

ASX Announcement

ASX Code: AMU

9 December 2009

DEVELOPMENT SUCCESS AT RACCOON BEND

RACCOON BEND PROJECT - AUSTIN & WALLER COUNTIES, TEXAS (AMU: 15% WI)

Amadeus Energy Limited (AMU) is pleased to announce that since the recommencement of the Company's development drilling programs in September, three successful wells have been drilled on the Raccoon Bend Project in Texas.

The Paine 47 well, logged 23 October 2009 encountered several oil productive Yegua (DY 3 and DY 4) sands from 3,956 to 4,030 feet. The well also has oil productive Gutowsky 'A' sand at 3,112 feet and oil pay in the Paine 'A' sand at 2,706 feet. The well also intersected two shallow gas sands at 2,664 and 2,682 feet. The Paine 47 was placed on production 10 November 2009 at an initial rate of 67 BOPD, a rate which as of early this week had remained constant.

The Wilson 30 well drilled immediately following the Paine 47 well, was logged 13 November 2009. This well encountered oil and gas productive Yegua sands between 3,930 and 4,120 feet, and it also encountered a 12 foot thick gas productive Caddell (lower Jackson age) sand at 3,774 feet. The well has been cased for production and is awaiting completion. This well is significant not only because it should be a good oil producer, but also because it has established the presence of oil in multiple Yegua sands well off the flank of the main Raccoon Bend Field, thereby extending the size, ultimate reserves and life of this old field. The operator has identified several additional large untested Yegua fault block targets on our existing leasehold along the southern and eastern flanks of the field.

The third well drilled in the current development program was the Austin College 38. This well was logged 26 November 2009, after reaching a total depth of 4,286 feet. This well encountered a gas productive Yegua DY 2 sand at 3,980 feet, an oil productive Gutowsky 'A' sand at 3,080 feet and an oil productive Paine 'A' sand at 2,680 feet. There are several other thin zones in the well that appear to be gas productive, such as a McElroy sand equivalent at 3,587 feet and a Grawunder 'C' sand 3,546 feet. This well will be completed immediately after the Wilson 30 well has been placed on stream later this month.

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.

ASX Listed: **20 March 1997**

As at 30 November 09

Shares on issue: ~304 million
Unlisted options: ~8.5 million
Market Cap: ~\$81 million

Major Shareholders:

National Nominees Ltd **8.80%**
Wyllie Group Pty Ltd **8.22%**
Spinifex Holdings / G Towner **4.41%**

Top 20: **45.26%**
Directors: **5.87%**

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Production levels at Raccoon Bend have continued to rise over the past 4 months, and the field is currently producing just over 800 BOE per day. The addition of the Wilson 30 and Austin College 38 wells to the production stream should help to raise the field's daily output. First sales proceeds from the new production at Raccoon Bend are anticipated within the next 30 days.

KELLY PROSPECT - WILLBARGER COUNTY, TEXAS (AMU: 50% WI)

The Peggy Koch 1 well on the Kelly Prospect in Willbarger County, Texas, commenced drilling on 24 November to test the Ellenberger formation at a depth of 5,500 feet. The well is the first to be drilled on the Kelly Prospect which was identified using 2D seismic results mapping the Canyon Lime formation being the main pay target for the prospect. The Kelly Prospect is located in North Central Texas adjacent to the Company's producing areas in Archer and Knox Counties. The Ellenberger, Canyon sands and the Palo Pinto Lime produce in the immediate area. No targets of interest were intersected on Peggy Koch 1 and the well was subsequently plugged and abandoned.

HALLETTSVILLE PROJECT – LAVACA COUNTY, TEXAS (AMU: 24.75% WI)

Drilling of the Smolik A3 well on the Hallettsville Project in Lavaca County, Texas is expected to commence next week. The well will be drilled to a depth of 11,300 feet and is targeting gross reserves of 10-15 BCF of gas and 300,000 barrels of oil. The target sands are the equivalents to the zones discovered in the Company's Garner 1 well, which is currently producing 1,800 MCFGPD and 55 BOPD.

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