

ASX Announcement

ASX Code: AMU

14 October 2009

Chairman's Address – Annual General Meeting

Enclosed is a copy of the Chairman's Address to the general meeting of shareholders being held today.

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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 5 million barrels of oil and 60 billion cubic feet of gas (net to Amadeus) are being targeted through these development and exploration activities.

ASX Listed: **20 March 1997**

As at 30 Sep 09

Shares on issue:	~294 million
Unlisted options:	~9.5 million
Market Cap:	~\$69 million

Major Shareholders:

Wyllie Group Pty Ltd	9.17%
Spinifex Holdings / G Towner	4.55%

Top 20:	42.85%
Directors:	6.15%

www.amadeusenergy.com

CHAIRMAN'S ADDRESS

Thirteenth Annual General Meeting of Amadeus Energy Ltd

Wednesday 14 October 2009 - Perth

OVERVIEW:

Amadeus Energy Limited is well positioned for strong growth.

While 2008/09 was a difficult year, we have put in place a strategy that will deliver greater earnings through an advanced corporate and project development schedule focused purely on generating shareholder value.

There's no doubt it was a challenging year in terms of the volatility of the global energy sector in 2008/09 with oil prices plummeting to \$US32 per barrel within the first few months of last financial year, after a high of over \$US145 per barrel in July 2008, but during this period the Company performed relatively well.

We finished the year with net annual gas production steady at 1.6 billion cubic feet of gas while net oil production fell by only 3% to 458,000 barrels of oil.

Our operating costs maintained an average of below US\$15/barrel of oil equivalent. And while revenue from operations decreased 20% to A\$54.4 million, in line with the drop in prevailing commodity prices, the Company delivered EBITDA from Operations of A\$31 million compared to A\$44.6 million in the previous period.

Importantly earnings per share increased to 3.5c per share.

I'll talk later about the capital raising we have just finalised, which will strengthen our balance sheet and put us on a sound financial platform to achieve our growth targets.

But suffice to say, the intention to acquire TNT Engineering in the US, which will give us 100% operational control of our projects, reflects the strength of our assets.

It should not be forgotten that Amadeus is a US oil and gas producer. While the United States is a net importer of energy, it has a determined intention to increase energy production from within.

Subsequently, there is no better time than now to ensure we are in a driving position to optimise maximum value from our assets, continue to develop the fields we already own and keep a close eye on any future acquisitions in which we can identify future value for the Company.

Highlights of the 2009 financial year include:

FINANCIAL HIGHLIGHTS

- Cash flow from operating activities maintained at \$A29.6 million, indicating continued profitability and healthy margins of our US operations;

- Total revenue from operations decreased 20% to A\$54.4 million, in line with the drop in prevailing commodity prices;
- EBITDA from Operations down 30% to A\$31 million compared to A\$44.6 million in the previous period;
- Earnings per share increased to 3.5c per share; and
- Net profit before non-cash items of A\$24.4 million, the underlying profit is adjusted for non-recurring or non-cash items, which don't form part of the core operations.

OPERATIONAL HIGHLIGHTS

- Net annual gas production was steady at 1.6 billion cubic feet of gas;
- Net oil production fell by only 3% to 458,000 barrels of oil;
- Operating costs maintained at an average below US\$15/barrel of oil equivalent;
- Our US exploration and development program was revised downwards in the second half of the year, investing \$US17 million on 31 wells, with 19 being completed for production;
- Our reserves position has been impacted by lower prices and as at 1 July 2009 remains strong with proven reserves (1P) of 7.1 million barrels of oil equivalent and 2P (proven and probable) reserves of 12.4 million barrels of oil equivalent;
- An experienced in-house petroleum reservoir engineer has been appointed to our US team, which will result in cost savings by replacing third party consultants.

CORPORATE HIGHLIGHTS

- The Company successfully extended its US debt facility, during a period of volatility and bank pressures due to the global financial crisis;
- The Board initiated an extensive independent strategic and corporate review of the Company, focused on assessing the underlying value of its assets and identifying areas for improvement and strategic options for growth.

OUTLOOK

Since the end of the previous financial year, the Company has successfully undertaken a significant capital raising. Further capital was necessary to restructure the balance sheet. The funds will enable the Company to accelerate debt reduction, to recommence the exploration and development program (that was curtailed during the period of extended low commodity prices) and maintain our equity positions in existing prospects.

As announced on 7 September 2009, we are in negotiation to purchase our main operator in the US, 'TNT Engineering Inc'. This acquisition will deliver significant value to shareholders and further details will be announced in due course.

Oil commodity prices have recovered since 30 June, with West Texas Intermediate prices around US\$70 per barrel currently. Seasonally impacted Henry Hub gas prices are presently very low at around US\$3 per mcf.

Our strategy continues to combine increases to our production base in the United States, through both acquisition of producing properties, and working with our US partners on the exploration front.

I would like to acknowledge my fellow board members and our staff for their efforts during the year. I retire at the end of this meeting, as Chairman of Amadeus and would like to thank all those associated with my tenure and wish you all the best for the coming years.

Thank you to our US operators and partners, whose support is critical to the success of Amadeus.

Thank you to shareholders for your continuing interest in and support for the Company.

Hon Andrew Peacock AC

Chairman