



AMADEUS CONTINUED INITIATIVES, BOARD RESTRUCTURE AND SHARE PURCHASE PLAN

Amadeus Energy Limited (ASX code: AMU) (“Amadeus”) is pleased to announce continued initiatives arising from the outcomes of the strategic review announced this year. Since the completion of the review, the Company has extended the term of its debt facilities, initiated a capital raising to accelerate the reduction in debt and moved towards more direct operational control of its assets.

Following on from this, and as a result of recent discussions with shareholders, and in particular CVC Ltd, the Board has now determined to announce and undertake the following initiatives:

- Board changes & management transition
- Proposed acquisition of TNT Engineering Inc.
- Ongoing debt reduction and growth strategy
- Initiation of a Share Purchase Plan
- CVC Ltd to support ongoing strategic review process

Board Changes & Management Transition

One of the key initiatives undertaken by Amadeus over the past 12 months has been the move towards more direct operational control of its assets. In line with this, the Company appointed a President of its US subsidiary, an in-house petroleum engineer, and an in-house petroleum financial controller. These changes have enabled greater oversight of operations and an enhanced understanding of the development potential of the Company’s assets.

The culmination of this process is that over the coming 12 months the Board will recruit and appoint a new Executive Chairman. At the time of the appointment Mr Geoffrey F Towner, the current Managing Director and Company founder, will transition to the role of non-executive director where he will continue to serve the Company. Mr Towner’s more than twenty years of industry experience and his extensive network of relationships with people in the US oil and gas sector will be of great continuing value to the Board.

The Board has also determined to appoint Mr Alexander (Sandy) Beard as a Non-Executive Director of the Company. Mr Beard has extensive corporate experience, particularly assisting investee companies. He currently serves as CEO of CVC Ltd, is Chairman of ASX listed Cellnet Group Ltd and is a director of Mercury Mobility Ltd. Mr Beard’s appointment will be effective upon close of the Company’s AGM on 14 October 2009 and the Board looks forward to his contributions to its deliberations.

To assist with these transitions and to retain a Board of the size appropriate for Amadeus, the Hon. Andrew Peacock AC and Mrs Caroline Bentley will step down from the Board effective upon close of the Company’s AGM on 14 October 2009. Mr Peacock had previously indicated his wish to retire at this time. The Board would like to thank these directors for their contribution and service to the Company. Mrs Bentley will continue to act as Amadeus’ Company Secretary and Mr Stephen Pearce, who currently serves as a Non-Executive Director, will act as Interim Chairman, until the appointment of the new Executive Chairman.

Proposed Acquisition of TNT Engineering Inc.

The primary operational recommendation of the strategic review completed earlier in the year was that Amadeus should acquire TNT Engineering Inc (“TNT”) which operates most of the Company’s assets. Management has been working towards the achievement of this objective and the Board is pleased to announce that it has now executed a non-binding Letter of Intent with the owner of TNT pursuant to which Amadeus will acquire all of the stock of TNT. The transaction is subject to a number of conditions, which are yet to be satisfied but the main commercial terms have been agreed and the Board looks forward to working towards completion of this transaction.

This acquisition can be funded by part of the proceeds of the recently announced capital raising and if consummated is expected to deliver substantial benefits for Amadeus including an immediate uplift in the value of the TNT operated net assets in the order of 3-4 times the transaction cost. It would also give Amadeus direct operational control of the majority of its long-life producing assets which among other things adds to their value if they are to be sold at some point in the future. The Board looks forward to providing shareholders with further updates as the acquisition progresses, although it should be noted that the Letter of Intent is non-binding and there is therefore no assurance that a finalised agreement to acquire TNT will ultimately be concluded.

Ongoing debt reduction and growth strategy

Over the past three years Amadeus has reduced its debt by 27% to approximately US\$53 million and has made significant progress towards the acceleration of debt reduction through the initiation of a \$25 million capital raising - a significant part of the proceeds of which will be used to reduce debt. The reduction in overall debt will enhance future cash flows through lower financing costs and will ensure that the Company is appropriately geared in the event of future volatility in oil and gas prices, while allowing the Company to apply funds to the continued growth and development of its extensive portfolio of oil and gas assets in the USA.

In line with the recommendations of the strategic review announced in March, the Board restates its intention to focus on growth of core operations and to divest non-core assets when value can be realised from their sale.

Initiation of Share Purchase Plan

The Board is pleased to announce its intention to undertake a Share Purchase Plan for the benefit of the Company’s shareholders as part of Amadeus’ current capital raising program. The Share Purchase Plan will allow shareholders to purchase up to \$5,000 of the Company’s stock at a price of 0.26c. The SPP will be capped at \$7.5 million and in the event that it is oversubscribed, shareholders will be scaled back on a pro-rata basis. The proceeds of the SPP will be applied to debt reduction and assuming the SPP was fully taken up the Company’s debt, following the capital raisings, would be reduced to a very healthy position, which will be further bolstered by applying ongoing cash flow towards debt reduction. Further details of the Share Purchase Plan will be released separately in the coming days.

Intentions of CVC Limited

CVC Limited has advised the Board that it is supportive of the strategies outlined above, and that as a result it has formerly withdrawn its request for an EGM of shareholders and that it will now vote its own shares in favour of the capital raising resolutions to be put to shareholders on 9 September 2009. Consequently the shareholder requisitioned meeting as announced on 17 August 2009 will not proceed.

After the general meeting of shareholders on 9 September 2009 the next expected meeting of shareholders is the AGM on 14 October after which the changes to the Board’s composition detailed above will be made.

CVC has also indicated that it intends to increase its shareholding in Amadeus in coming months and the Board looks forward to the enhanced role to be played by CVC and Mr Beard in the future growth and direction of the Company.

The Amadeus Board is committed to the implementation of measures that are expected to contribute substantially to Amadeus' growth prospects and will over time unlock the significant value of the Company's oil and gas portfolio.

Ends

Investor and media inquiries to:

Paul Downie

FD Third Person

08 9386 1233 or 0429 856 883