

ASX/MEDIA ANNOUNCEMENT

13th October 2009

The Manager
Companies Announcements Office
Australian Securities Exchange



THE OTWAY PETROLEUM PROJECT - UPDATE KATNOOK GAS PRODUCTION & OPERATIONS

- *Record revenue for gas/gas condensate production in September*
 - *Good results from surfactant injection*
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Adelaide Energy Limited (ASX code: ADE) continued to have good production at its Katnook Gas Facility during September 2009 and has logged a record revenue month for gas and gas condensate sales, some 16% higher than the previous best month (August 2009).

The Company continues to investigate various production scenarios in order to optimise gas and gas condensate production from the various fields which tie in to the Facility. Monitoring of wells that have recently been fitted with surfactant injection suggests an increase in production days is being achieved.

As part of the production routine for the fields, there will be a period of shut in during October to allow wellhead pressures to increase. The opportunity will be taken to schedule 10 year pressure vessel safety inspections during this period with a view to resuming production by the end of the first week of November 2009.

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

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