

ASX : ENR

1 September 2009

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Ground EM survey enhances copper targets

- **A ground electromagnetic (“EM”) survey has been completed over four targets at the Yeneena project**
- **Multiple large scale copper drill targets identified**
- **The geological setting and the size of the conductive bodies indicates the potential for the discovery of a major new copper position**
- **Diamond drilling will commence in late September 2009**

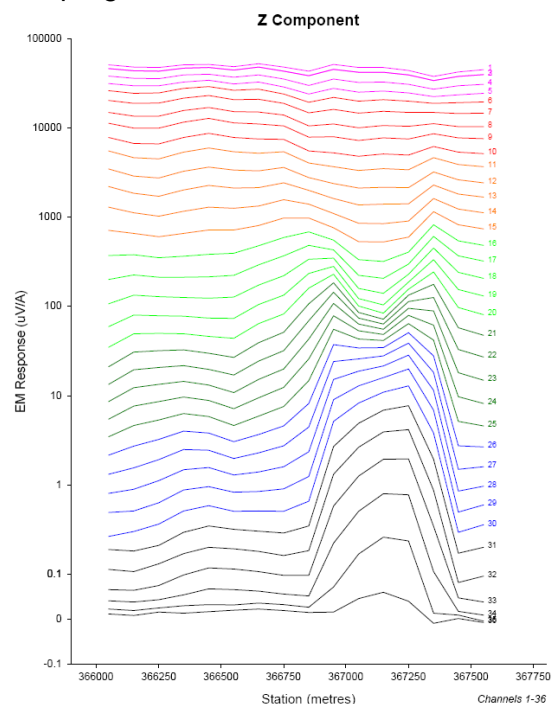
The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce the results of a ground EM survey completed over four copper targets at the Yeneena project. The survey confirmed the location, depth and conductivity of the previously identified Airborne Electromagnetic (“AEM”) conductors.

A ground EM survey totaling 33 line kms was completed at the BM1, BM2 and T2 targets in August 2009 in preparation for the upcoming diamond drill program.

T2 Target

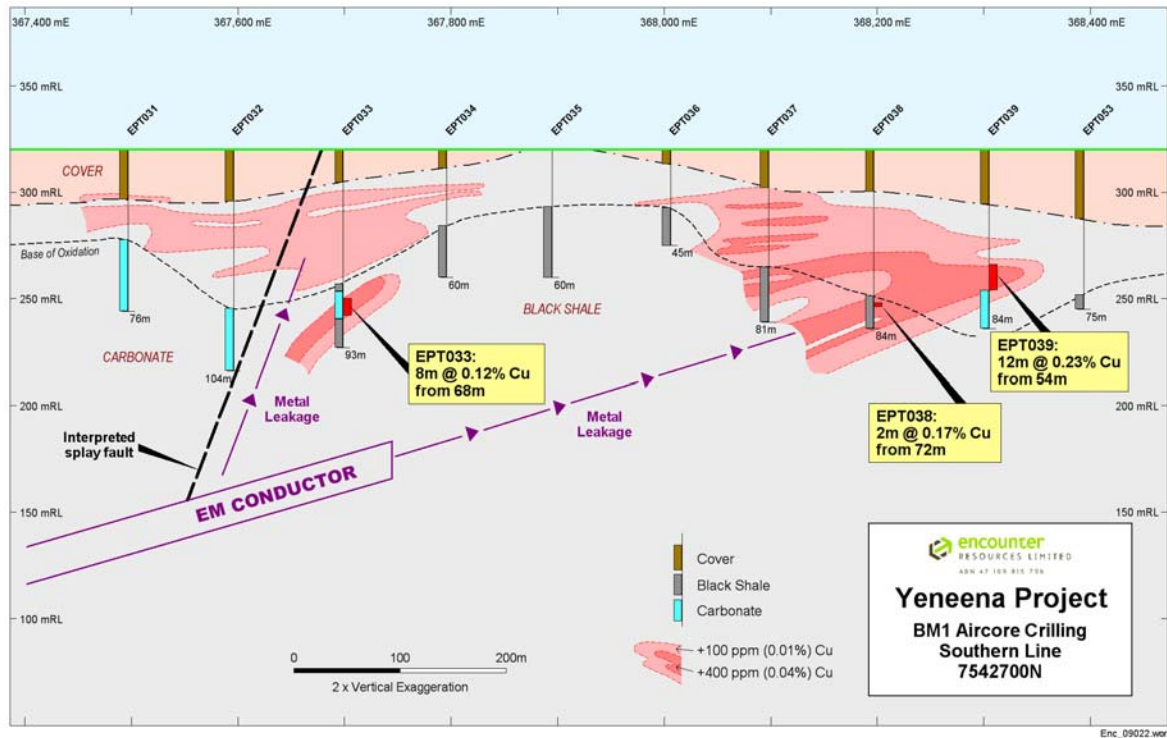
At the T2 target, the survey identified a 600 metre long, discrete conductive body at a depth of 100-150m. The T2 conductor has been modelled as a northerly plunging synform and is located on the regionally extensive McKay Fault. As a result of the ground EM survey additional diamond drilling is planned for the T2 target. The target is completely sand covered but the strength and geometry of the conductive body, in this ideal structural location, warrants additional drill testing in the September program (EM profile refer to Figure 1).

Figure 1. T2 Ground EM profile 7565700mN



BM1 Target

At the BM1 target, the survey has confirmed the location of the conductive body situated down dip of the strong copper regolith anomaly (up to 2m @ 0.89% Cu from 38m) which was identified in the shallow aircore drilling completed in June (see ASX announcement 1 July 2009). Modelling of the ground EM indicates the conductor flattens at depth and potentially represents a synformal fold. The conductor is interpreted to be the source of the copper regolith anomaly and may represent bedrock copper sulphide mineralisation (Figure 2).



BM2 Target

At the BM2 target, the survey identified an extensive conductive body that terminates at the Tabletop Fault beneath an area of extensive sand cover. A bedrock copper target is interpreted to be at the eastern termination of the conductive body against the major regional fault. The BM2 target is supported by a copper geochemical anomaly identified in historical aircore drilling. A follow up aircore drill program is planned to further define the BM2 target in the early 2010.

Planned Program

The diamond drill program at the BM1 and T2 targets is scheduled to commence later this month. The program will also test beneath the BM5 base metals gossan for a primary sulphide position (see ASX announcement 22 April 2009).

The 2,200m diamond drill program at the Yeneena project is being co-funded through the WA Government Exploration Incentive Scheme.

Project Background & Location Plan

The Yeneena project covers 1300km² of the Paterson Province in Western Australia and is located 40km SE of the Nifty copper mine and 30km NW of the Kintyre uranium deposit. The copper targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The copper targets are hosted within sediments of the Broadhurst Formation in a similar geological setting to the Nifty copper deposit (total resource of 148.3mt @ 1.3% Cu – Straits Resources Ltd, 2001).

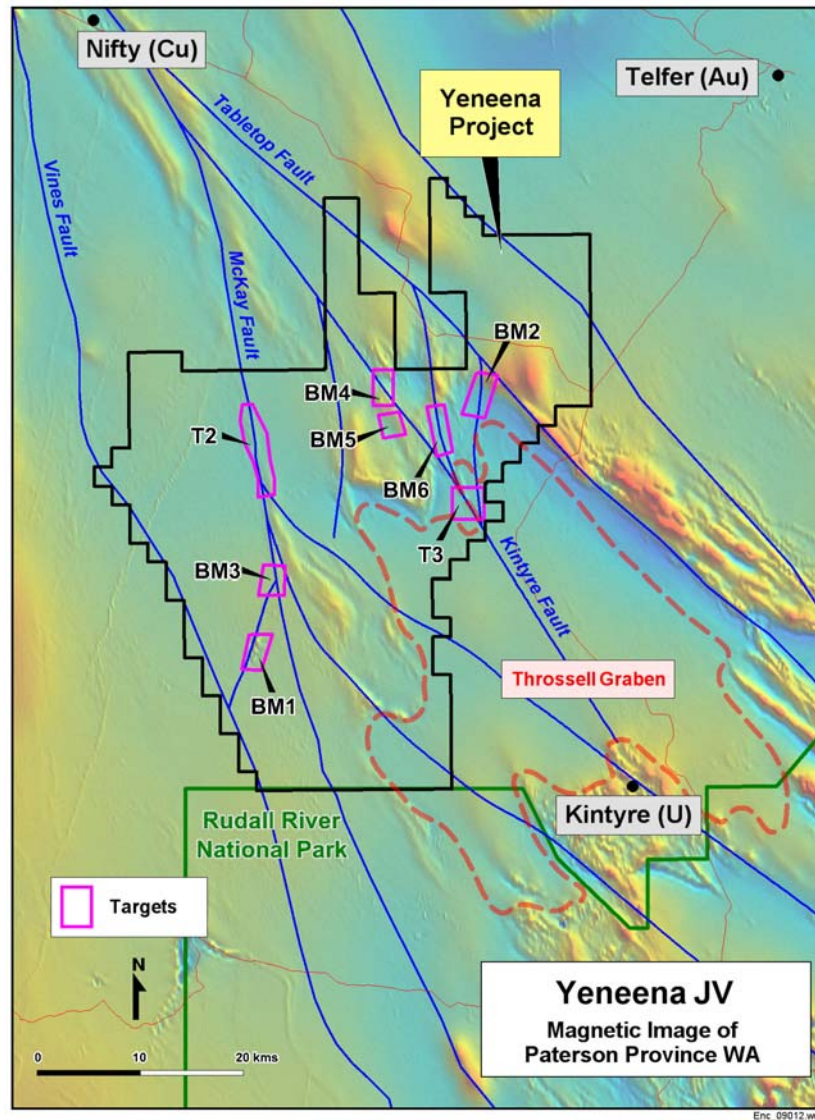


Figure 3. Key structures and targets over magnetics

For further information please contact:
Mr Will Robinson
Managing Director
Encounter Resources Ltd
Tel: 08 9486 9455

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