

ASX : ENR

7 February 2012

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

SHARE PLACEMENT TO RAISE \$6 MILLION

Encounter Resources Limited (“Encounter” or “the Company”) is pleased to advise that it has received firm placement commitments from professional and sophisticated investors to raise approximately \$6 million before costs. The manager of the placement has been Investorfirst Securities Limited.

The placement of approximately 14,900,000 ordinary fully paid shares at 40 cents each will be completed pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1.

The Company will seek approval at a general meeting of shareholders to allow director and related parties to participate in the placement in the amount of \$470,000. The date of the proposed shareholder meeting will be advised in due course.

Proceeds from the placement will be used to fund the escalating exploration drill programs at the Company’s Yeneena Copper Project and to provide working capital.

Drilling is planned to re-commence at the Yeneena Project in March 2012 at the conclusion of the summer/wet season. Initial targets will be to:

- extend EPT1128 at BM1 that was terminated in copper sulphide mineralisation at the end of the 2011 drill season;
- follow up on the 274m thick zone of copper-cobalt sulphide mineralisation drilled in the first deep hole at BM7; and
- complete targeted drilling the BM2 and T4 targets where base metals sulphide mineralisation was intersected in stratigraphic diamond drilling in the 2011 drill campaign.

Yours faithfully

ENCOUNTER RESOURCES LIMITED

Kevin Hart
Company Secretary

The information in this release 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 the information compiled by him, in the form and context in which it appears.