

ASX/MEDIA ANNOUNCEMENT

28 April 2010



The Manager
Companies Announcements Office
Australian Securities Exchange

THE OTWAY PETROLEUM PROJECT – WEEKLY DRILLING REPORT AND REGULAR PROJECT UPDATE

The **Otway Petroleum Project** is Adelaide Energy Ltd's (ADE's) 100% owned suite of integrated production, development and exploration oil and gas assets, which are located in the South Australian section of the onshore Otway Basin.

Given the current drilling and other ongoing activity currently being undertaken by ADE in the *Otway Petroleum Project*, the company intends in this quarter to issue weekly drilling reports and regular project updates to investors on the progress being made in the various drilling and other project areas.

WEEKLY DRILLING REPORT TO 0600 hrs 28 April 2010

| ITEM | DETAIL |
|--|--|
| Well name | ■ Patrick – 1 |
| Permit | ■ PEL 255 |
| Participants | ■ ADE – 100% |
| Primary targets | ■ Jacaranda Ridge/Sawpit sandstone |
| Measured Depth (MD) – current | ■ 1,767 m (metres) |
| MD @ end of previous week | ■ 901 m |
| Metres drilled during week | ■ 866 m |
| Target depth – true vertical depth (TVD) | ■ 2,630 m |
| Target depth – measured depth (MD) | ■ 2,675 m |
| Total depth of well (MD) | ■ 2,953 m |
| Activities during week | ■ Drilled and set 9 5/8" casing ■ Drilled out in 6 3/4" hole ■ Directional drilling from 1,730 m |
| Current activity | ■ Drilling ahead |
| Safety issues | ■ None |
| Environmental issues | ■ None |

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PROJECT UPDATE

| PROJECT AREA | PROGRESS REPORT |
|----------------------|---|
| Drilling – Patrick-1 | <ul style="list-style-type: none">▪ See weekly drilling report |
| Testing – Hollick-1 | <ul style="list-style-type: none">▪ Equipment is currently being mobilised to site to enable testing of the Hollick-1 discovery once the drilling of Patrick-1 has finished – due for mid-May |
| New facilities | <ul style="list-style-type: none">▪ Gas flows to the plant from the Limestone Ridge well, whilst still intermittent, have improved over the past week, as some typical commissioning troubles continue to be ironed out |

The Otway Petroleum Project (100% ADE) comprises:

- a. PEL 255 : contains the Jacaranda Ridge 2 discovery + 5 extra targets
- b. The Katnook Gas Assets consisting of:
 - The Katnook Gas Processing Plant and associated infrastructure
 - The Ladbroke Grove Gas Processing Plant and associated infrastructure
 - Petroleum Retention Licences 1 (Wynn) & 2 (Limestone Ridge)
 - Petroleum Production Licences 62, 168 & 202
 - Existing gas pipelines to the Gas Plants from wells in the PPL's
 - 13 Producing/shut in gas/gas liquids wells
- c. PEL's 494 and 496 – 2 exploration licences awarded to ADE on 24 March 2009

For further information contact:

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