



1 February 2010

Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Via ASX Online

KENNEDY #1H - OPERATIONS UPDATE

Adelphi Energy Limited ("Adelphi") is pleased to provide the following update on operations at the Kennedy #1H well.

Adelphi has been advised by the Operator, Texas Crude Energy Inc ("TCEI"), that the isolation plugs set as part of the fracture stimulation operations have been drilled out and the well commenced unloading at 0100 hrs on Thursday, 28 January 2010 (USCST).

The initial production rate going to sales at 0700 hrs on Saturday 30, January (USCST) using a 22/64 choke was 4.39 mmscf/d gas and 1,132 bpd of condensate. The water production rate, from the recovery of frac fluids, was 408 bwpd.

Whilst these initial rates are very encouraging, the following points should be noted:-

- This is an initial production rate during clean up and is not yet indicative of a short or long term production profile.
- The well still has considerable fluids to recover from the fracture stimulation operations.
- The well is flowing from approximately 2,200 ft of stimulated Eagle Ford Shale with the remainder of the 4,000 ft horizontal liner isolated and not contributing.
- The well is currently producing through the 7" production casing, with a production tubing string to be installed in due course.

Adelphi's Managing Director, Chris Hodge commented:

"Whilst it is early days, these initial flow rates are extremely encouraging including the expected high condensate ratio. We look forward to seeing how the well cleans up as well as the imminent fracture stimulation of our Weston well. Together with the three new wells being drilled as part of the farm-in program by Hilcorp across the Sugarloaf AMI, we expect to obtain additional valuable production performance data in the very near term to further prove up the commercial potential of our interests."

Adelphi will continue to advise the market on production rates as part of its regular updates or as specifically required.

Adelphi currently (pre-farmout) has a 20% working interest in the Sugarloaf AMI including the Kennedy #1well.

Other ASX listed participants in the Sugarloaf AMI, and their respective pre-farm-out working interests are:

| | |
|----------------------------|-------|
| Aurora Oil and Gas Limited | 20.0% |
| Eureka Energy Limited | 12.5% |

Adelphi Energy Limited

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Yours faithfully

A handwritten signature in blue ink that reads "Chris Hodge". The signature is written in a cursive style with a horizontal line under the name.

CHRIS HODGE
Managing Director
Adelphi Energy Limited