

ASX/MEDIA ANNOUNCEMENT

21st August 2009

The Manager
Companies Announcements Office
Australian Securities Exchange



THE OTWAY PETROLEUM PROJECT - UPDATE

KATNOOK GAS PRODUCTION & OPERATIONS

- *Gas Sales proceeds for July now received*
 - *Injection Strings run in three gas wells*
-

Adelaide Energy Limited (ASX code: ADE) has now received payment of \$217,160 for July 2009 gas sales arising from its operation of the Katnook Gas Plant, located in the south east region of South Australia. This makes total revenue for gas and gas condensate sales for the seven months commencing January 2009 of \$ 1,148,960.

Further, the Company is pleased to announce that the 1/8" stainless steel surfactant injection strings have been successfully run in three existing wells viz., Redman 1, Haselgrove 1 and Haselgrove South 1. The work was completed on budget at around \$250,000 and allows direct injection of the surfactant/detergent solution at around 2900m at +/- 20 litres per day using a solar powered injection pump system (see photos below).

The Otway Petroleum Project (100% ADE) consists of:

- PEL 255 : contains the Jacaranda Ridge 2 discovery + 5 extra targets
- The Katnook Gas Assets consisting of:
 - The Katnook Gas Processing Plant and associated infrastructure
 - The Ladbroke Grove Gas Processing Plant and associated infrastructure
 - Petroleum Retention Licences 1 & 2
 - Petroleum Production Licences 62, 168 & 202
 - Existing gas pipelines to the Gas Plants from wells in the PPL's
 - 13 Producing/shut in gas/gas liquids wells
- PEL's 494 and 496 – 2 exploration licences awarded to ADE on 24 March 2009

For further information contact:

Carl Dorsch
Managing Director
Adelaide Energy Limited
Mob: 0400 508 088
c.dorsch@adelaideenergy.com.au
ASX Codes : ADE, ADEO

Rod North
Managing Director
Bourse Communications Pty Ltd
Mob : 0408 670 706
rod@boursecommunications.com.au



Figure 1: Adelaide Energy's Field Superintendent, Russel Campbell at Haselgrove 1 Production Tree showing the surfactant injection line



Figure 2: The solution injection tank and solar powered injection system at Haselgrove 1 Production Well Site