

# ASX/MEDIA ANNOUNCEMENT

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The Manager  
Companies Announcements Office  
Australian Securities Exchange



## THE OTWAY PETROLEUM PROJECT - UPDATE

### KATNOOK GAS PRODUCTION & OPERATIONS

- **Gas Production record for the month of August**
  - **Injection String Performance Monitoring continuing**
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Adelaide Energy Limited (ASX code: ADE) continues to monitor the performance of its producing gas and gas condensate wells at the Katnook Gas Plant, located in the south east region of South Australia. This follows the installation of three injection strings in the middle of August 2009 which was announced previously. Although early days, the Company can report that monthly gas production for August has been the highest for the Company since production commenced in January 2009.

Further, the Company would like to announce that plans for the drilling of Hollick #1 in PEL 255 are well under way. Timing for the spud of the well will be dependent on rig availability but the Company hopes to commence prior to year end. Hollick #1 is the first of a series of five appraisal targets located in PEL 255 and in close proximity to the Jacaranda Ridge #2 gas discovery – the well is targeting a hydrocarbon pool potentially around 3.1 times the size of Jacaranda Ridge 2.

*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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