



ASX RELEASE

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Merger Discussions

Somerton Energy Limited (SNE) wishes to advise that SNE and Adelaide Energy Limited (ADE) have commenced preliminary discussions in relation to a potential merger of the two companies. These discussions are incomplete and no concluded agreement has been reached in relation to the price or terms at which a transaction might occur. Although there is no certainty that a transaction may be concluded, SNE and ADE wish to advise the market that negotiations have commenced between the management of the two companies having regard to recent events whereby Beach Energy Limited, a major shareholder in SNE, has agreed to take a placement of a substantial shareholding in ADE.

SNE and ADE propose to provide the market with an update as and when negotiations progress between these two companies.