

ASX/MEDIA ANNOUNCEMENT

30 April 2010

The Manager
Companies Announcements Office
Australian Securities Exchange



THIRD QUARTER ACTIVITIES REPORT – 3 MONTHS TO 31 MARCH 2010

HIGHLIGHTS

- Revenues up substantially from previous quarter – expected to increase further in next quarter
- New pipelines laid to tie-in previous gas/condensate discoveries to gas processing plant
- Drilling underway in the Otway Basin – with early success
- Asset position enhanced through recent acquisitions

1. PRODUCTION AND REVENUE

Quarterly Comparison	Q1 2010	Q4 2009	Change (%)
Revenue (\$k)	573	307	+ 46
Corresponding Period	Q1 2010	Q1 2009	
Revenue (\$k)	573	472	+18

Production (and therefore revenues) are expected to increase significantly in the June quarter as new wells come on line (see development section below).

2. DEVELOPMENT

- a) *Otway Petroleum Project (PPLs 62, 168 & 202; PRLs 1 & 2; PELs 255, 494 & 496 – all 100% and Operated)*

Extensive development works were undertaken in the quarter, laying gas pipelines and connecting the Limestone Ridge, Jacaranda Ridge and Wynn gas/condensate wells to the Company's 100% owned Katnook gas plant.

After the end of the quarter, and following the appropriate commissioning procedures, material gas-flows from Limestone Ridge have commenced to the plant.

- b) No development activities on other permits/assets were undertaken in the quarter.*

3. EXPLORATION AND APPRAISAL

- a) Otway Petroleum Project (PPLs 62, 168 & 202; PRLs 1 & 2; PELs 255, 494 & 496 – all 100% and Operated)*

The Company spudded the Hollick-1 well in PEL 255 in March and had significant gas indications. Further cased hole testing of Hollick-1 will be undertaken in the current quarter.

Also after the end of the quarter, the Patrick-1 well was spudded (also in PEL 255).

A seismic shoot of ~100km of 2D was undertaken in the quarter in PELs 494 and 496. Processing of this is underway, with results expected by mid-year.

- b) PEL 218 (20.05% in Post Permian, 10% in Permian)*

No material activity in the quarter.

The drilling of the Holdfast-1 well by the Operator of PEL 218 (Permian), Beach Energy Ltd (BPT) is expected for Q3 this year (subject to weather issues).

The joint venture with respect to the Post Permian section of PEL 218 is currently determining the optimal test path for the Wakefield-1 well, which was cased and suspended late last year.

- c) PEL 105 (50% and Operator)*

The planned drilling activities for PEL 105 in the Cooper Basin, which were intended for mid-year, have been delayed by very wet weather in the region.

- d) West Florence, Colorado, USA (25%)*

No material work was undertaken with respect to this asset in the quarter.

4. CORPORATE AND FINANCE

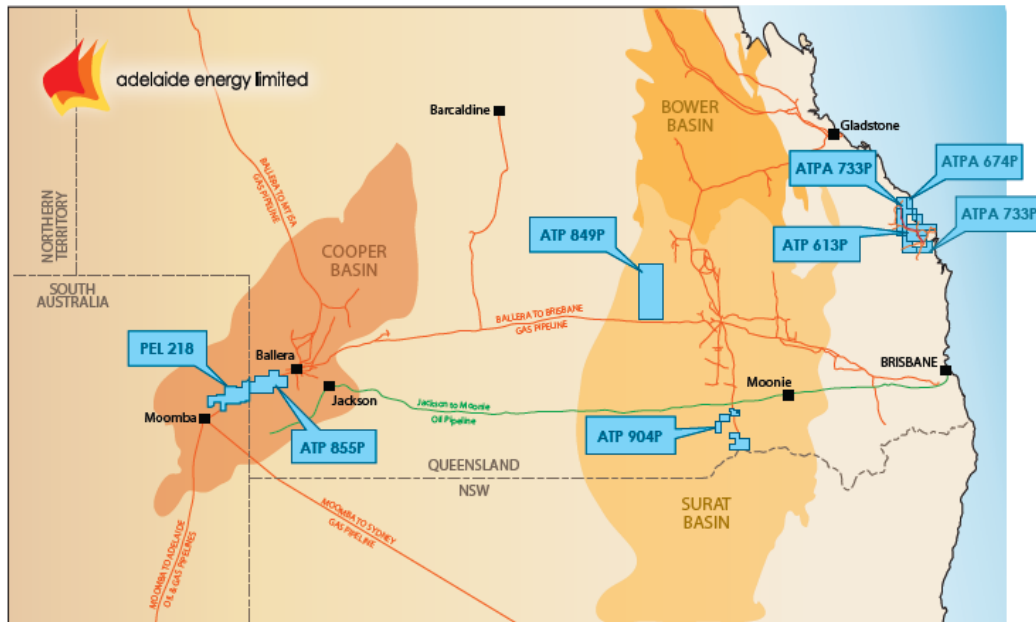
a) Business Development

During the quarter the Company entered into Agreements for the following acquisitions:

- a) The purchase of Magellan Petroleum Corporation's 100% interests in three permits in Queensland's Maryborough Basin (ATP 613P, ATPA 674P and ATPA 733P) for consideration of \$450,000. These permits are subject to a Farm-in Agreement with Blue Energy Ltd (BUL) under which it will earn a 75% interest by completing a coal bed methane (CBM) drilling program.
- b) The entire share capital of 2 private companies, Deka Resources Pty Ltd and Well Traced Pty Ltd, for consideration (in total) of \$2M and the issue of 15M shares in ADE. These companies collectively hold the following permit interests:
 - PEL 218 (Post Permian) – 10.05%
 - ATPA 855P – 20% (subject to a farmout to a private party)
 - ATP 849P – 20%
 - ATP 904P – 100% of oil rights and 5% ORR over the gas rights

The permits acquired through these acquisitions are illustrated on the map below:

Maryborough, Cooper and Surat Permits



b) Capital Raisings

After the end of the quarter, the company announced the following capital raisings:

- A placement of 10M shares at 15c per share to sophisticated investors.
- A 1 for 4 non-renounceable pro-rata rights issue, also at 15c per share, to issue up to 52M new shares.
- The total capital raised will be up to \$9.3M
- The funds will be primarily used to finance or defray the company's ongoing drilling & development activities and the acquisitions outlined above.

For further information contact:

Carl Dorsch
Managing Director
Adelaide Energy Limited
Mob: 0400 508 088

c.dorsch@adelaideenergy.com.au

neil.young@adelaideenergy.com.au

Neil Young
Chief Commercial Officer
Adelaide Energy Limited
Mob : 0417 850 245

ASX Code : ADE

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

www.adelaideenergy.com.au

t +61 8 8228 5207 f +61 8 8223 3235

ABN 43 116 256 823

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ADELAIDE ENERGY LIMITED

ABN

43 116 256 823

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	488	1,548
1.2	Payments for (a) exploration and evaluation	(1,610)	(2,768)
	(b) development	(3465)	(4,718)
	(c) production	(459)	(1,244)
	(d) administration	(310)	(1,141)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	82	197
1.5	Interest and other costs of finance paid	(5)	(12)
1.6	Income taxes paid		-
1.7	Other (provide details if material) –		
	- GST paid to be refunded by ATO	(461)	(610)
	- ATO ITC repayment for Jul-Sep Quarter	133	199
	- ATO Refund for Research & Development concession FYE 30/6/08		154
	- Funds from Beach Petroleum for repayment for drilling as per PEL 218 Acquisition Agreement		427
Net Operating Cash Flows		(5,607)	(7,968)
Cash flows related to investing activities			
1.8	Payment for purchases of:	-	-
	(a)prospects	-	-
	(b)equity investments		
	(c) other fixed assets	(2,001)	(2,096)
1.9	Proceeds from sale of:		
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(2,001)	(2,096)
1.13	Total operating and investing cash flows (carried forward)	(7,608)	(10,064)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(7,608)	(10,064)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		9284
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(5)	(5)
1.18	Dividends paid	-	
1.19	Other – costs of capital raising		(528)
	Net financing cash flows	(5)	8,751
	Net increase (decrease) in cash held	(7,613)	(1,313)
1.20	Cash at beginning of quarter/year to date	10,511	4,211
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,898	2,898

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	172
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director's fees and salaries paid during the quarter and other fees paid to director associated entities amounting to \$171,775

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,000
4.2 Development	500
4.3 Production	300
4.4 Administration	450
Total	5,250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2703	10,311
5.2 Deposits at call	212	212
5.3 Bank overdraft		
5.4 Other (provide details)	(17)	(12)
Total: cash at end of quarter (item 1.22)	2,898	10,511

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	198,316,358	198,316,358		
7.4	Changes during quarter (a) Increases through issues 12/03/2010 (b) Decreases through returns of capital, buy-backs	15,000,000	15,000,000		
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	2011 A Class Options 31,333,332	2011 A Class Options	<i>Exercise Price</i> \$0.40	<i>Expiry Date</i> 30/06/2011
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
(Company Secretary)

Date: 30 April 2010

Print name: RS Alwis

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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