

ASX/MEDIA ANNOUNCEMENT

31 March 2010

The Manager
Companies Announcements Office
Australian Securities Exchange



HOLLICK-1 : WEEKLY DRILLING REPORT TO 06:00hrs 31 March 2010

Adelaide Energy Limited (ADE) is pleased to provide the weekly update on the drilling progress at its Hollick #1 well which is being drilled in its 100% owned Petroleum Exploration Licence 255 (PEL 255).

This follows on from yesterday's announcement of gas readings of over 2000 units upon intersecting the primary target called the Jacaranda Ridge Sandstone which is estimated to be over 50 metres thick.

The deeper Sawpit Sandstone target which flowed gas to surface at rates of 2.5 – 3.0 million cubic feet per day in the Jacaranda Ridge 2 discovery well has been penetrated at around 2794 metres Measured Depth with maximum gas shows of 230 units with fluorescence.

The Daily Geological Report for yesterday which is prepared at the well site by the Company geologist is attached for reference.

The Company will continue to issue further updates as the well evaluation program develops.

Total depth for the well is expected in the next 24 hours.

ITEM	DETAIL
Well name	▪ Hollick-1
Permit	▪ PEL 255
Participants	▪ ADE – 100%
Primary targets	▪ Jacaranda Ridge/Sawpit sandstone
Measured Depth (MD) – current	▪ 2901m (metres)
MD @ end of previous week	▪ 2418m
Metres drilled during week	▪ 483 m
Total Planned depth – measured depth (MD)	▪ 2950 m
Top of Jacaranda Ridge Sandstone (MD)	▪ 2666 m
Estimated vertical thickness (m)	▪ 50 m (approx) – gas units (20 – 2483)
Activities during week	▪ Drill ahead directionally in 6 ¾" hole with bit and drilling assembly changes as required.
Current activity	▪ Drilling ahead to Total Depth
Safety issues	▪ None
Environmental issues	▪ None

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ASX Code : ADE

Attachment 1 – Daily Geological Report (for 30 March 2010)



DAILY GEOLOGICAL REPORT

WELL: Hollick-01 **REPORT No.:** 27 **DAYS FROM SPUD:** 27 **DATE:** 30/03/10
PL: PEL 255 **0000 hrs Depth:** 2820 m **LAST DEPTH:** 2661 m **PROGRESS:** 159 m.
LOCATION: Otway Basin **Rig:** Hunt #2 **RT elevation:** 60.8 m **PTD:** 2950 m.
Seismic: 2008 JR 3D **Line** In-line 1206 X-Line 513 **Ground Level** 56.5 m
NEARBY WELLS: Jacaranda Ridge-02 (2007)
0600 OPS: Thursday 31/03/10 (0000 - 0600 hours) Drill to 2901m.
PREVIOUS 24 Hours Operations: Finish slip & cut – Run in hole - Drill to 2767m. – Wiper trip – Drill to 2820m.

Formation Tops (Wellsite Drilling)	Wellsite (mRT)	Wellsite (mSS)	Prognosed (mRT)	Depths (mSS)	Prognosis Diff H/L	Diff H/L
Gambier Limestone	5.3	56.5	4.3	+56.5		
Dilwyn Formation	174.0	-113.2	245.0	-184.2		
Pember Mudstone			435.0	-374.2		
Pebble Point Formation			473.0	-412.2		
Sherbrook Group			479.0	-418.2		
Eumeralla Formation	632.0	-571.2	632.0	-571.2		
Katnook / Windermere <i>Crayfish Unconformity</i>	1563.0	-1479.1	1539.7	-1457.5	-21.6	
Laira Formation	1587.0	-1502.0	1562.9	-1480.0	-22.0	
Pretty Hill Sandstone	1723.0	-1692.3	1700.1	-1610.0	-82.3	
Upper Sawpit Shale	1809.0	-1713.4	1818.8	-1722.9	9.5	
Jacaranda Ridge Ss.	2666.0	-2528.1	2684.2	-2546.0	17.9	
Sawpit Shale	2721.0	-2582.2	2718.9	-2579.0	-3.2	
Sawpit Sandstone	2794.0	-2654.0	2792.5	-2649.0	-5.0	
Total Depth			2950.2	-2799.0		

Interval (m)	Lithology Description	Gas/ Breakdown C1/C2/C3/C4/C5
2661 – 2666	SILTSTONE with minor interbedded SANDSTONE. SILTSTONE, moderate to dark grey to grey-brown, firm, sub-fissile to sub-blocky, occasionally lithic and sandy in part, carbonaceous specks and mica flakes, argillaceous. SANDSTONE, white to pale grey, occasional pale yellow-brown, very fine to fine, occasional loose translucent medium quartz grains, sub-angular to sub-rounded, moderate sorted, lithic, feldspathic, occasional silty, minor mica flakes and carbonaceous specks, moderate to abundant clay matrix, moderate to strong calcite cement, moderately hard, poor porosity.	9 - 15 units 89/8/3/Tr
Fluorescence		

Jacaranda Ridge Sst.

2666 – 2721	SANDSTONE with minor interbedded SILTSTONE. SANDSTONE, white, pale brown, very fine to fine, sub-angular to sub-rounded, moderate sorted, minor to moderate lithics mica flakes and feldspar, occasional carbonaceous specks and silty carbonaceous laminae, abundant clay matrix, moderately calcareous, moderately hard, poor to occasional fair porosity. SILTSTONE, moderate to dark grey, dark grey-brown to black, firm to hard, sub-blocky, argillaceous and grades to shale / claystone in part.	20 - 2483 units 85/9/4/2/Tr
Fluorescence	20-90% fluorescence, moderately bright (at top) to dull (at base) yellow-white, slow instant bluish white cut with moderate white residue ring.	

Lower Sawpit Shale

2721 – 2794	SILTSTONE with minor interbedded SANDSTONE. SILTSTONE, light to predominantly dark grey to grey-brown, firm to hard, sub-fissile to sub-blocky, lithic, feldspathic and sandy in part, common carbonaceous material and brown mica flakes, grades to shale / claystone in part. SANDSTONE, white to off white, pale grey, very fine to fine, sub-angular to sub-rounded, moderate to well sorted, lithic, feldspathic, abundant clay matrix, moderately calcareous, moderately hard, very poor porosity.	56 - 344 units 84/8/5/3/1
Fluorescence	Tr-10% dull to very dull yellow fluorescence, trace to minor moderately bright bluish-white, very slow cut with trace to minor bluish white film / residue ring.	

Sawpit Sst.



DAILY GEOLOGICAL REPORT

2794 – 2865	Interbedded SANDSTONE and SILTSTONE.. SANDSTONE, white, very fine to fine, occasionally medium and rare coarse, sub-angular to sub-rounded, moderate sorted, lithic, feldspathic, minor carbonaceous specks, abundant clay matrix, moderately calcareous in part, friable to moderately hard, poor porosity. SILTSTONE, moderate to dark grey to grey-brown, firm to hard, sub-blocky, lithic, feldspathic and sandy in part, occasional very fine grained sandstone laminae.	67 - 231 units 86/7/4/2/1
Fluorescence	40-80% predominantly dull yellow with minor moderately bright bluish white fluorescence with a slow diffuse cut and faint white residue film.	