



Adelaide Energy Limited (“ADE”)

Australian Stock Exchange Announcement

General Manager
The Company Announcements Office
Australian Stock Exchange Limited
Electronic Lodgment System

Dear Sir/Madam

Third Quarter Activities Report

Three Months from 1 January 2009 to 31 March 2009

Highlights:

1. OIL AND GAS PROJECT ACTIVITIES

a. The Otway Petroleum Project : Onshore Otway Basin, South Australia (100% ADE)

Katnook Gas Plant

The Company commenced gas and gas condensate production from the Katnook gas processing facilities and associated wells in its own right after completing the purchase from Origin Energy in the previous quarter. The Company continued to work towards approval by the SA Minister for the transaction and expects this to be forthcoming early in the fourth quarter 2009. Haselgrove-1, Haselgrove South-1, Katnook-2 and Redman-1 contributed to production during the quarter.

The Company received payment from Origin Energy Limited of \$1.082M in the quarter which represented the final adjustment to the original purchase price of \$2.045M.

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

www.adelaideenergy.com.au

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

ABN 43 116 256 823

For personal use only



Katnook Gas Plant (cont)

The Company's gross revenue from gas and gas condensate sales totalled approximately \$515,000 in the quarter.

Petroleum Exploration Licence 255 (PEL 255)

No activity was recorded during the quarter.

Petroleum Exploration Licences 494 and 496 (PEL's 494 and 496)

The Company was the successful bidder for Petroleum Exploration Licences 494 and 496 following the 2008 Otway Basin acreage release. PEL 494 and PEL 496 were awarded to the Company and entered on the SA Government gazette on 26 March 2009. Both blocks are located close to the existing Company infrastructure with PEL 494 adjoining PEL 255 on its western border and PEL 496 comprising two regions to the south. The Company has 2-D seismic commitments in both PELs and in-house studies have high-graded regions to be covered as part of the Permit Year 1 commitment.

Resource Sharing

The Company entered into a resource sharing agreement with Panax Geothermal Limited during the reporting period. The agreement allows for the sharing of data and facilities under commercial terms over their common acreage positions over the areas encompassed by the Otway Petroleum Project.

b. PEL 218 : Cooper Basin, South Australia : 100% ADE

The Company completed processing and interpretation of 218 km of high quality 2D seismic acquired during the 2008 Wakefield Seismic Survey. The new data have been integrated with pre-existing lines to further improve resolution and delineation of drilling prospects in the PEL. Final QC stacks were received following completion of the 2008 Wakefield Seismic Survey and the new data were integrated with existing lines following interpretation of the key reflectors.

Rehabilitation of seismic lines following the Wakefield survey was completed during the quarter. Discussions with potential farminees for the potential deep basin gas plays were continued.

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

www.adelaideenergy.com.au

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

ABN 43 116 256 823



ADELAIDE
ENERGY
LIMITED

c. PEL 105 : Cooper Basin, South Australia : 50.0% ADE Farm-in Interest

Negotiations are continuing with potential farm-in partners with Pirie-1 now planned for middle 2009. Hydrocarbon shows over the Tirrawarra Sandstone section down to approximate structural spill suggest a P10 potential of over 20 million barrels of oil in place

d. West Florence Prospect : Colorado, USA : 25% ADE Participating Interest

During the reporting period the West Florence 1 well (Slanovich 32-23) continued to produce oil at rates of 1 – 6 barrels of oil per day. The well performance continued to be erratic and another work-over was performed. Results were initially favourable but the well production continued to decline during the period.

The participants in the current acreage of the West Florence Oil and Gas Project of 12,000 acres and their respective interests are as follows:

Adelaide Energy Limited	25%
Victoria Petroleum N.L. (Operator)	40%
Fall River Resources Limited	25%
North American Oil and Gas Pty Ltd	10%

2. ACTIVITY UPDATE

The following update is a summary of activity from the end of the quarter to the reporting date.

a. PEL 218

The Company announced that it had executed a Term Sheet effective 14th April 2009 enabling Beach Petroleum Limited if certain conditions are met, to acquire 90% of ADE's interest in the Permian and pre Permian Strata of PEL 218 together with a further investment in ADE. The Term Sheet provides for the parties to negotiate formal and legally binding transaction documents within 30 days of the effective date above.

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

www.adelaideenergy.com.au

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

ABN 43 116 256 823

For personal use only



ADELAIDE
ENERGY
LIMITED

b. Katnook Gas Production – The Otway Petroleum Project

The Company reported that Katnook gas sales were recommenced on 2 April 2009 and that average production to report date was in excess of 1.5 TJ/day.

3. CAPITAL

The company issued 1,000,000 ordinary shares at \$0.05 per security.

4. FINANCIAL

Cash at 31/03/09

Cash at the end of the quarter was \$ 409,075.00

Attached is the Appendix 5B Statement of Cash flows for the period from 1 January 2009 to 31 March 2009.

For further information contact:

Carl Dorsch
Managing Director
Adelaide Energy Limited
Mob: 0400 508 088
c.dorsch@adelaideenergy.com.au
ASX Codes: ADE,ADEO

Registered Office

Level 5, 70 Pirie Street, Adelaide SA 5000

www.adelaideenergy.com.au

t +61 8 8228 5207 f +61 8 8228 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 2009

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	406	406
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(907) (281) (290)	(4,121) (333) (1,243)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	107
1.5 Interest and other costs of finance paid	(39)	(66)
1.6 Income taxes paid		
1.7 Other (provide details if material) – - ATO Tax Credits received JV Cash Call Funds for PEL218	156 -	516 697
Net Operating Cash Flows	(950)	(4,037)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	- - 1,083	- - (1,100)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	1,083	(1,100)
1.13 Total operating and investing cash flows (carried forward)	133	(5,137)

+ See chapter 19 for defined terms.

For personal use only

1.13	Total operating and investing cash flows (brought forward)	133	(5,137)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	50	325
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(1)	(6)
	Net financing cash flows	49	319
Net increase (decrease) in cash held			
		182	(4,818)
1.20	Cash at beginning of quarter/year to date	227	5,227
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	409	409

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	130
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and salaries paid during the quarter amounting to and other fees paid to director associated entities amounting to \$130,000
--

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.

For personal use only

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	150
4.2 Development	-
4.3 Production	450
4.4 Administration	150
Total	750

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	281	99
5.2 Deposits at call	128	128
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	409	227

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	PEL 494 Otway Petroleum Project PEL 496 Otway Petroleum Project	0 0	100% 100%

+ See chapter 19 for defined terms.

For personal use only

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	105,107,625	84,560,183		
7.4 Changes during quarter (a) Increases through issues 23/02/2009 (b) Decreases through returns of capital, buy-backs	1,000,000			
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>	2009 Attaching Options 31,142,374	2009 Attaching Options 31,142,374	<i>Exercise Price</i> \$0.25	<i>Expiry Date</i> 30/6/2009
	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.

For personal use only

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 2009

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.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only