

ASX/MEDIA ANNOUNCEMENT

7 December 2010

The Manager
Companies Announcements Office
Australian Securities Exchange



ENCOUNTER-1 WEEKLY DRILLING REPORT

ITEM	DETAIL
Well name	▪ Encounter-1
Permit	▪ PEL 218 (Permian JV)
Participants	▪ Beach Energy Ltd – 90% (Operator) ▪ Adelaide Energy Ltd (ADE) – 10%
Primary targets	▪ Roseneath/Epsilon/Murteree shale/sand/shale sequence (“REM” unit)
Spud date	▪ 3 October 2010
Target depth (prognosed)	▪ 3625m
Total depth @ end of current week	▪ 3462m
Total depth @ end of previous week	▪ 3346m
Metres drilled during week	▪ 116m
Mud weight	▪ 13.2ppg
Current formation	▪ Epsilon
Activities during week	▪ Drill 8½ hole from 3346m to 3380m; cut core in Epsilon from 3380m to 3406m; drill ahead from 3406m to 3462m; run 2 logging runs
Current activities	▪ Drilling ahead to Murteree
Planned activities	▪ Drill ahead to next core point in Murteree Shale – cut core and drill ahead towards Total Depth
Other comments	▪ After logging it has become evident that the Roseneath section is much thicker than anticipated (190-200m)

For further information contact:

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Encounter-1 Time Depth Chart

