



Adelaide Energy Limited (“ADE”)

Australian Stock Exchange Announcement

General Manager
The Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgment System

Dear Sir/Madam

Fourth Quarter Activities Report

Three Months from 1 April 2009 to 30 June 2009

Highlights:

1. OIL AND GAS PROJECT ACTIVITIES

a. The Otway Petroleum Project : Onshore Otway Basin, South Australia (100% ADE)

Katnook Gas Plant

On 1 June 2009, the Company finalized the Katnook Gas Assets acquisition from Origin after receiving approval from the South Australian Mineral Resources Development Minister.

The wells Haselgrove-1, Haselgrove South-1, Katnook-2 and Redman-1 contributed to gas and gas condensate production during the quarter.

The Company’s gross revenue from gas and gas condensate sales totalled approximately \$ 425,000 in the quarter. Revenue for the 6 months in the period Jan 1 2009 to June 30 2009 was \$932,000 for a total number of production days of 87 for the total of 181. These figures will be used to benchmark the performance of the wells and the plant in to the future and following the placement of injection strings in the first quarter FY2010 and new production in early 2010.

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

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ABN 43 116 256 823



Petroleum Exploration Licence 255 (PEL 255)

No activity was recorded during the quarter.

Petroleum Exploration Licences 494 and 496 (PEL's 494 and 496)

The Company continued to plan for the acquisition of around 70 kms of 2D seismic in the blocks. The seismic is planned to commence prior to year end 2009 and is centred around 2 targets. The seismic will help in defining the structures more closely and hopefully lead to at least two drilling targets.

b. PEL 218 : Cooper Basin, South Australia : 100% - 10% ADE

The Company executed the PEL 218 Farm-in Agreement during the quarter which enabled Beach Petroleum Ltd to acquire a 90% interest in the Permian and Post Permian strata of PEL 218. The terms of the deal were announced on 22 May 2009 and payment of \$5.14 M in cash as part settlement was received in the quarter. Beach is to fully carry the Company through the next \$25M of exploration expenditure in the Permit.

c. PEL 105 : Cooper Basin, South Australia : ADE to earn 50% Interest

Negotiations are continuing with potential farm-in partners with Pirie-1 now planned for the last quarter 2009. Hydrocarbon shows over the Tirrawarra Sandstone section down to approximate structural spill suggest a P10 potential of over 20 million barrels of oil in place.

d. West Florence Prospect : Colorado, USA : 25% ADE Participating Interest

During the reporting period the West Florence 1 well (Slanovich 32-23) flowed for the entire period. Oil rate has declined dramatically and a total of 35 barrels only were produced for the quarter. The Company is awaiting a workover/drilling plan from the operator prior to any decision going forward.

The Company is in continuing negotiations to dispose of the asset.

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2. ACTIVITY UPDATE

The following update is a summary of activity from the end of the quarter to the reporting date.

a. PEL 218 – 10% ADE

The Company announced the completion of the acquisition of a 90% interest in the Permit by Beach Petroleum Limited on 23 July 2009. As well as the \$5.14 M in cash paid by Beach to the Company in the quarter, the additional considerations for completion were:

- i) Beach to fully carry the Company through the next \$25M of exploration expenditure – Beach has reimbursed the Company for the drilling rig deposit as part of this (\$430,000).
- ii) Beach has been issued 8 million fully paid ordinary shares in the Company for a total subscription of \$960,000 (\$0.12 per share). Funds were received on 23 July 2009.
- iii) The PEL 218 Joint Venture interests are now:

Permian		Post Permian	
Adelaide Energy	90%	Beach	70%
Beach	10%	Adelaide Energy	10%
		Icon Energy Ltd	10%
		Deka Resources P/L	5%
		Well Traced P/L	5%

- iv) Beach has assumed the role of operator for the PEL 218 Permit.



A D E L A I D E
E N E R G Y
L I M I T E D

b. Katnook Gas Production – The Otway Petroleum Project

Katnook gas and gas condensate production was continued in July 2009 with the plant shut in on 14th July 2009 for compressor maintenance. Production is expected to re commence in early August 2009.

The Company reported that it had lodged the Pipeline Licence Application for gas gathering lines from Jacaranda Ridge 2 and Limestone Ridge 1 to the Katnook Plant. It plans to commence construction in the last quarter 2009.

3. CAPITAL

The company issued 8,000,000 ordinary shares at \$0.12 per security.

4. FINANCIAL

Cash at the end of the quarter was \$4,211,000. This does not include the funds detailed in part 2(a)(ii) above.

Attached is the Appendix 5B Statement of Cash flows for the period from 1 April 2009 to 30 June 2009.

For further information contact:

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ASX Codes: ADE,ADEO

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ADELAIDE ENERGY LIMITED

ABN

43 116 256 823

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	381	787
1.2 Payments for (a) exploration and evaluation	(981)	(5,102)
(b) development	(114)	(114)
(c) production	(349)	(682)
(d) administration	(322)	(1,565)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	120
1.5 Interest and other costs of finance paid	(2)	(68)
1.6 Income taxes paid		
1.7 Other (provide details if material) –		
- ATO Tax Credits received	20	536
- JV Cash Call Funds for PEL218	18	715
Net Operating Cash Flows	(1,336)	(5,373)
Cash flows related to investing activities		
1.8 Payment for purchases of:	-	-
(a)prospects	-	-
(b)equity investments		
(c) other fixed assets	(2)	(1,102)
1.9 Proceeds from sale of:	-	-
(a)prospects	-	-
(b)equity investments		
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
- Sale on PEL 218 interest	5,140	5,140
Net investing cash flows	5,138	4,038
1.13 Total operating and investing cash flows (carried forward)	3,802	(1,335)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	3,802	(1,335)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	325
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(6)
	Net financing cash flows	-	319
Net increase (decrease) in cash held			
		3,802	(1,016)
1.20	Cash at beginning of quarter/year to date	409	5,227
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,211	4,211

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	168
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and salaries paid during the quarter amounting to and other fees paid to director associated entities amounting to \$168,000
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	520
4.4 Administration	80
Total	900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,057	281
5.2 Deposits at call	168	128
5.3 Bank overdraft		
5.4 Other (provide details)	(14)	
Total: cash at end of quarter (item 1.22)	4,211	409

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	PEL 218 Holder of Exploration Licence	100%	10%
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	105,107,625	105,107,625		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2011 A Class Options 31,333,332	2011 A Class Options	<i>Exercise Price</i> \$0.40	<i>Expiry Date</i> 30/06/2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	2009 Attaching Options 31,142,374	2009 Attaching Options 31,142,374	<i>Exercise Price</i> \$0.25	<i>Expiry Date</i> 30/6/2009
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..
(Company Secretary)

Date: 31 July 2009

Print name: RS Alwis

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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