

ASX/MEDIA ANNOUNCEMENT

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The Manager
Companies Announcements Office
Australian Securities Exchange



FURTHER NAPPAMERRI TROUGH SHALE GAS PERMIT EQUITY ACQUIRED

Adelaide Energy Ltd (ADE) is pleased to announce the execution of an Agreement with a private company to extinguish that party's right to farm-in and acquire a 12.5% interest from ADE's equity in ATP 855P in the Queensland part of the Nappamerri Trough (see attached map). The consideration for this extinguishment is \$3M in cash and the issue of 7M ADE shares. The cash component is payable in instalments.

ADE now has a 20% unencumbered equity interest in this tenement, which abuts PEL 218, the permit within which ADE has recently participated in a successful 2 well (Encounter-1 and Holdfast-1) shale gas drilling program.

Commenting on the transaction, Carl Dorsch, ADE's Managing Director, said:

"Through this transaction ADE has now cemented a strong unencumbered 20% equity position in this large and highly prospective permit, with a 82,942 net acreage position. The good recent results from our adjacent PEL 218 permit have provided strong indications of a very large gas prospective resource in the Nappamerri Trough, which also underlies APT 855P."

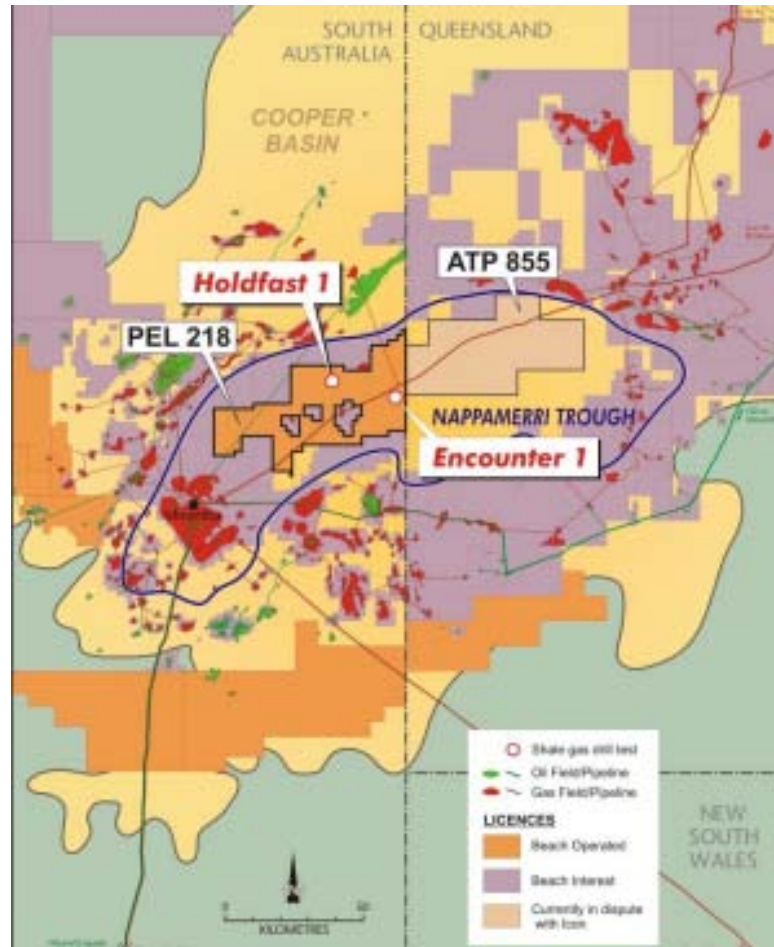
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Nappamerri Trough Permits



Map – courtesy Beach Energy Ltd