

ASX : ENR

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Company Announcements Office
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LAKE WAY EXPLORATION UPDATE

- **Drilling has extended the Centipede uranium mineralisation onto the Lake Way JV tenement (Encounter 60%, Avoca Resources Ltd 40%).**
- **First batch of assay results from the lake based program include:**
 - **ELW005 - 1m @ 312ppm U₃O₈ from 5m**
 - **ELW012 - 1m @ 224ppm U₃O₈ from 3m**
 - **ELW002 - 1m @ 147ppm U₃O₈ from 8m**
- **The lake based drill program continues**

Encounter Resources Ltd is pleased to announce that it has received assay results from the first 27 holes of the lake based aircore drill program from the Lake Way JV. These results are from a program that was designed to test an area of the lake along the interpreted northern extension of Nova Energy's Centipede uranium resource. Nova Energy has announced that it is commencing a pre-feasibility study on the Centipede/Lake Way 9,000t U₃O₈ inferred resource.

Drilling has extended the area of known mineralisation approximately 150m into the Lake Way JV tenement. At a 100ppm U₃O₈ cutoff the mineralisation extends over 900m along the south western margin of the tenement boundary (see Figure 1).

The assay results received to date cover the southern 1km of the 12km radiometric anomaly that crosses the Lake Way JV tenement. The lake based aircore drill program is continuing and will systematically test the radiometric anomaly that extends across Lake Way within the area of the JV tenement.

Figure 1 Drill hole collar locations

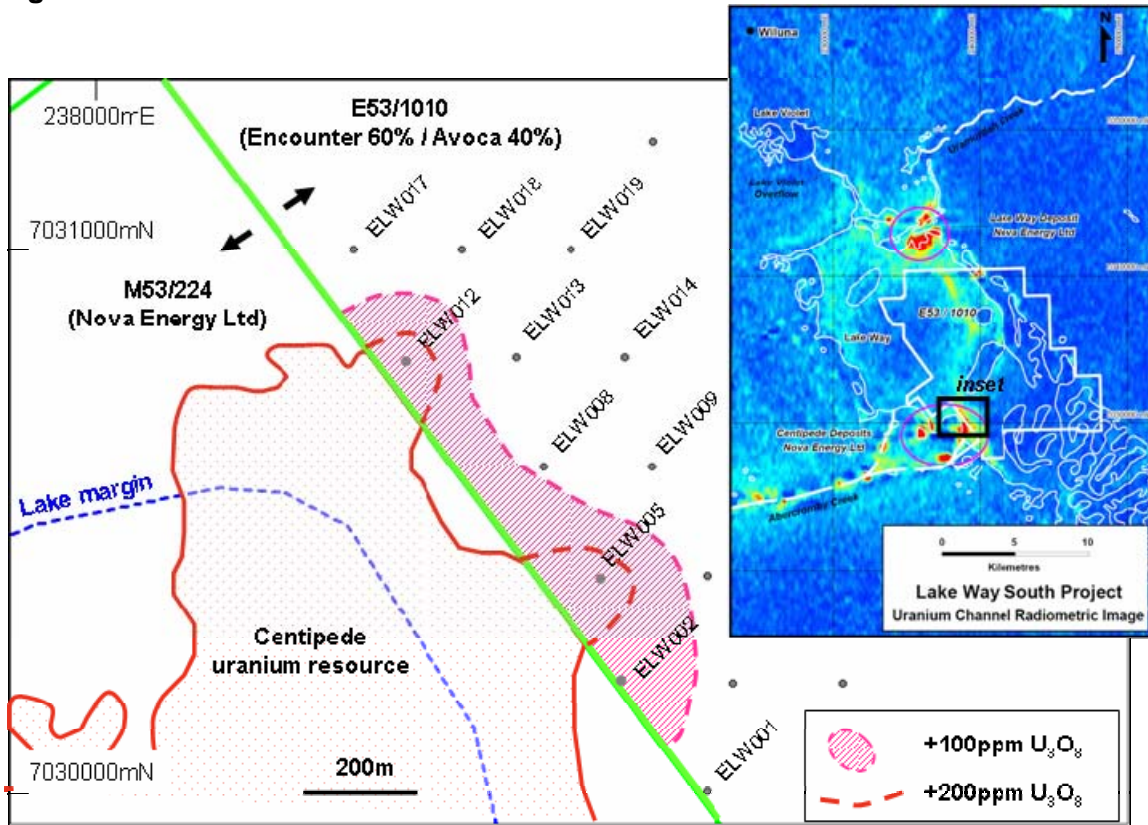


Table 1 Drill hole collar locations and assay results

Hole #	Northing	Easting	Dip	Azi	From (m)	To (m)	Width (m)	U ₃ O ₈ (ppm)
ELW 2	7,030,200	328,950	-90	360	5	6	1	312
ELW 5	7,030,400	238,900	-90	360	8	9	1	147
ELW 12	7,030,800	238,550	-90	360	3	4	1	224

All coordinates and plans in mga94 zone51

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The information in this report that relates to Exploration Results is based on information compiled by Mr. Peter Bewick who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bewick is a full time employee of Encounter Resources Ltd and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bewick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Encounter Resources Background

Encounter was established in 2004 to assemble a portfolio of strategically located, high quality, uranium projects in Western Australia. Project targeting involved a deliberate, commodity specific program at a time when there was minimal competition in Western Australia.

As a result of this extensive preliminary planning, in conjunction with joint venture partners Avoca Resources Ltd, Encounter now controls the strike continuation of two calcrete uranium deposits in Western Australia, BHP Billiton's Yeelirrie deposit, which is the world's largest, and Nova Energy's Lake Way and Centipede deposits.

In addition to these brownfields exploration projects, Encounter has over 5000km² in tenement holdings in the Yilgarn, the Officer Basin and the Bangemall Basin prospective for calcrete and unconformity style uranium deposits.