



ADELAIDE
ENERGY
LIMITED

ADELAIDE ENERGY LIMITED
ABN 43 116 256 823

Friday 20 November 2009

General Manager
The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

Please find attached a company update presentation prepared by the Managing Director.

Further research material can be obtained from the company website
www.adelaideenergy.com.au.

Yours faithfully

Rajita Alwis
Company Secretary



adelaide energy limited

November 2009

COMPANY UPDATE

Presentation by the Managing Director

ACN : 116 256 823

ASX Code : ADE

www.adelaideenergy.com.au

"An Opportunity to Invest in an Exciting Oil and Gas Company"

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- ⌘ This document is not a prospectus or other disclosure document.



Company Snapshot

- ⌘ **PRODUCER : GROSS REVENUE** currently estimated at approx. \$2.0m - \$2.5M *revenue for this fiscal year via sales of gas and gas condensate*

- ⌘ **4 drilling targets (plus up to an additional 2 targets) in first 3 quarters of 2010**

- ⌘ **ASX Listed in June 2007 (ASX Code ADE)**

- ⌘ **SHARE STRUCTURE**
 - **Total Shares on Issue : 133.3M**
 - **Unlisted Options : 31.3M at \$0.40 until 30 June 2011**
 - **Options to be granted : 2M at \$0.20 until February 2012**

- ⌘ **CASH IN BANK : Approx \$7.0 M and no debt**

- ⌘ **Market Cap of \$17.3M (share price at \$0.13)**



Company – Project Portfolio

A - THE OTWAY PETROLEUM PROJECT (Otway Basin, SA – 100%)

- Gas Plants
- Cash flows (Sale of Gas and Gas Condensate)
- Exploration and appraisal potential
 - * PEL 255 – Hollick and Patrick
 - * PEL 494 and 496

B - PEL 218 (Cooper Eromanga Basin, SA – 10%)

- Exploration and appraisal potential
 - * PEL 218 *ADE has a free carry for first \$25M in expenditure on the block (Beach Petroleum Ltd acquired 90%)*

C - PEL 105 Farmin (Cooper Basin, SA – 50%)

JV with AKK (Austin Exploration)

D - West Florence, Colorado, USA : 25% current interest (to be divested)



A - THE OTWAY PETROLEUM PROJECT

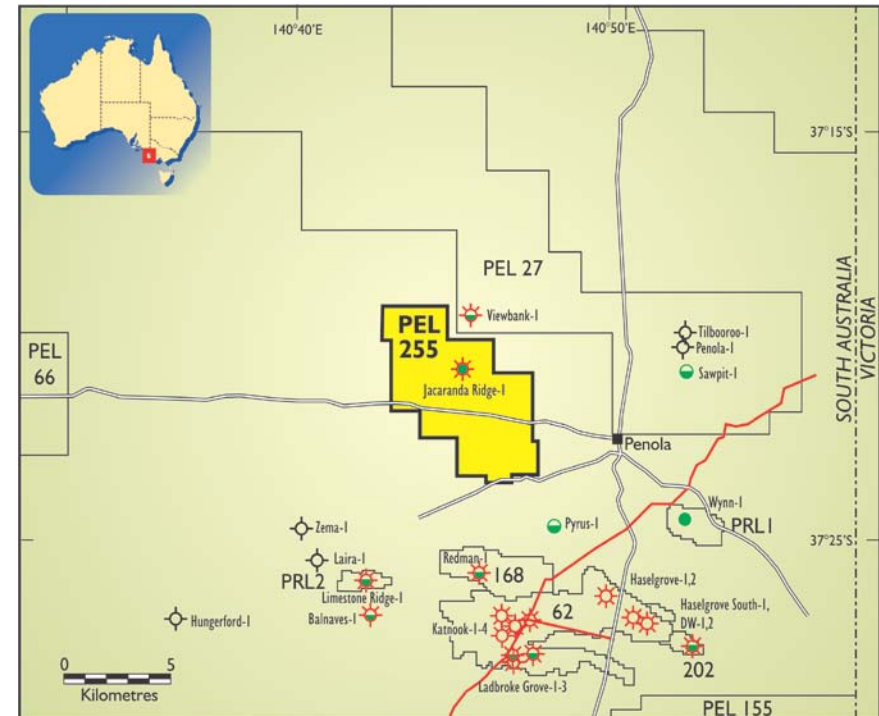
Onshore Otway Basin

1. Katnook Gas Plant + infrastructure Ladbroke Grove Gas Plant 100% ADE South Australia

(Former Origin Energy Assets)
 PRL's 1 (Wynn) & 2 (Limestone Ridge)
 PPL's 62, 168 and 202 (existing prod'n)
 13 producing/shut in wells

Revenue:

- Sales of gas and gas condensate through the Katnook Plant supplied from some of the existing wells.
- Annual gross revenue is currently estimated at \$2.0 m – \$2.5m (approx).



A - THE OTWAY PETROLEUM PROJECT

Onshore Otway Basin

1. **Katnook Gas Plant + infrastructure**
Ladbroke Grove Gas Plant
100% ADE South Australia

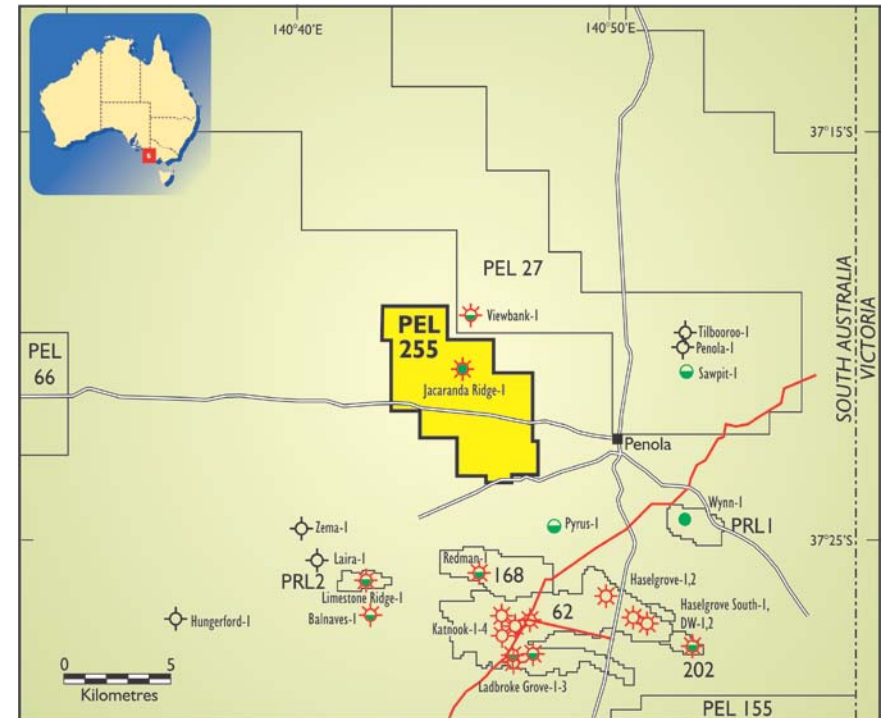
PLAN

a) Installation of pipeline

- Jacaranda Ridge 2
- Limestone Ridge 1

Over 23km of pipeline

- b) Increase revenue over the next 12 months (surfactant treatment on existing wells).





Part of the Company's Katnook Gas Facility

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



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A - THE OTWAY PETROLEUM PROJECT

Onshore Otway Basin

2. PEL 255 – Jacaranda Ridge 100% ADE South Australia

- ⌘ Area of 38 km²
- ⌘ Includes the Jacaranda Ridge 2 Discovery
 - 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
- ⌘ 3D seismic survey completed

PLAN

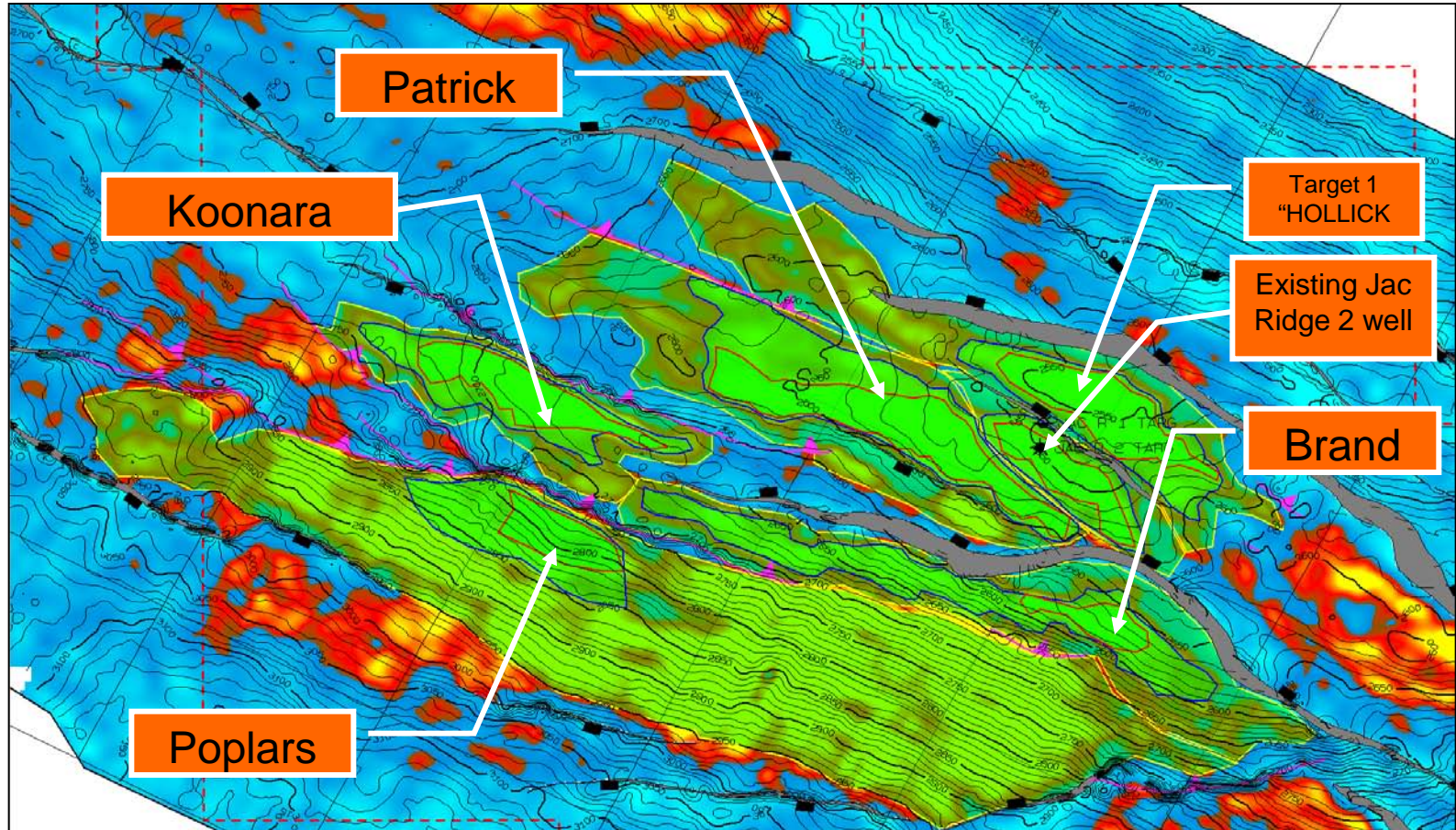
- a) Tie Jacaranda Ridge and Limestone Ridge (2P recoverable reserves of 200,000 barrels oil eq) in to Katnook by April 2010
- b) Drill 2 wells - Hollick #1 & Patrick #1
March & April 2010

- ⌘ - Possible recoverable resource (P10) of 22 million barrels oil equivalent with 5 targets



A - THE OTWAY PETROLEUM PROJECT

PEL 255 – 3D Seismic Interpretation



A - THE OTWAY PETROLEUM PROJECT

Onshore Otway Basin

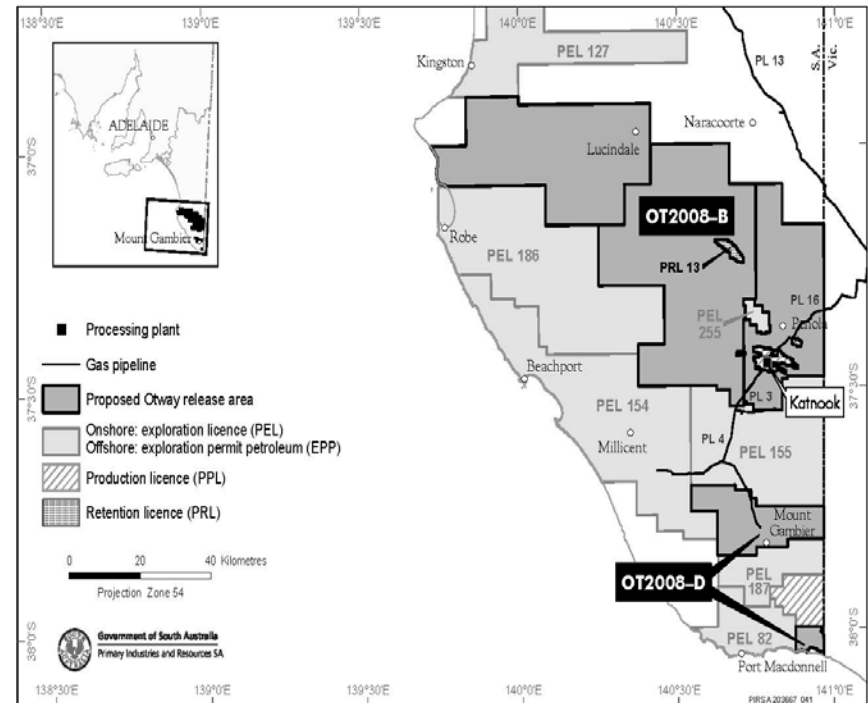
3. PEL 494 and 496 100% ADE South Australia

- ⌘ Cumulative area of 2170 km²
- ⌘ Granted to ADE for 5 years in March 2009

⌘ PLAN

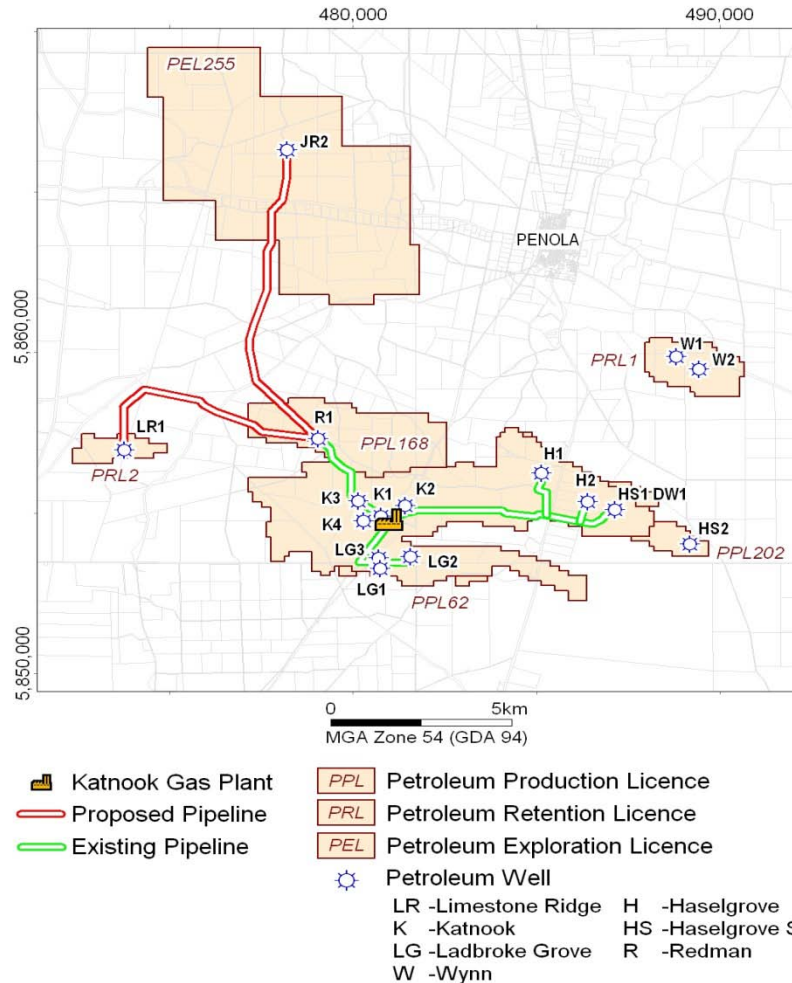
*2 plays in 494 with existing 2D seismic
1 play in 496 (the Summerhill Prospect)
further 2 and 3D seismic with gravity*

- ⌘ Commitment of 3 wells and 70 kms 2D seismic in next two years over the two blocks



A - THE OTWAY PETROLEUM PROJECT

Future Work

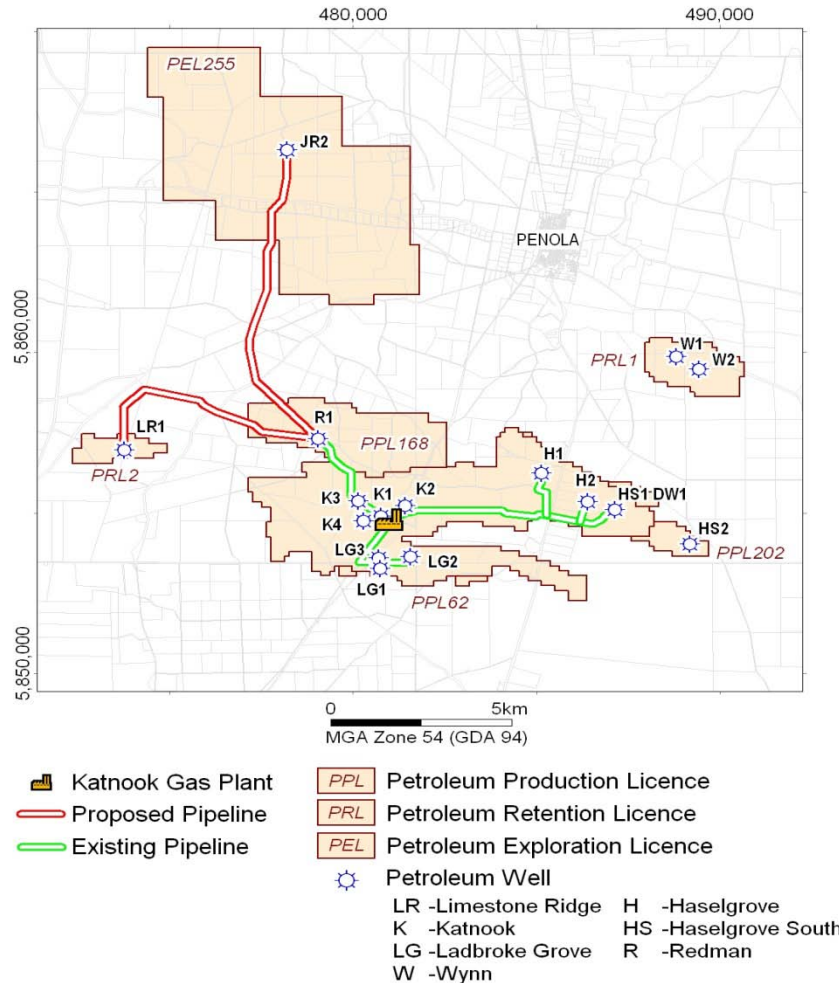


1. Aim to Improve Production
Monitor surfactant injection strings in existing wells (Redman, Haselgrove and Haselgrove South).
2. Installation of Pipeline (23km approx)
Tie Jacaranda Ridge and Limestone Ridge wells in to Katnook Plant, cost of \$3.5M – to be completed by March/April 2010.
3. Drill two PEL 255 wells in early 2010 (Hollick & Patrick) – if discoveries, tie in immediately to Jacaranda Ridge pipeline.
4. Acquire 2D seismic over exploration acreage (PEL's 494 and 496) – complete processing and interpretation this FY
5. Complete 2D seismic and drill 494 & 496 by FY 2011



A - THE OTWAY PETROLEUM PROJECT

Future 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*



B - EXPLORATION PROJECTS – COOPER EROMANGA BASIN South Australia

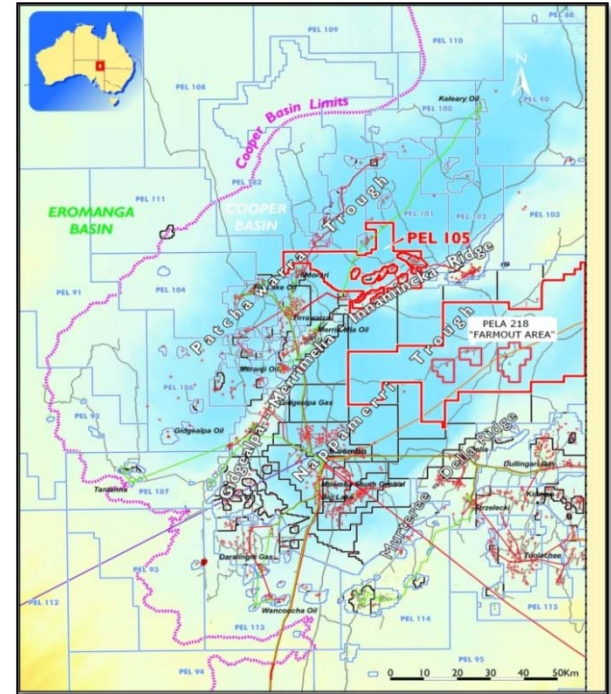
A. PEL 218 – The Nappamerri Trough (ADE 10%)

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

- ⌘ Licence granted 1 November 2007
- ⌘ Area of 1600 km² (395,000 acres) overlying the Nappamerri Trough
- ⌘ Beach Petroleum Ltd acquired 90% interest in May 2009 :
5.14M in cash (paid May 2009)
\$0.96M in placement funds (8M shares at \$0.12 per share) and \$0.43M in Rig deposit reimbursed in July 2009

PLAN

- ⌘ Drill well April 2010 and 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 : CSG potential?



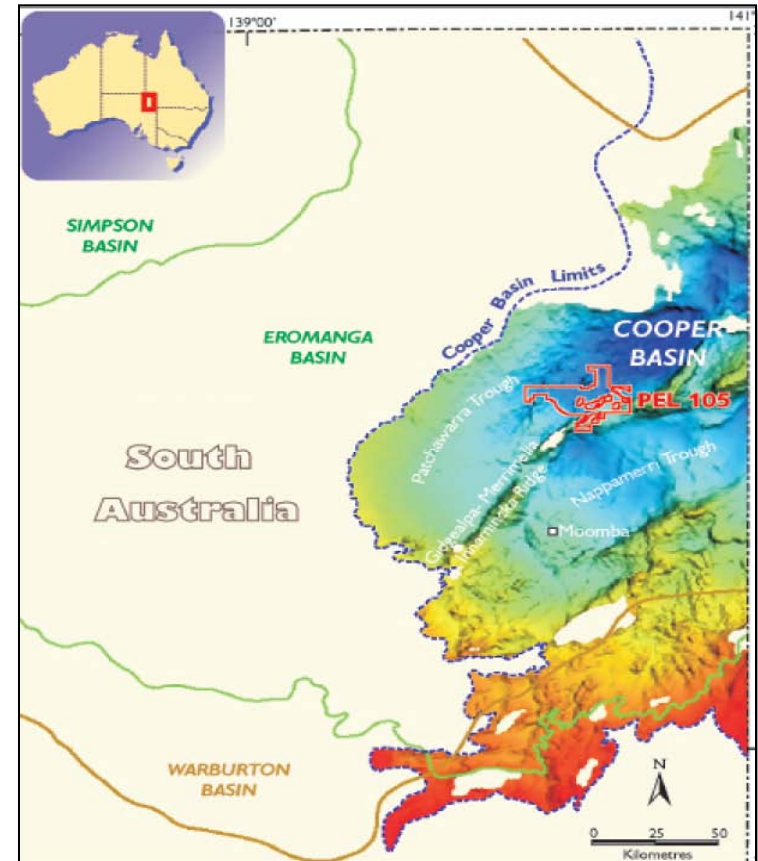
B - EXPLORATION PROJECTS – COOPER BASIN South Australia

B. PEL 105

- ⌘ Area of 437 km² (100,000 acres)
- ⌘ ADE has earned 50% of block and will partially fund 1 well

PLAN

- ⌘ ADE is operator, to drill Pirie 1 well in First Q 2010
- ⌘ P10 potential of some 20MMBO in place



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
(drilling, completions, workovers)

Production

Bill Fawcett
– Exploration Manager
Rod Lovibond
– Consulting Geophysicist

Dave Warner
– New Projects : Ops Manager
Warren Leslie
– Consultant Geologist

Phil Smith
– Consultant Drilling Engineer

Dounia Clarke
– Engineering and HSE Mgr
Pat McCarthy
– Consultant Reservoir Eng

ADMINISTRATION

Joanna Tropa – Financial Controller
Jodi Williams – Reception/Secretarial

KATNOOK GAS FACILITY

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



Health Safety and Environment

- ⌘ **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

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



Upcoming Activity

ACTIVITY	%	Q1 2010	Q2 2010	Q3 2010	Q4 2010	SUCCESS CASE
Katnook Gas and Gas Condensate Operations/Production	100%	FEED	FEED	FID		<ul style="list-style-type: none"> ▪ Optimising Production ▪ Material NPV
PEL 255 ⌘ Drilling (2 wells) ⌘ Connections	100%	1 drill well (Hollick)	1 drill well (Patrick)	Connect to pipeline if successful		<ul style="list-style-type: none"> ▪ Reserves ▪ Revenues ▪ NPV
PEL 218 drilling (1 well – fully carried for first \$25m costs)	10%	1 drill well to Permian and coring	Evaluate			<ul style="list-style-type: none"> ▪ Substantial gas contingent resources added (Tcfs)
PEL 105 drilling (1 well – farming in)	50%		1 drill well	Evaluate		<ul style="list-style-type: none"> ▪ Oil reserves (mmbbls)
Southern Independent Underground Gas Storage (SIUGS)	100%	MOU	Agmt			<ul style="list-style-type: none"> ▪ Monetisation of hidden asset value ▪ Material NPV
Acquisitions	Up to 100%	Cooper gazettal	Options pursued	Options pursued	Options pursued	<ul style="list-style-type: none"> ▪ Large acreage ▪ Substantial URG potential ▪ Larger Cooper exposure



Conclusion

- ⌘ **Producer with cash flows**
- ⌘ **Aim to increase gas and gas condensate production from existing discoveries, engineering and exploration success**
- ⌘ **Aim to drill 4 WELLS (with possible additional 2 wells) this financial year (or be involved)**
- ⌘ **Exploration Upside:**
 - **PEL 255 & 105; oil potential of approx 40m barrels of oil on a P10 basis**
 - **Further potential for large growth in conventional and non conventional projects**
- ⌘ **\$7 m cash in bank and No debt.**
- ⌘ **Beach Petroleum invested in ADE 7% and meeting \$25m in costs to farm in PEL 218**
- ⌘ **Experienced, Professional & Competent team**



The Jacaranda Ridge #2 Drill Site
July 2007



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