

ASX/MEDIA ANNOUNCEMENT

2nd September 2009

The Manager
Companies Announcements Office
Australian Securities Exchange



PEL 218 POST PERMIAN - UPDATE

WAKEFIELD #1

- *Wakefield #1 due to spud*
 - *Adelaide Energy Limited free carried on well*
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Adelaide Energy Limited (ASX code: ADE) announces that it has been advised by the operator of the Permit of the impending commencement of drilling operations (“spud”) of the Wakefield #1 oil exploration well. The well is located within Petroleum Exploration Licence 218, near Innamincka in the Cooper Eromanga Basin of north east South Australia.

The well is expected to spud next week and will target multi zones to the top of the Permian. The well is planned to a total depth of 2380m.

The well is located 7 kms west of the Burley 2 well which had good oil shows but failed to recover commercial quantities.

Adelaide Energy Limited is to be free carried in the well as part of the conditions of the PEL 218 Farmin Agreement between the Company and Beach Petroleum Limited dated 21 May 2009.

Following the drilling of the well, the relevant interests in the Post Permian strata of PEL 218 (surface to top of the Permian) will be as follows:

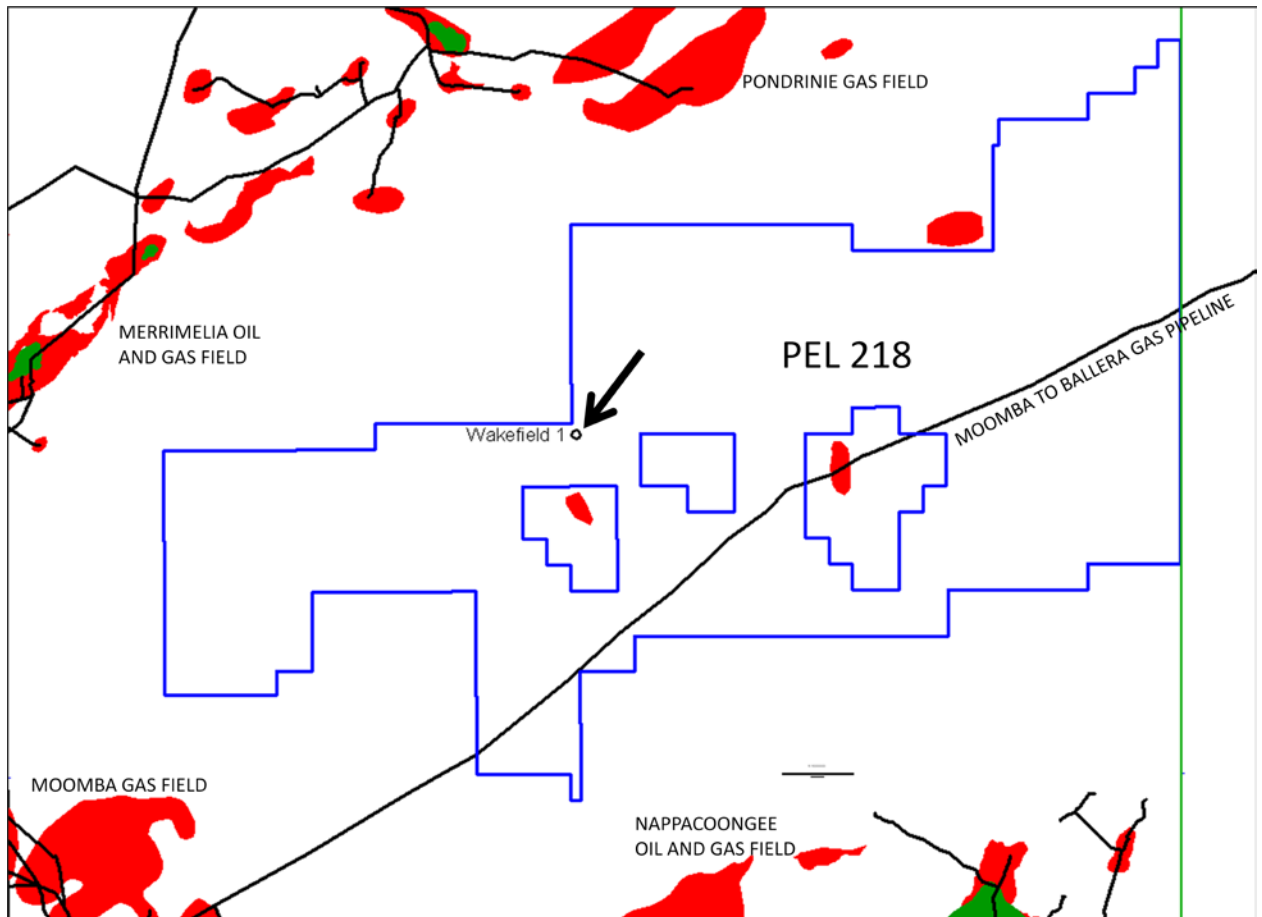
Adelaide Energy Limited (“ADE”)	10.00 %
Beach Petroleum Limited (“BPT”, Operator)	23.33 %
Icon Energy Limited (“ICN”)	33.33 %
Deka Resources Pty Ltd	16.66 %
Well Traced Pty Ltd	16.66 %

Background

PEL 218 is located within the Nappamerri Trough which is a major source “kitchen” for oil that is being produced in the fields to the north and south of the block. Oil generated from Permian and Jurassic source rocks in the Trough has migrated vertically and laterally onto the trough’s margins. The Wakefield structure is therefore ideally placed to receive oil and gas which has migrated vertically from the source but being deeper in the basin, the reservoir quality is the main risk.

Seven additional structural leads have been identified by ADE using previous seismic data as well as the recent Wakefield Seismic Program completed by ADE on behalf of the original Joint Venture Parties earlier this year.

The unrisks potential recoverable resource of oil from all levels in the Wakefield structure is over 11 million barrels.



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