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ASX Announcement

ASX Code: AMU

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OUTCOMES OF INDEPENDENT CORPORATE REVIEW

The Board of Amadeus is pleased to announce the outcomes of an extensive independent corporate review that has recently been completed.

The Board's brief for the review was around 3 key areas:

1. Value

   To assess the value of the Company's existing assets versus market values and to recommend strategies and actions to address any value gap;

2. Existing Business Model

   To review the existing business identifying strengths and areas for improvement; and

3. Growth Options

   To outline strategic options for growth, with a specific focus on shareholder value.

The main conclusions and recommendations of the review are as follows:

- The business model is sound – a profitable business underpinned by long-life cashflow properties combined with exploration upside. This strong cashflow appears to be robust against lower commodity prices.
- The company has successfully grown its reserves through a combination of acquisitions and discovery – however the market does not appear to attribute meaningful value to the Company's exploration portfolio.
- The Company's shares appear to trade at a substantial discount to the underlying value of the US based assets.
- Since 2006 the share price has declined against a backdrop of record oil prices, increased production and reserves, and strong financial results and the initiatives instigated by the Company to date have been unable to address this decline.
- The Company's share price underperformance appears to be common to junior oil companies and the most likely reason for this is to do with scale as

Amadeus Energy Ltd is an ASX listed energy company that generates value for shareholders by increasing oil and gas production and growing reserves through the acquisition and development of existing long-life on-shore oil and gas fields and through exploration activity. This is achieved by acquiring properties that have significant development and improvement potential and by investing in a combination of low, medium and high-risk exploration activity. Potential reserves of up to 28 million barrels of oil and 252 billion cubic feet of gas (100%) are being targeted through these development and exploration activities.

ASX Listed:	**20 March 1997**
As at 27.02.09	
Shares on issue:	**~198 million**
Unlisted options:	**~7 million**
Market Cap:	**~$54 million**

Major Shareholders:

Wyllie Group Pty Ltd	**12.60%**
Spinifex Holdings / G Towner	**6.76%**
JP Morgan Nominees Aust. Ltd	**4.05%**
Top 20:	**47.26%**
Directors:	**9.13%**

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opposed to the Company's business model. A catalyst or step change is required to resolve the share price performance issues.

- The options for scaling are limited by the Company's ability to take on additional debt and its undervalued share price. Given the lack of value recognition for the exploration strategy, continuing with the current business model is unlikely to create the magnitude of growth that is likely to be required to address the value disconnect. The two most value accretive strategic options would therefore appear to be a nil-premium merger or a trade sale of the Company's assets at an appropriate time.

- Given the implied value of the Company's reserves reflected in its share price, it would appear that buying back the Company's stock is a more cost effective way of acquiring oil and gas reserves than through acquisitions or exploration.

In the meantime, regardless of the broader strategic options before the company, there are a number of operational initiatives that the Board has been considering; specifically,

- The priority for cashflow generated by operations will be to maintain and develop near term reserves and existing assets.

- Exploration spend will be minimised.

- The Company's investments in other listed entities are considered non-core and the Company will look to realize value for those investments at an appropriate time.

- Surplus cashflow will be used to further reduce debt or buyback the Company's shares. This is consistent with the significant debt reductions over the last two years and the share buybacks that have been initiated since 2005.

All other expenditure will be reviewed carefully with a view to minimising cash outflows and maximising debt reductions.

Amadeus Managing Director Mr Geoff Towner said "The Company has built a significant portfolio of profitable assets in the US that in the current market conditions are not fully valued by the market. While disappointing, it is therefore incumbent on the Board to consider all options that may help to deliver value to shareholders. The Board will continue to work through these strategic options but in the meantime will continue to enhance and develop near term production while using surplus cash flow to further pay down debt or buyback the Company's stock."

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