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ASX Announcement
23 May 2008

Independent Valuation of Producing Properties

The Directors of Advance Energy Limited announce the most recent valuation of its producing properties in the United States of America as follows:

The following valuation was commissioned in line with normal practice of the Company in assessing the value of its producing properties. The valuation was completed on a discounted cashflow basis based on current reserves and producing wells by the independent valuation firm of W D Von Gonten and Co who act as valuers to Sterling Bank in Houston Texas USA. The valuation was effective 1 March 2008.

	Gross Revenue US$m	**Future Net Revenue discounted @ 10% US$m**
Proved developed producing properties	35.8	15.594
Proved non producing properties	6.863	3.711
Proved behind pipe	5.075	2.789
Proved undeveloped properties	41.665	10.019
TOTAL	**89.439**	**32.145**
Total AUD equivalent	**AU$94m**	**AU$33.84m**

The valuation applied the following assumptions:

- These valuation numbers ascribe no value to the Motherlode three project, the Barnett Shale assets and the two most recently completed wells.
- Pricing assumption the NYMEX strip prices effective 1 March, namely oil 2008 US$110, 2009 US$106, 2010 US$103 and US$102 per barrel flat for the balance. (Current price US$135).
- Gas price assumption 2008 US$10 per mcf, 2009 US$9.40, 2010 US$8.73, 2011 US$8.54 and US$8.44 flat for the balance of the life of the properties. (Current price US$11.70).

Assumed exchange rate AUD/USD $0.95.

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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.