged these volumes for twelve months beginning March 1, 2008 using costless collar contracts with a Henry Hub floor price of $7.75 per MMbtu and a ceiling of $10.50 per MMbtu. The risk management transactions, which are intended to deliver predictable cash flow for 2008, still provide potential exposure to higher commodity prices for the remaining unhedged volumes.

The counterparty to the hedge position is MF Global Ltd., the leading broker of exchange-listed futures and options in the world. It provides execution and clearing services for exchange-traded and over-the-counter derivative products as well as for non-derivative foreign exchange products and securities in the cash market. MF Global is rated A3/BBB+/BBB+ by Moody's, S&P and Fitch, respectively.

FOR FURTHER INFORMATION CONTACT

Mr Lance Camacho

Company Secretary

Telephone: 08 9486 1122

Facsimile: 08 9486 1011

ABOUT ADVANCE ENERGY LIMITED

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.