

# ASX/MEDIA ANNOUNCEMENT

17 March 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 17 March 2010**

| ITEM                                     | DETAIL   |
|--|--|
| Well name                                | ▪ Hollick-1  |
| Permit                                   | ▪ PEL 255  |
| Participants                             | ▪ ADE – 100%   |
| Primary targets                          | ▪ Jacaranda Ridge/Sawpit sandstone   |
| Measured Depth (MD) – current            | ▪ 1710 m (metres)  |
| MD @ end of previous week                | ▪ 902 m  |
| Metres drilled during week               | ▪ 808 m  |
| Target depth – true vertical depth (TVD) | ▪ 2860 m   |
| Target depth – measured depth (MD)       | ▪ 2950 m   |
| Activities during week                   | Drill ahead directionally in 6¾" hole to 1710m (hole angle 17.65 deg, azimuth 44.3 degrees): change out drill bits |
| Current activity                         | ▪ Preparing to drill ahead after bit change  |
| Safety issues                            | ▪ None   |
| Environmental issues                     | ▪ None   |

Attachment 1 below is a time-depth curve for the well. The plot is a graphic representation of progress to date compared to the planned progress. It indicates that the drilling is some 5 days behind schedule at the present depth of 1710m. This has been due to rig repairs and slower than expected drilling times. The Company and the drilling contractor will be working to keep to schedule and trying to make up time without compromising our Health, Safety and Environmental Policies.

Target depth is expected to be reached in the next 7 days.

## **PROJECT UPDATE**

| <b>PROJECT AREA</b> | <b>PROGRESS REPORT</b>   |
|---------------------|--|
| Seismic             | <ul style="list-style-type: none"><li>ADE has completed the 2D acquisition in PEL's 494 and 496 (total of 96kms): full processing and interpretation to be finalised by mid year</li></ul> |

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

**For further information contact:**

**Carl Dorsch**  
**Managing Director**  
**Adelaide Energy Limited**  
**Mob: 0400 508 088**  
[c.dorsch@adelaideenergy.com.au](mailto:c.dorsch@adelaideenergy.com.au)

**Neil Young**  
**Chief Commercial Officer**  
**Adelaide Energy Limited**  
**Mob : 0417 850 245**  
[neil.young@adelaideenergy.com.au](mailto:neil.young@adelaideenergy.com.au)

**ASX Code : ADE**

Attachment 1 – Depth vs Time Curve

