



www.advanceenergyltd.com.au

Suite 4, 16 Ord Street | tel: 08 9486 1122  
West Perth, Australia | fax: 08 9486 1011  
PO Box 1779, | ACN 111 823 762  
West Perth 6872

## ASX ANNOUNCEMENT

6<sup>th</sup> December 2010

### Purchase and Sale Agreement (“PSA”)

Advance Energy Ltd (“Advance”) is pleased to announce that its US subsidiaries, Advance Exploration and Production, Inc (“AEPI”) and Advance Wolfberry, Inc (“AWI”), have entered into a PSA for the sale of the Mother Lode 1, Possum Kingdom and Martin West projects for a combined total of US\$11.3 million. Settlement is anticipated to take place prior to Christmas with part of the proceeds being used to reduce group debt.

In line with previous announcements to the market and as stated in the Company’s business plan, Advance purchases existing producing wells that have upside potential and divests its projects when they reach economic maturity.

Advance retains 50% of the highly prospective Mother Lode 3 project on which the Roman 27-2 well was successfully drilled and completed earlier this year; and looks forward to participating in an active drilling programme during 2011 with its partner, and operator, Endeavor Energy Resources L.P. AEPI is negotiating to retain its line of credit facility of US\$40m with Sterling Bank, which will assist greatly in financing any new projects in the US.

Advance is actively reviewing a number of energy projects within the US as well as in a number of other locations; and will provide more information on proposed acquisitions to the market, as and when appropriate.

Commenting on the asset sale programme, Managing Director Anthony Short commented: “Advance has taken significant steps to reduce debt and reduce costs during the 2010 calendar year. This sale largely completes the restructuring process commenced at the beginning of the year, and we now look forward with optimism to 2011, the development of our Mother Lode 3 project and further asset acquisitions.”

## FOR FURTHER INFORMATION CONTACT

Mr Anthony Short (Managing Director)  
Telephone: 08 9486 1122  
Facsimile: 08 9486 1011