

ASX/MEDIA ANNOUNCEMENT

21 April 2010

The Manager
Companies Announcements Office
Australian Securities Exchange



THE OTWAY PETROLEUM PROJECT – WEEKLY DRILLING REPORT AND REGULAR PROJECT UPDATE

The *Otway Petroleum Project* is Adelaide Energy Ltd's (ADE's) 100% owned suite of integrated production, development and exploration oil and gas assets, which are located in the South Australian section of the onshore Otway Basin.

Given the current drilling and other ongoing activity currently being undertaken by ADE in the *Otway Petroleum Project*, the company intends in this quarter to issue weekly drilling reports and regular project updates to investors on the progress being made in the various drilling and other project areas.

WEEKLY DRILLING REPORT TO 0600 hrs 21 April 2010

ITEM	DETAIL
Well name	▪ Patrick – 1
Permit	▪ PEL 255
Participants	▪ ADE – 100%
Primary targets	▪ Jacaranda Ridge/Sawpit sandstone
Measured Depth (MD) – current	▪ 901 m (metres)
MD @ end of previous week	▪ 0 m
Metres drilled during week	▪ 901 m
Target depth – true vertical depth (TVD)	▪ 2630 m
Target depth – measured depth (MD)	▪ 2675 m
Total depth of well (MD)	▪ 2953 m
Activities during week	▪ Spud well on 19 April 2010 (00:01hrs) , drill 12¼” surface hole, prepare to run 9 5/8” surface casing
Current activity	▪ Prepare to run 9 5/8” casing
Safety issues	▪ None
Environmental issues	▪ None

PROJECT UPDATE

PROJECT AREA	PROGRESS REPORT
Drilling – Patrick #1	<ul style="list-style-type: none">▪ See weekly drilling report▪ Attachment 1 shows a picture of the Hunt rig on the previous well (Hollick 1). Patrick 1 surface location is 40m to the west of this with the target sandstone some 265m to the west north west
New facilities	<ul style="list-style-type: none">▪ The connection of the Limestone Ridge well into the new gathering pipeline network connecting gas discoveries with the Katnook Plant is now complete▪ Gas flows to the plant from this well have been intermittent over the past week due to commissioning and compressor problems▪ Equipment is now on site to repair and modify production components - continuous production is now expected in the next few days▪ No LTI, environmental or other issues have arisen in the construction to date

The Otway Petroleum Project (100% ADE) comprises:

- a. PEL 255 : contains the Jacaranda Ridge 2 discovery + 5 extra targets
- b. 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 (Wynn) & 2 (Limestone Ridge)
 - 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
- c. PEL's 494 and 496 – 2 exploration licences awarded to ADE on 24 March 2009

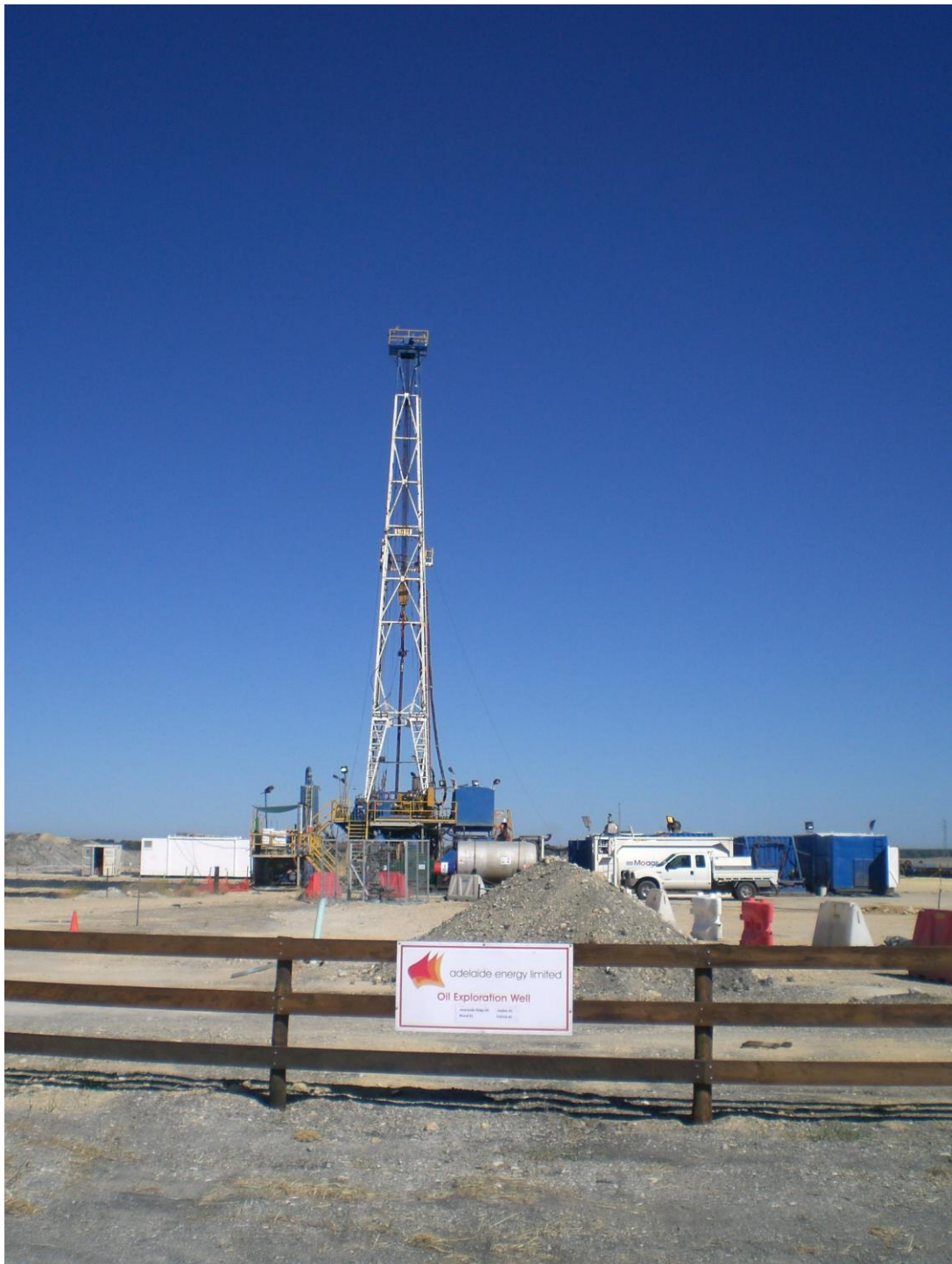
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ASX Code : ADE

Attachment 1 – Hollick 1 Drilling



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