

ASX/MEDIA ANNOUNCEMENT

16th September 2009

The Manager
Companies Announcements Office
Australian Securities Exchange



PEL 218 POST PERMIAN – WELL UPDATE

WAKEFIELD #1

- *Wakefield #1 drilling ahead at 1467 metres*
 - *Adelaide Energy Limited free carried on well*
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Adelaide Energy Limited (ASX code: ADE) advises that drilling is proceeding in the Cretaceous at an 06:00 depth of 1467m at the Wakefield #1 oil exploration well. The well is located within Petroleum Exploration Licence 218 in the Cooper Eromanga Basin of north east South Australia and is approximately 50 kms north east of Moomba.

The well will target multi zones to the top of the Permian with a planned total depth of 2380m. The target zones are within the Murta, Namur, Birkhead and Hutton formations.

The Murta Formation, the first target of the well is expected to be penetrated in the next few days at 1790m.

The well is located 7 kms west of the Burley 2 well which had good oil shows within the target zones of Wakefield #1.

Adelaide Energy Limited has a 10% free carried interest in the well.

The operator of the well reports daily on the progress of the well to the Company and regular updates will be relayed to the market when appropriate.

For further information contact:

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ASX Code : ADE

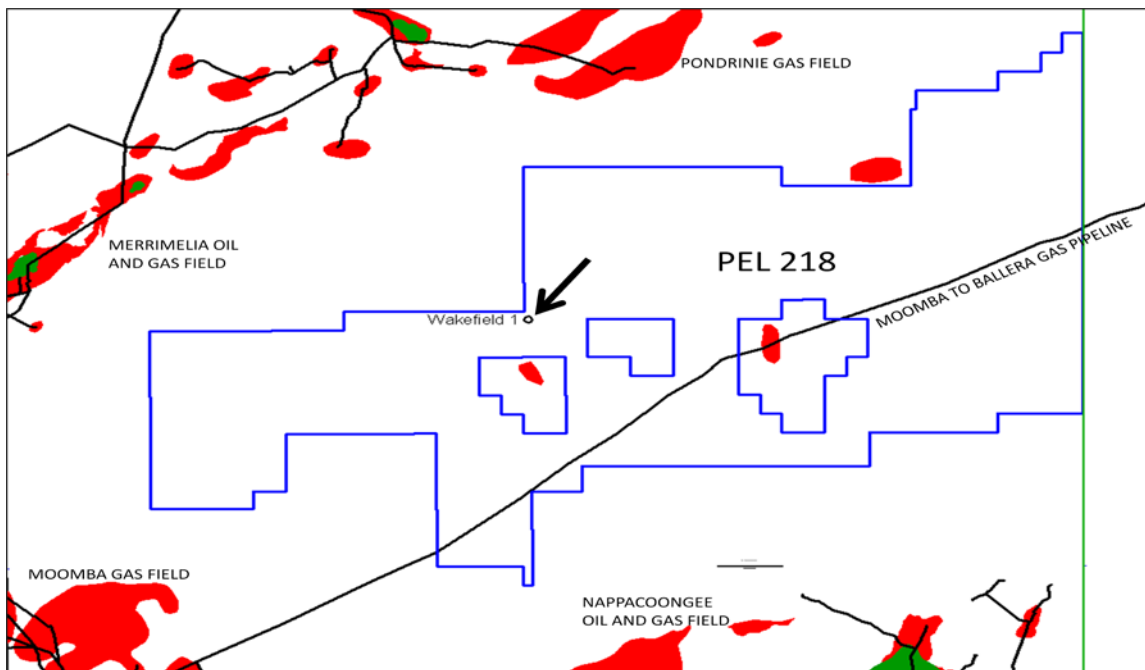
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Background

PEL 218 is located within the Nappamerri Trough which is a major source “kitchen” for oil that is being produced in the fields to the north and south of the block. Oil generated from Permian and Jurassic source rocks in the Trough has migrated vertically and laterally onto the trough’s margins. The Wakefield structure is therefore ideally placed to receive oil and gas which has migrated vertically from the source but being deeper in the basin, the reservoir quality is the main risk.

Seven additional structural leads have been identified by ADE using previous seismic data as well as the recent Wakefield Seismic Program completed by ADE on behalf of the original Joint Venture Parties earlier this year.

The unrisks potential recoverable resource of oil from all levels in the Wakefield structure is over 11 million barrels.



Competent Persons Statement:

The information in this report that relates to Hydrocarbon Resources is based on information compiled by Mr. Carl Dorsch, Managing Director of Adelaide Energy Limited, who is leading the Company's operations efforts with the help of various professional consultants who are experts in their fields.

Mr. Dorsch has been a member of the Society of Petroleum Engineers since 1981 and a director of the Company since January 2006. He holds Bachelor of Science and Bachelor of Chemical Engineering degrees from the University of Adelaide, South Australia and is a Chartered Engineer as well as a Fellow of the Institute of Chemical Engineers.

Mr. Dorsch has over 25 years experience in the oil and gas exploration and production business both in Australia and on the international stage. Although specialising in drilling and completion operations, his career has included reservoir and production studies at University and in the work place.

Mr. Dorsch has sufficient experience in the activities undertaken to qualify as a Competent Person(s) as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Dorsch hereby consents to the inclusion of the information in this release and the form and context in which it appears.