

ASX/MEDIA ANNOUNCEMENT

13th April 2011

The Manager
Companies Announcements Office
Australian Securities Exchange



2011 SHARE PURCHASE PLAN AND PLACEMENT

Adelaide Energy Limited (**ADE**) wishes to announce that it will conduct a Share Purchase Plan (**SPP**) to provide eligible shareholders with an opportunity to subscribe for new fully paid ordinary shares in the capital of ADE (**New Shares**) in parcels of \$2,000, \$5,000, \$10,000 or a maximum of \$15,000 allowed under Class Order 09\425 and ASX listing rules, without incurring brokerage or other transaction costs.

Participation in the SPP is optional and is open to eligible shareholders who, at 17:00 hrs CST on Tuesday 12th April 2011 (**Record Date**), are registered as holders of fully paid ordinary ADE shares and whose address on the share register is in Australia or New Zealand and who are not otherwise acting for the account or benefit of U.S. persons. Due to legislative requirements, it is not possible for holders of ADE shares with registered addresses in other jurisdictions to participate in the SPP. Certain custodians and nominees may be able to participate on behalf of each eligible shareholder's interest for whom they hold ADE shares at the Record Date without a requirement for the person's interest to be expressly noted on ADE's share register. Further details will be set out in the terms and conditions of the offer documentation.

The issue price per share under the SPP will be fourteen cents (A\$ 0.14), which is a discount of nearly 20% of the weighted average market price of fully paid ordinary ADE shares sold on the ASX during the five trading days before the date this SPP was announced.

A maximum of **30,000,000** New Shares will be issued. ADE may scale back applications under the SPP if the New Shares applied for exceeds 30,000,000. If there is a scale back, ADE may in its absolute discretion determine to apply the scale back to the extent and in the manner that it sees fit. Note that listing rules allow the Company to issue under an SPP up to 30% of its fully paid ordinary shares already on issue.

The SPP will not be underwritten.

The Company also announces that it is placing a total of **31,000,000** Placement Shares to sophisticated investors immediately after the Record Date and at fourteen cents (A\$ 0.14). This placement does not require shareholder approval as the Company has the capacity to list the Placement Shares under the ASX Listing Rules.

Funds raised will be used to cover short term commitments as well as help the Company meet operating expenses and to continue to participate in its shale gas exploration and appraisal programs in South Australia and Queensland.

Shareholders who may be eligible to participate in the SPP will be mailed the SPP terms and conditions and a letter inviting them to participate in the SPP. Shareholders are encouraged to read the terms and conditions carefully and if in any doubt about whether or not to participate in the SPP, to consult a professional adviser. ADE is not providing investment advice or making any recommendation in relation to the SPP.

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ASX Code : ADE

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This statement does not constitute an offer of any securities for sale. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements.