

ASX/MEDIA ANNOUNCEMENT

10 November 2011

The Manager
Companies Announcements Office
Australian Securities Exchange



BEACH ENERGY LIMITED TAKEOVER OFFER FOR ADELAIDE ENERGY LIMITED – UPDATE

The Board of Adelaide Energy Ltd (ADE) wishes to update the market of the following matters with respect to the above:

1. It appreciates the support of shareholders to date and notes the relatively low number of shareholders who have sold shares.
2. ADE wishes to remind shareholders that the offer does not close until 22 December 2011. The offer cannot be with-drawn prior to this date. Shareholders therefore have ample time to decide on the merits of the offer prior to making a decision.
3. Shareholders are urged to contact the Company should they require clarification or further information.
4. ADE expects to announce later today that it has formally appointed an Independent Expert to provide a report to the Board.
5. Beach Energy Ltd (BPT) continues to assert that the offer represents a significant premium to ADE shareholders. However, absent in BPT's asserted VWAP figures are the large parcels of shares it itself acquired through recent placements at a price of 16.5c/share.
6. The Company received a communication from BPT yesterday regarding further data from the PEL 218 (Permian) drilling campaign that should be supplied to ADE shortly. There may be information contained in this data package which may influence any shareholder's decision as to ADE's value.
7. BPT's assertion that remaining shareholders are likely to be diluted by future capital requirements of the Company is speculation. The Company is adequately funded for the next twelve months at least to proceed with its commitments and ongoing success in its ventures should facilitate accretive capital raising opportunities.
8. A work program for ATP 855P, which is also a part of the Nappamerri Trough, has not been agreed to as yet. Further, a Joint Operating Agreement for this permit, necessary prior to the commencement of work, is yet to be put in place.
9. Any shareholder who disposes of its shares now will not be entitled to any increase in the offer price that BPT, or a third party, may elect to make.
10. The ADE Board therefore continues to recommend that shareholders take no action at this time.

Commenting further on the events to date, Mr Carl Dorsch said *“The Board continues to work hard for all shareholders. There is still plenty of time for shareholders to make a fully informed decision and I urge them to give the Board time to respond to this hostile takeover. We will provide a Target Statement in due course, which will include an Independent Expert’s Report, to facilitate this.”*

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