



Adelaide Energy is a junior oil and gas explorer with a portfolio of projects in South Australia and Colorado, USA.

ASX Code:	ADE
Shares on Issue:	98.6 million
Options:	31.1 million
Current Price: (28/08/08)	\$0.09
52 week Share Price Range:	\$0.22 - \$0.09
Market Capitalisation:	\$8.9 million

Adelaide Energy is a junior oil and gas explorer, with a small portfolio of projects encompassing a range of risk profiles. The company's key projects are based in the Cooper Basin and Otway Basin, in South Australia, and Colorado, in the USA. Each of the projects is based in three established production regions and are all in close proximity to key infrastructure.

Since listing on the ASX in June 2007, having raised \$14 million, Adelaide Energy has achieved early exploration success. Additionally, the company has undertaken a strategic acquisition that will provide early cash flow and leverage for its exploration activity in the Otway Basin, in South Australia.

The acquisition of Origin Energy's Katnook assets in the Otway Basin, which is in very close proximity to Adelaide Energy's exploration permit area, will add immediate value, with the potential for further value creation through extending the production life of wells in the Katnook field, reducing operating costs and integrating gas and oil production from its own permit area. In addition, there exists previously unforeseen potential to utilise exhausted wells for Co2 storage, with value generated from carbon credits. Furthermore, value will be generated from success at the medium risk West Florence project and interest in the US with the high risk Cooper Basin play, which is capable of delivering an early return from a farm-out agreement, in addition to the long term potential from exploration activity in the area.

In July 2008, the company agreed to acquire Origin Energy's gas producing and processing assets in the south east of South Australia. The net cash cost, at final settlement, is expected to be approximately \$1.5 million, in comparison to the estimated replacement value of the assets of approximately \$20 million.

www.adelaideenergy.com.au

VALUE DRIVERS TO LOOK FOR

Adelaide Energy has built a portfolio of projects with varying risk profiles, all capable of delivering significant value. The Katnook acquisition will be the most immediate driver as it is yet to be fully understood and appreciated by the market.

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