

ASX : ENR

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Company Announcements Office
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80% increase to Hillview uranium mineralisation

- **Further assay results extend the strike of the mineralisation beyond 5km**
- **Consistent body of mineralisation favourable to bulk, low-cost mining**
- **Latest intersections include:**
 - **6m @ 208ppm U₃O₈ from 5m**
 - **9m @ 196ppm U₃O₈ from 4m**
 - **6m @ 177ppm U₃O₈ from 6m**
 - **4m @ 202ppm U₃O₈ from 7m**
- **ANSTO engaged to complete initial metallurgical test work**
- **Infill drilling to commence in April 2008**
- **Calculation of initial resource to follow**

The directors of Encounter Resources Ltd are pleased to announce that assays from the second phase of reconnaissance drilling at the Hillview uranium project have expanded the area of near surface uranium mineralisation by 80% (E51/1127 - Encounter 80%, Avoca Resources Ltd 20%).

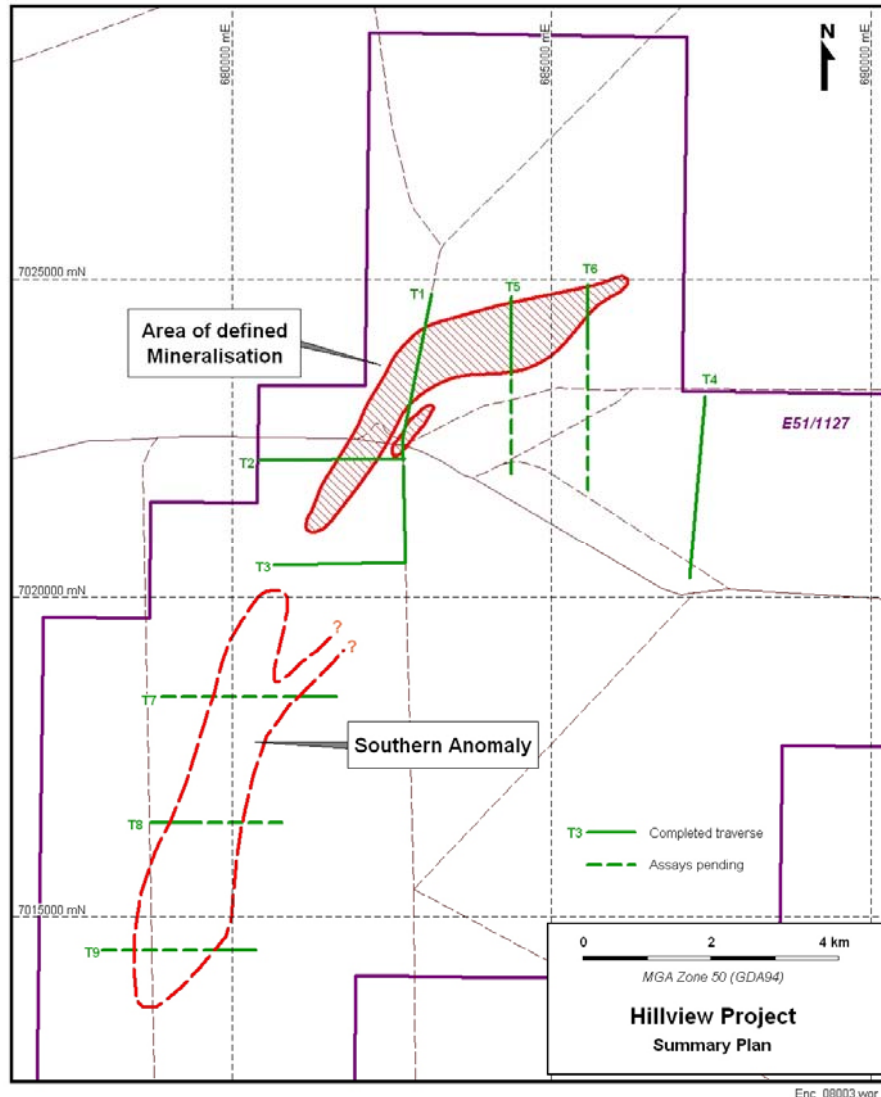
Approximately 60% of the assay results have now been received from Phase 2 of drilling at Hillview. These results have extended the area of known mineralisation at the project by a further 2km to the east. The mineralisation extension immediately to the east is within 15 metres of surface and is generally thicker than the mineralisation seen in the Phase 1 drilling (see Table 1).

The area of near surface uranium mineralisation defined in the north of the project now extends over 5km in strike and is up to 1km wide. The surface area of the Hillview mineralisation has increased by 80%, from the 2.4 km² defined in the Phase 1 program to an area in excess of 4.3km². The mineralisation has an average thickness of 3-5m and remains open to the east (see Figure 1).

The drill results received to date demonstrate that Hillview is a flat lying, consistent body of near surface uranium mineralisation with no internal dilution that may represent a potential future bulk, low cost mining opportunity.

The company has recently engaged ANSTO (Australian Nuclear Science Technology Organisation) to complete initial metallurgical testing on a bulk sample to determine potential leach amenability of the uranium mineralisation.

Figure 1: Hillview Project Summary Plan



Heritage clearance has now been received to complete a further 23 infill drill traverses (Phase 3). This drilling is scheduled to commence in April 2008 and will bring hole spacing down to a nominal 400m by 100m. Results from Phase 3 are required to finalise an initial resource statement for the Hillview Project.

For further information please contact:
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Table 1: Drill hole collar locations and significant assay results from Northern Anomaly, using 100ppm U₃O₈ cutoff (Phase 2 drilling results to date)

Hole Number	T	Easting	Northing	Dip	Azimuth	From (m)	To (m)	Thickness (m)	U ₃ O ₈ ppm	Including
EHP0116	5	684,300	7,024,600	-90	360	11	12	1	177	
EHP0117	5	684,300	7,024,500	-90	360	9	10	1	105	
EHP0118	5	684,300	7,024,400	-90	360	7	10	3	192	
EHP0119	5	684,300	7,024,300	-90	360	8	11	3	161	
EHP0120	5	684,300	7,024,200	-90	360	7	11	4	142	
EHP0121	5	684,300	7,024,100	-90	360	5	11	6	208	2m@266ppm
EHP0122	5	684,300	7,024,000	-90	360	6	12	6	177	2m@241ppm
EHP0123	5	684,300	7,023,900	-90	360	7	11	4	202	
EHP0124	5	684,300	7,023,800	-90	360	5	13	8	134	
EHP0125	5	684,300	7,023,700	-90	360	4	13	9	196	3m@265ppm
EHP0126	5	684,300	7,026,600	-90	360	3	7	4	113	
EHP0150	6	685,500	7,024,800	-90	360	9	13	4	106	
EHP0151	6	685,500	7,024,700	-90	360	6	10	4	145	
EHP0152	6	685,500	7,024,600	-90	360	6	11	5	150	1m@283ppm

Grid projection MGA Zone 50 (GDA94)

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.