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Company Announcements Platform
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Via ASX Online

SUGARLOAF OPERATIONS UPDATE

Adelphi Energy Limited ("Adelphi") is pleased to provide the following update on preparations within the Sugarloaf Area of Mutual Interest ("AMI") for the first phase of the farm-in work program as outlined in recent announcements.

The first of the three existing horizontal wells to be stimulated will be the Kowalik #1H well and the equipment and services are scheduled to be on site to commence operations on 28 December 2009.

The horizontal section in the well has approximately 3,800 ft of slotted liner and then a further 850 ft of conventional solid liner in place. The plan is to stimulate the slotted section with a single large treatment and the conventional solid section of the liner will be treated in four stages with an isolation plug between each one. This program will take approximately seven days to complete and the well will then be cleaned up and flowed to sales.

The stimulation approach to be used on the Kowalik #1H well is dictated by the slotted liner in place in the well and whilst it differs from our preferred stimulation program planned for the other wells, it is expected to improve upon the productivity observed to date.

The fracture stimulations at Kennedy #1H and Weston #1H are presently scheduled to commence at the end of January 2010 and early February 2010, respectively. The timing of these operations has been impacted by the availability of fracture stimulation equipment as a result of the ramp up in activity within the Eagle Ford Shale trend.

As these wells have cemented solid liners in place they will be stimulated in stages along their length with 14 and 13 stages, respectively. It is anticipated that it will take approximately 10 - 14 days to complete the stimulation operations on each well.

Work has now commenced in preparation for the drilling of the first new Sugarloaf well as part of the farmout program that was announced on 21 September 2009. It is anticipated that the first well will spud in early 2010, ahead of the completion of the frac program on the existing three wells.

A further announcement will be made once fracture stimulation operations commence at the Kowalik #1H well.

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Adelphi currently (pre-farmout) has a 20% working interest in the Sugarloaf AMI. Other ASX listed participants in the Sugarloaf JV, and their respective pre-farm-out working interests are:

Aurora Oil and Gas Limited	20.0%
Eureka Energy Limited	12.5%

This release is available on the Company's website at: www.adelphienergy.com.au

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Yours faithfully



ALEX FORCKE
Chairman
Adelphi Energy Limited