

ASX/MEDIA ANNOUNCEMENT

15 April 2011

The Manager
Companies Announcements Office
Australian Securities Exchange



KILLANOOLA SOUTH-EAST 1 WELL SPURRED

Adelaide Energy Ltd (ADE) is pleased to announce the spudding last night of the Killanoola South-East 1 (KSE-1) well in its 100% owned PRL 13 permit in the South Australian Otway Basin.

The attached time/depth curve indicates that this well is expected to take around 9 days to drill and results are therefore expected by late next week (probably over Easter) at which time the Company will advise the market of the initial results from the well.

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

"KSE-1 is being drilled in a retention lease which contains an oil discovery made in the late-1990s. Oil was produced from the Killanoola-1 well, but when a pump failed at a time when oil prices were only slightly more than 10% of the current oil price, operations were suspended. The oil market environment is very different today, and given we have an estimated P50 recoverable figure of around 250,000 barrels (and a P10 figure of ~2.7M barrels), a discovery should be very profitable.

Our existing operations base at Katnook will allow us to manage the operational issues of any oil production from PRL 13 with only low marginal costs."

For further information contact:

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ASX Code : ADE

Competent Persons Statement

The information in this statement that relates to Hydrocarbon Resources is based on information compiled by Mr Carl Dorsch (Managing Director) of the Company who is leading the Company's operations efforts with the help of various professional consultants who are experts in their fields.

Mr Dorsch has been a member of the Society of Petroleum Engineers since 1981 and a Director of the Company since January 2006. He holds Bachelor of Science and Bachelor of Chemical Engineering degrees from the University of Adelaide, South Australia and is a Chartered Engineer as well as a Fellow of the Institute of Chemical Engineers.

Mr Dorsch has over 30 years experience in the oil and gas exploration and production business both in Australia and on the international stage. Although specialising in drilling and completion operations, his career has included reservoir and production studies at University and in the workplace.

Mr Dorsch has sufficient expertise in the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Mr Dorsch hereby consents to the inclusion of the information in this release and the form and context in which it appears.

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Time/Depth Curve

