

ASX Announcement



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Acer Energy to acquire additional Interests in core Cooper Basin Permits

Acer Energy Limited (ASX: ACN) is pleased to announce the acquisition of AGL Energy Ltd's ("AGL") working interests in Cooper Basin Permits PRL 14, 17 & 18, PEL 103 and PEL 101 ("the Permits").

Acer Energy will acquire AGL's entire 37.5% interest in PRL 14, 17 & 18 and PEL 103 and its 35% interest in PEL 101 for consideration of \$6 million. Following the acquisition Acer's interest in the Permits will be as follows:

Permit	Geographic Location	Operator	Area Km ²	Previous % Ownership	New % Ownership
PRL14	Cooper Basin SA	Acer Energy	22	62.50%	100.00%
PRL17	Cooper Basin SA	Acer Energy	63	62.50%	100.00%
PRL18	Cooper Basin SA	Acer Energy	65	62.50%	100.00%
PEL103	Cooper Basin SA	Acer Energy	176	62.50%	100.00%
PEL103A	Cooper Basin SA	Acer Energy	56	37.50%	75.00%
PEL101	Cooper Basin SA	Acer Energy	154	25.00%	60.00%

Consistent with the Company's renewed strategy the Permits are the key area of focus for Acer Energy in 2011/2012 with the recently acquired 3D seismic data currently undergoing processing and interpretation and Ensign Rig 18 now secured for a 3 to 5 well campaign scheduled for commencement in Q2 2012. The acquisition of AGL's interests in the permits provides Acer with full technical discretion with respect to the upcoming work program and importantly the opportunity for the introduction of a strategic project partner.

There has been significant momentum in Australia to develop unconventional reservoirs through the improved deployment of associated technologies. Acer Energy believes that the application of these technologies could assist with the further development of the tight oil and gas in the Flax and Juniper fields that contain significant, independently verified volumes of hydrocarbons in place.

The primary reservoirs in the Flax and Juniper fields are found in the Tirrawarra Sandstones and the Patchawarra Formations with a combined P50 OOIP resource estimate of 42MMbbls with a further 130MMbbls OOIP of resource depending on the connectivity of the fields (*Risc Independent Technical Specialists report January 2011*).

Acer Energy has recently undertaken extensive technical due diligence on the Permits including the acquisition of 141 km² of 3D seismic and a Tight Reservoir Evaluation Study with unconventional specialists Schlumberger. Given the large area of the Flax/Juniper field and the significant advances in drilling and completion technology, these work streams will enable the Company to identify optimal drilling locations and well design for the upcoming drilling campaign.

Acer Energy CEO Clint Adams commented "This acquisition strengthens our position in a proven prospective region of the Basin and is strategically well located to our existing interests. The Permits represent an opportunity that is unique in the Cooper Basin in that we have a large proven oil discovery and what is required is a technical solution to demonstrate enhanced recovery from the asset. We now have complete control of the core area and with near term activity upcoming we look forward to engaging with interested parties with a view to introducing a strategically aligned partner to realise the potential of the permits."

"We thank AGL for their participation in the assets, they entered the Permits in 2009 and funded a work program designed to establish the presence of CSG resources in the area. Subsequent analysis of the program determined that a CSG development was not commercially viable. We are pleased to have been able to reach agreement to acquire their interests" he said.

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