

# ASX/MEDIA ANNOUNCEMENT

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The Manager  
Companies Announcements Office  
Australian Securities Exchange



## THE OTWAY PETROLEUM 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 substantial ongoing activity currently being undertaken by ADE in the *Otway Petroleum Project*, the company intends in this quarter to issue regular updates to investors on the progress being made in the various project areas, as follows:

PROJECT AREA	PROGRESS REPORT
Drilling	<ul style="list-style-type: none"><li>▪ The Hunt Energy rig which ADE has contracted to drill Hollick and Brand has commenced drilling a well for CO2CRC just over the Victorian border</li><li>▪ ADE's expected spud date remains on track for the first fortnight in March 2010</li><li>▪ Preparation of the drill pads at the Jacaranda Ridge wellsite is now 100% complete</li><li>▪ Geothermal drilling near Katnook has recently commenced. ADE has an information sharing agreement with the Operator of this well and this information will add to the Company's extensive exploration data base in the Otway Basin region</li></ul>
Production enhancement	<ul style="list-style-type: none"><li>▪ The gas-jack units recently installed on existing wells appear to be contributing to additional production</li></ul>
New facilities	<ul style="list-style-type: none"><li>▪ The installation of the new gathering pipeline network connecting the Limestone Ridge and Jacaranda Ridge discoveries with the Katnook Plant is proceeding well and connection remains expected by early May 2010</li><li>▪ No LTI, environmental or other issues have arisen in the construction to date</li><li>▪ Photos on the attachment illustrate the progress being made</li><li>▪ ADE is very pleased with the work undertaken to date by the pipeline contractor CDP/DTM Pty Ltd</li></ul>
Seismic	<ul style="list-style-type: none"><li>▪ The commencement of ADE's Otway 2D seismic program in PEL 494 and 496 remains on track for commencement in early March 2010</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 & 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
- 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 – Pictures of Pipeline Installation Activity

