

ENCOUNTER IPO CLOSES EARLY AND HEAVILY OVERSUBSCRIBED

Highlights

- Encounter IPO closes early with both the Public Offer and Avoca Priority Offer heavily oversubscribed
- Over \$11.0 million from over 400 applicants for \$4.0 million of shares available
- Encounter to commence trading on the ASX on or about 24 March
- Initial drilling program to commence in the June quarter

Perth based Encounter Resources Limited (Encounter) today announced the company's initial public offering (IPO) has closed more than a week early because of overwhelming interest and support for the offering.

Encounter sought to raise \$4 million with the option to accept a further \$1 million in oversubscriptions. At closing the offer was heavily oversubscribed and Encounter's Board has decided to accept \$1 million from the oversubscriptions.

"The support for Encounter is very pleasing," Encounter's Managing Director Will Robinson said, "and confirms the enormous interest in our company and uranium as the energy source of the future."

Encounter was established in 2004 by Mr Robinson to assemble a portfolio of strategically located, high quality, uranium projects in Western Australia. Project targeting involved a deliberate, scientifically based program at a time when there was minimal competition for uranium prospects in Western Australia.

As a result of this early mover strategy, Encounter and joint venture partners Avoca Resources Ltd now control 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.

Encounter also has projects in the Yilgarn and the Bangemall Basin prospective for both calcrete and Jabiluka style uranium deposits; and the Officer Basin with three large scale playa lake uranium targets containing significant radiometric anomalies. Encounter's immediate objectives are to commence the first phase of a drilling program at Lake Way South and drill testing several targets within the Yeelirrie channel.

"The quality of Encounter's projects and the strength of our team place us in an excellent position to capitalise on the potential in the uranium market. We are now focussed on pursuing the company's planned exploration program," Mr Robinson added.

Encounter expects to finalise share allocations in the week commencing 20 March 2006 with statements mailed shortly thereafter. Subject to ASX approval Encounter anticipates the company will list on or about 24 March.

Key advisers to the IPO were Blakiston Crabb (legal) and LinQ Corporate (corporate advisory).

ENDS

For shareholder information please contact:

Security Transfer Registrars Pty Ltd
(08) 9315 2333

Media contacts:

Will Robinson
Managing Director
Encounter Resources Ltd
(08) 9486-9455
www.encounterresources.com.au

David Griffiths
Gryphon Management Australia
08 9382 8300
0419 912 496
www.gryphon.net.au