



adelaide energy limited

**ANNUAL GENERAL MEETING – October 2009**  
**COMPANY UPDATE**  
**Presentation by the Managing Director**

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ACN : 116 256 823

ASX Code : ADE

[www.adelaideenergy.com.au](http://www.adelaideenergy.com.au)



“An Opportunity to Invest in an Exciting Oil and Gas Company”

# Company Snapshot – 2½ years on

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- ⌘ **Successful Listing on ASX on June 18, 2007**
- ⌘ **Present Market Cap of \$17.3M with share price at \$0.13**
- ⌘ **SHARE STRUCTURE**
  - **Total Shares on Issue : 133.3 M**
  - **Unlisted Options : 31.3 M at \$0.40 until 30 June 2011**
- ⌘ **CASH IN BANK : Approx \$7.0 M**
- ⌘ **GROSS REVENUE : \$185k per month (9 month average Jan – Sep 2009)**
- ⌘ **NO DEBT**



# The Company – Project Portfolio

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## ⌘ THE OTWAY PETROLEUM PROJECT (Otway Basin, SA) : 100% interest

This project produces cash flow and has significant upside exploration and appraisal potential

## ⌘ PEL 218 (Cooper Eromanga Basin, SA) : 10% interest

*Subject of recent acquisition by Beach Petroleum Ltd*

- Beach acquired 90% for \$5.14M cash (paid 28 May 2009) + \$0.96M placement (8M ADE shares at \$0.12) + \$0.43M reimbursement of 2000 HP Rig deposit (paid 23 July 2009)
- Beach free carries Adelaide Energy for first \$25M in expenditure on the block
- ADE now has 10% of Permian and Post Permian (after first Post Permian well – Wakefield 1)

## ⌘ PEL 105 Farmin (Cooper Basin, SA) : 50% interest to be earned

## ⌘ West Florence, Colorado, USA : 25% current interest (to be divested)



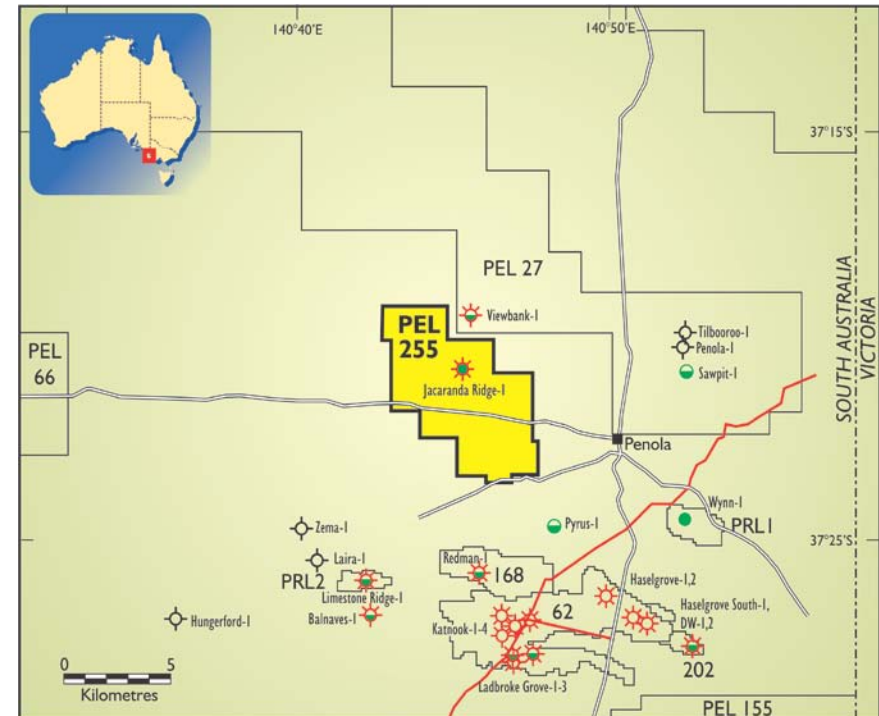
# THE OTWAY PETROLEUM PROJECT

## Onshore Otway Basin : 100% ADE South Australia

### 1. Former Origin Energy Assets

**Katnook Gas Plant + infrastructure**  
**Ladbroke Grove Gas Plant**  
**PRL's 1 (Wynn) & 2 (Limestone Ridge)**  
**PPL's 62, 168 and 202 (existing prod'n)**  
**13 producing/shut in wells**

*These assets are currently providing revenue to ADE via sales of gas and gas condensate through the Katnook Plant supplied from some of the existing wells. The annual gross revenue is currently estimated at \$2 – 2.5M (approx). ADE plans to increase this revenue over the next 12 months (surfactant treatment on existing wells, JR & LR tie ins etc).*





Part of the Company's Katnook Gas Facility

- 100% owned
- Capacity of 10 TJ/day
- \* Located near to infrastructure and markets
- \* Room for expansion



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# THE OTWAY PETROLEUM PROJECT

## Onshore Otway Basin : 100% ADE South Australia

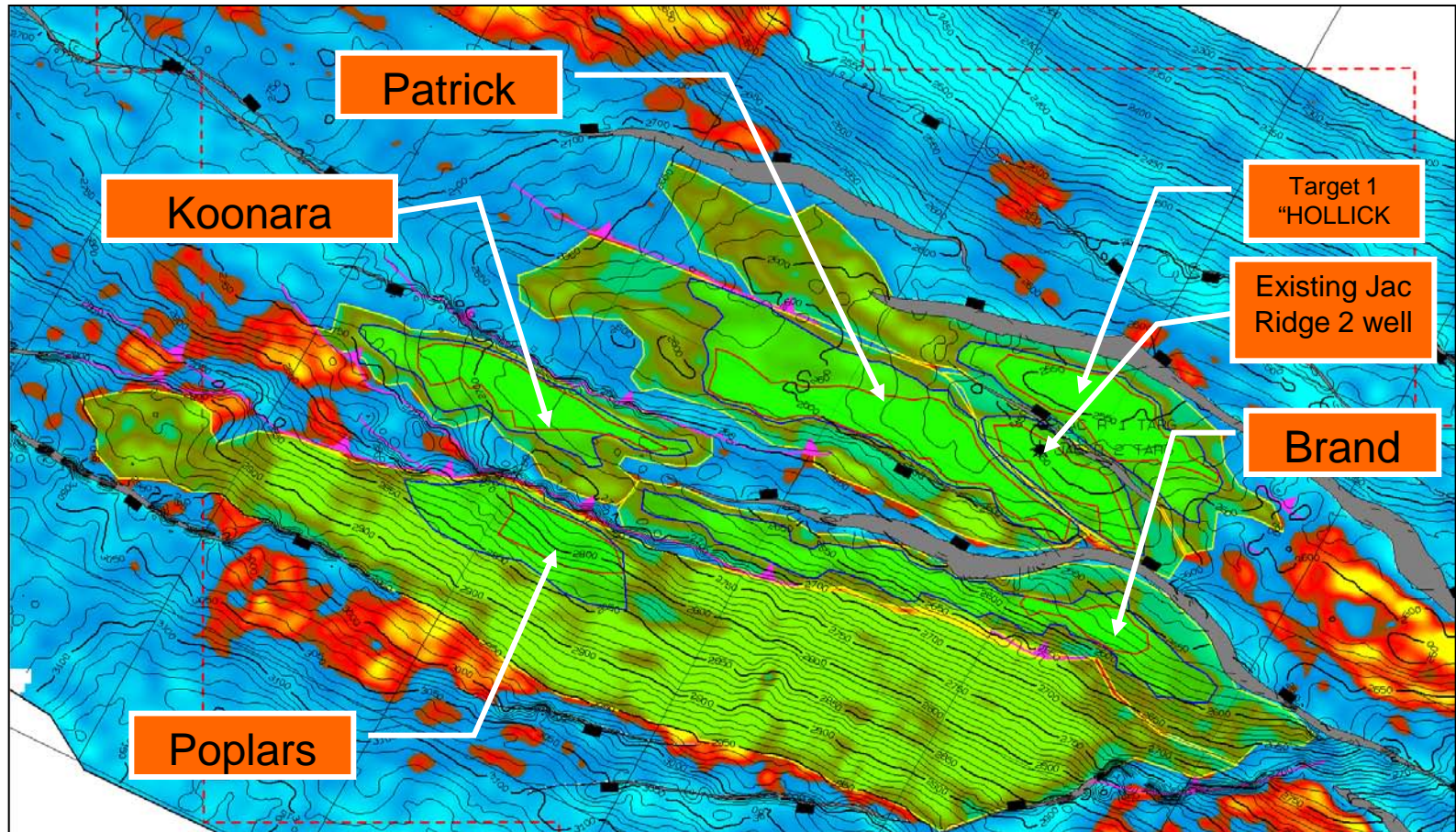
### 2. PEL 255 – Jacaranda Ridge

- ⌘ Area of 38 km<sup>2</sup>
- ⌘ Includes the Jacaranda Ridge 2 Discovery
  - *has been tested at 3 million cubic feet per day of gas and 200 barrels condensate per day*
  - *2P recoverable reserves recently booked at 131,000 barrels of oil equivalent*
  - *Plan to tie JR and Limestone Ridge (Origin purchase with 2P recoverable reserves of 71,400 barrels oil eq) in to Katnook by end 2009*
- ⌘ 3D seismic survey completed over entire block – interpretation complete with excellent results (next slide)
  - *3P recoverable reserves potential of 22 million barrels oil equivalent with 5 targets*



# THE OTWAY PETROLEUM PROJECT

## PEL 255 – 3D Seismic Interpretation

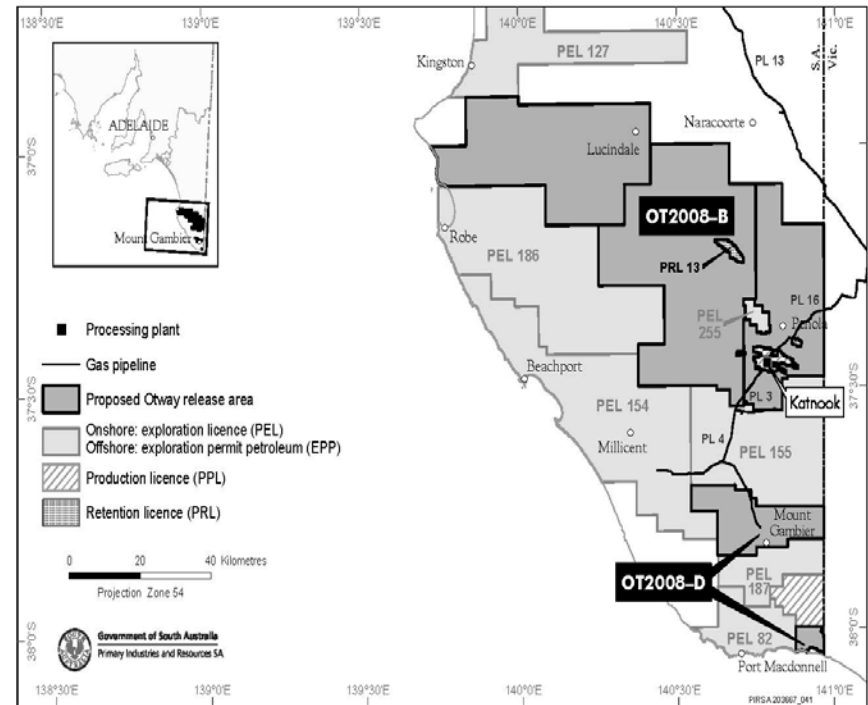


# THE OTWAY PETROLEUM PROJECT

## Onshore Otway Basin : 100% ADE South Australia

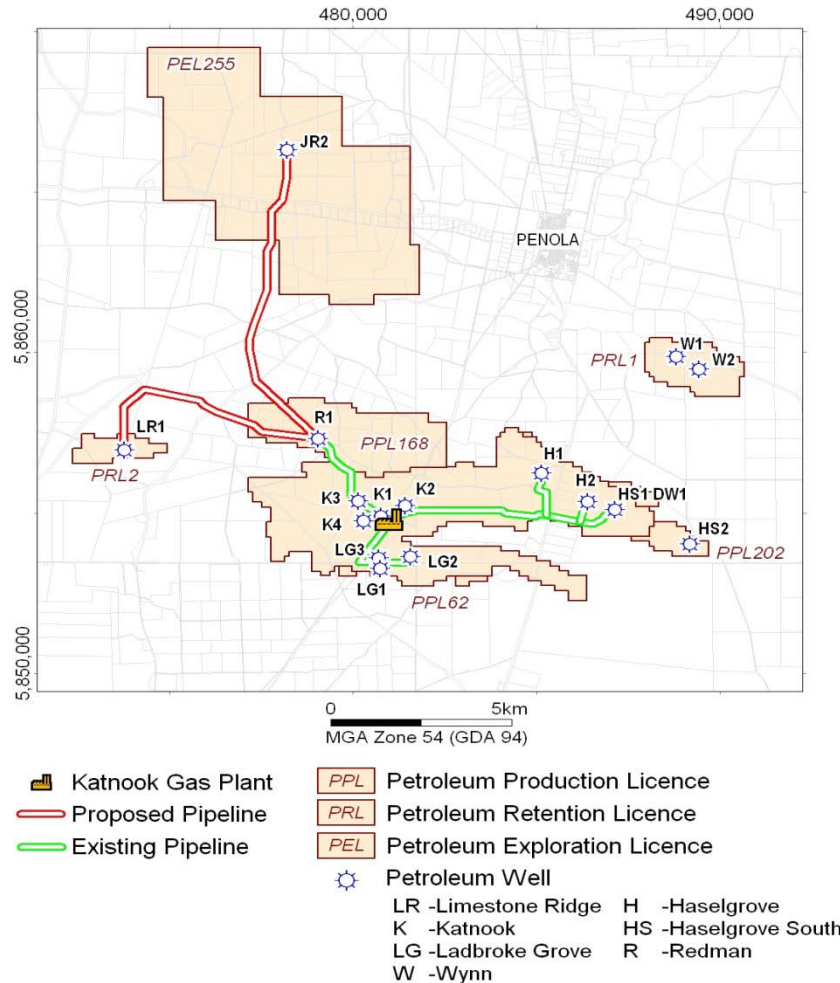
### 3. PEL 494 and 496

- ⌘ **Gazetted as blocks OT 2008 B (494) & OT 2008 D (496)**
- ⌘ **Located onshore Otway Basin**
- ⌘ **Blocks granted to ADE for 5 years in March 2009**
- ⌘ **Cumulative area of 2170 km<sup>2</sup>**
- ⌘ **ADE investigating and planning:**  
*2 plays in 494 with existing 2D seismic*  
*1 play in 496 (the Summerhill Prospect)*  
*further 2 and 3D seismic with gravity*
- ⌘ **Commitment of 3 wells and 70 kms 2D seismic in next two years over the two blocks**





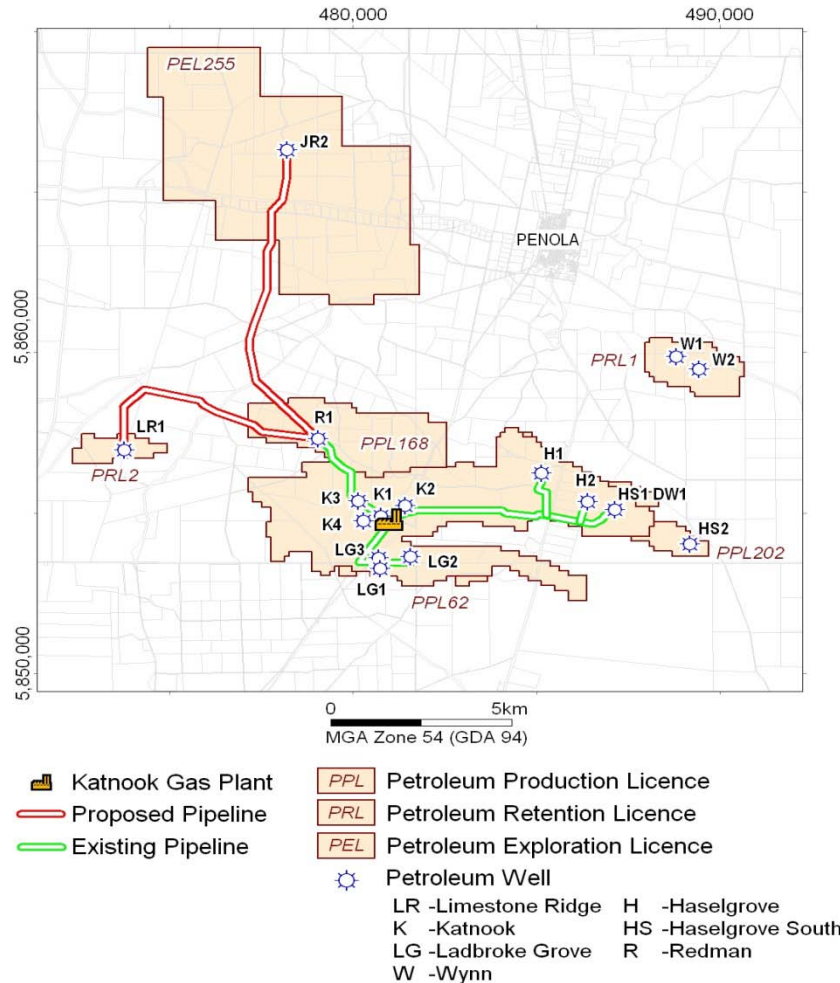
# Future Work – The Otway Project



1. Monitor surfactant injection strings in existing wells (Redman, Haselgrove and Haselgrove South). Improving production appears to be the case.
2. Tie Jacaranda Ridge and Limestone Ridge wells in to Katnook with new pipeline for a cost of \$3.5M – to be completed by March/April 2010.
3. Drill two PEL 255 wells in early 2010 (Hollick & Patrick) – if discoveries, tie in immediately to Jacaranda Ridge pipeline. Currently waiting on a drilling rig to become available.
4. Acquire 2D seismic over exploration acreage (PEL's 494 and 496) – complete processing and interpretation this FY



# Future Otway Work (contd)



1. Run completion in Wynn 2 well
2. Pipeline from Wynn 2 to Haselgrove
3. Pipeline from Haselgrove South 2 to HS 1 – bring HS 2 on line
4. Expect extra gas production – break even minimum case
5. Engineering Studies continuing on:
  - gas storage options*
  - power generation*
  - CO2 sales/sequestration*



# EXPLORATION PROJECTS – COOPER EROMANGA BASIN South Australia

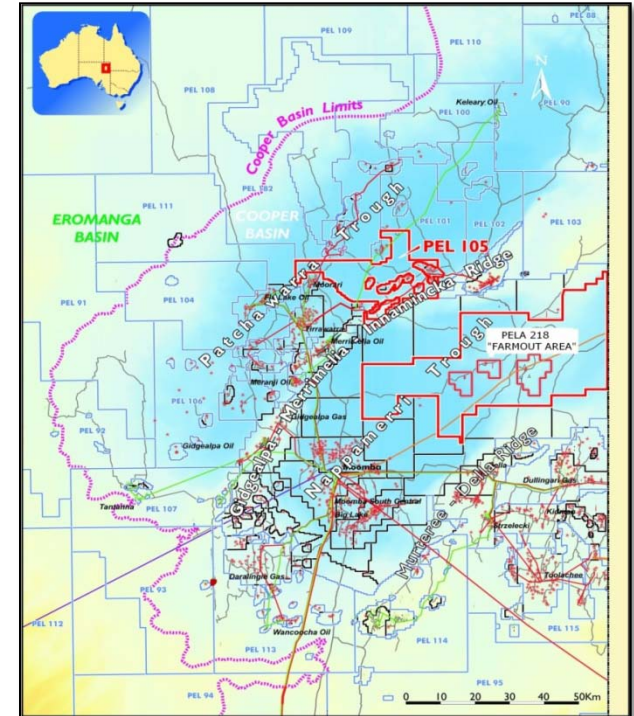
## A. PEL 218 – The Nappamerri Trough (ADE 10%)

- ⌘ Licence granted to ADE on 1 November 2007
- ⌘ Area of 1600 km<sup>2</sup> (395,000 acres) overlying the Nappamerri Trough
- ⌘ 90% interest sold to Beach Petroleum Ltd in May 2009 :

\$5.14M in cash paid 28 May 2009  
 \$0.96M in placement funds (8M shares at \$0.12 per share) and \$0.43M in Rig deposit reimbursed in July 2009

**ADE to be free carried on first \$25M expended**

- ⌘ To test the “Basin centred gas play” concept in the Permian – if proved, could access over 20 TCF gas
- ⌘ Post Permian well drilled to Nappamerri in Sep 2009 (Wakefield 1) at no cost to ADE – well was cased and suspended pending further work : oil shows were encountered but not tested : CBM potential?



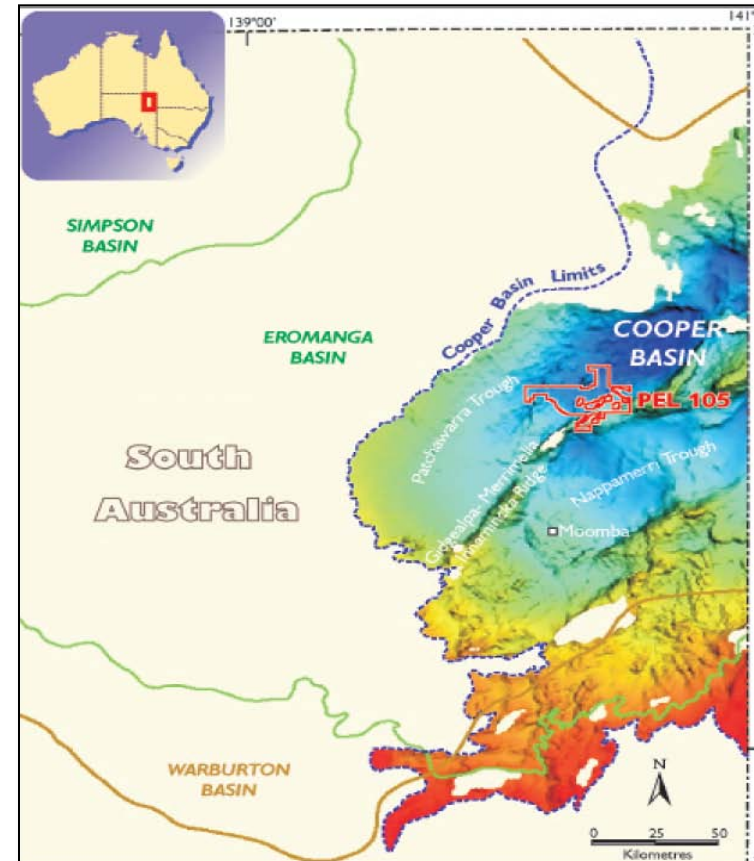
# EXPLORATION PROJECTS – COOPER BASIN South Australia

## B. PEL 105

- ⌘ Area of 437 km<sup>2</sup> (100,000 acres)
- ⌘ ADE has right to earn 50% of block by funding 1 well

*Note: have in principal agreement from licence holder to assign 50% to ADE now for a cash consideration of A\$ 250k. ADE then obliged to drill well and free carry licence holder the first \$1.75M.*

- ⌘ ADE is operator and is planning to drill Pirie 1 when a rig becomes available (possibly by early April 2010)
- ⌘ P10 potential of some 20MMBO



# COMPANY PERSONNEL

## The Board

**Neville Martin – Chairman ; Carl Dorsch – Managing Director ; Rod Hollingsworth, Peter Hunt – Non Exec Directors**

a Managing Director Carl Dorsch			
EXPLORATION		EXPLOITATION	
Conventional	Unconventional-New Projects	Drilling Operations <i>(drilling, completions, workovers)</i>	Production
Bill Fawcett <i>– Exploration Manager</i> Rod Lovibond <i>– Consulting Geophysicist</i>	Dave Warner <i>-New Projects : Ops Manager</i> Warren Leslie <i>- Consultant Geologist</i>	Phil Smith <i>- Consultant Drilling Engineer</i>	Dounia Clarke <i>– Engineering and HSE Mgr</i> Pat McCarthy <i>– Consultant Reservoir Eng</i>
<b>ADMINISTRATION</b> Joanna Tropa – Financial Controller Jodi Williams – Reception/Secretarial		<b>KATNOOK GAS FACILITY</b> Russell Campbell – Field Superintendant Simon Mooney – Gas Plant Supervisor Robert Thompson – Gas Plant Supervisor (Trainee) Peter Gray – Plant Maintenance Terra Nimbus Pty Ltd – Consulting Engineers GPA Engineering Pty Ltd – Consulting Pipeline Engineers	



# HS&E

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- ⌘ **Company HS&E Policies & Procedures are in place**
- ⌘ **All Environment licences current & no incidents**
- ⌘ **No LTI's or LTO's to date**
- ⌘ **Staff HS&E position (Dounia Clarke)**
- ⌘ **HAZOP completed on Katnook Gas Facility & Infrastructure in September 2009 – sign off by Regulators**
- ⌘ **Mandatory Vessel Inspections now complete**
- ⌘ **Regular Safety Reporting, Inspections and Meetings**



# THE COMPANY STRATEGY FOR GROWTH

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## *Increase Revenue & Reserves*

### *Increase Revenue by*

- ⌘ **Applying sound engineering to extend the life of existing assets**  
*Surfactant strings, well compression, gas injection/storage options etc.*
- ⌘ **Having the funds in place for building infrastructure**  
*Over 23 kms new pipeline to be laid in Otway early Jan 2010*  
*Pipelines to bring more gas and gas condensate to Katnook by April 2010*

### *Increase Reserves by*

- ⌘ **Having highly prospective & drillable projects with large upside potential**  
*PEL 255 – 2 wells planned for 2010 (Hollick to be drilled using existing cash)*  
*PEL 218 – free carried for first \$25M & potential 10% of multi TCF discovery*
- ⌘ **Having the funding in place for further drilling and expansion**  
*PEL 255 – Patrick 1 + 3 more drill targets*  
*PEL 105 – target Pirie 1 ready to drill this financial year: 50% interest*  
*Secure further acreage – ADE has recently applied for 4 more Cooper Basin blocks*  
*“UCG” – ADE is seeking opportunities for unconventional gas plays*



# Why invest in ADE?

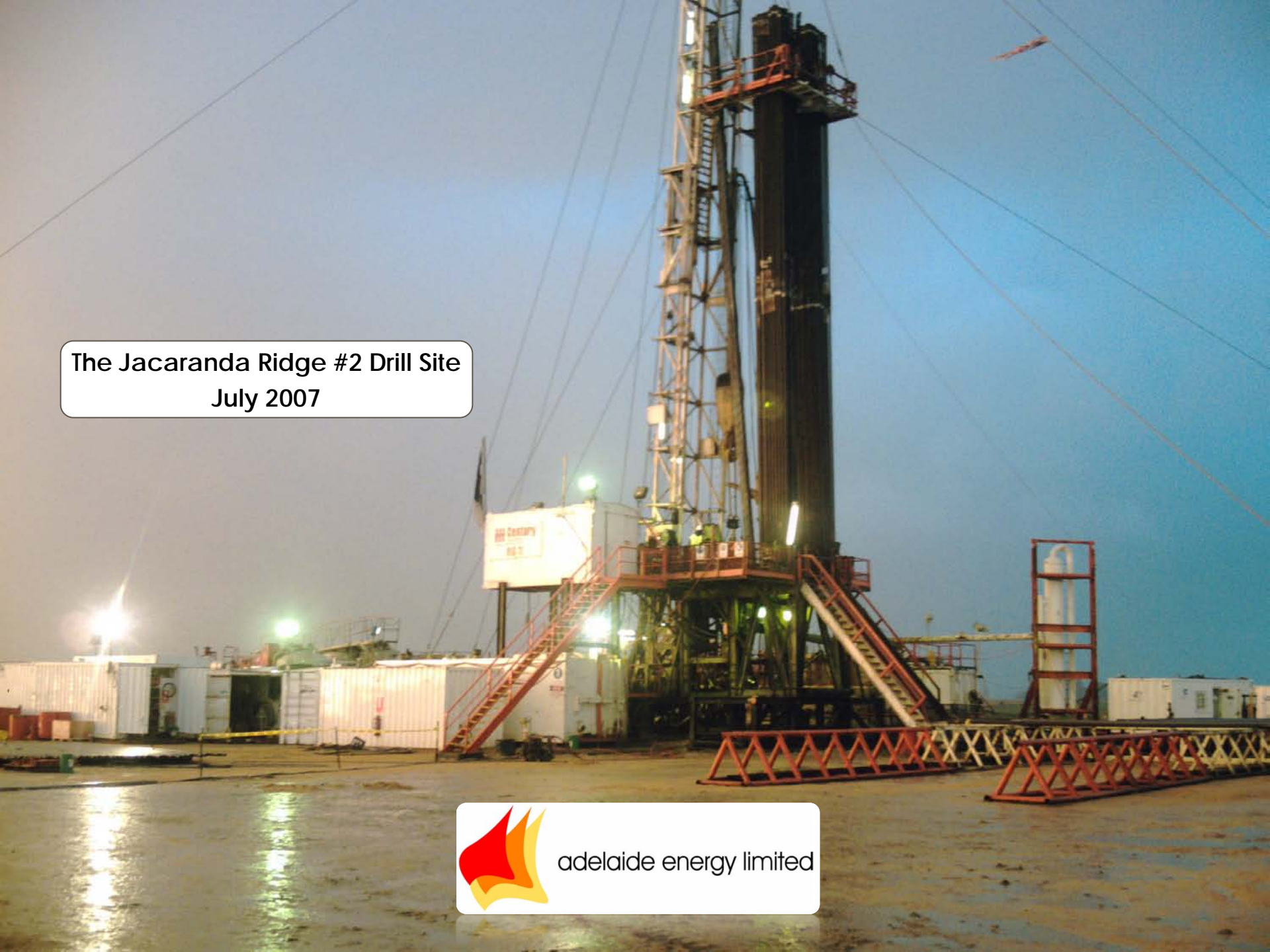
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- ⌘ Existing cash flow with optimistic forecasts
- ⌘ NO DEBT AND \$7M CASH IN BANK
- ⌘ Experienced, Professional & Competent team
- ⌘ Cash and funding in place for Company “*Increase R & R*” strategy
- ⌘ At least 4 WELLS this financial year
- ⌘ Potential for large growth in conventional and non conventional projects





The Jacaranda Ridge #2 Drill Site  
July 2007



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