

8 June 2011

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

Copper Drilling Update

The directors of Encounter Resources Ltd ("Encounter") are pleased to provide an update on the diamond drilling at the BM1 copper prospect at the Yeneena project in the Paterson Province of Western Australia (100% ENR).

Drillhole EPT 751 has intersected a thick zone of visible copper mineralisation (see Photos 1, 2 & 3). Handheld Niton XRF analysis has confirmed the presence of strong copper mineralisation within a 10 metre interval commencing from 32 metres downhole. However the interval has not yet been subjected to chemical assay. Drill core is being transported to Perth with chemical assay and XRD mineralogy results expected to be received in the next two to three weeks.

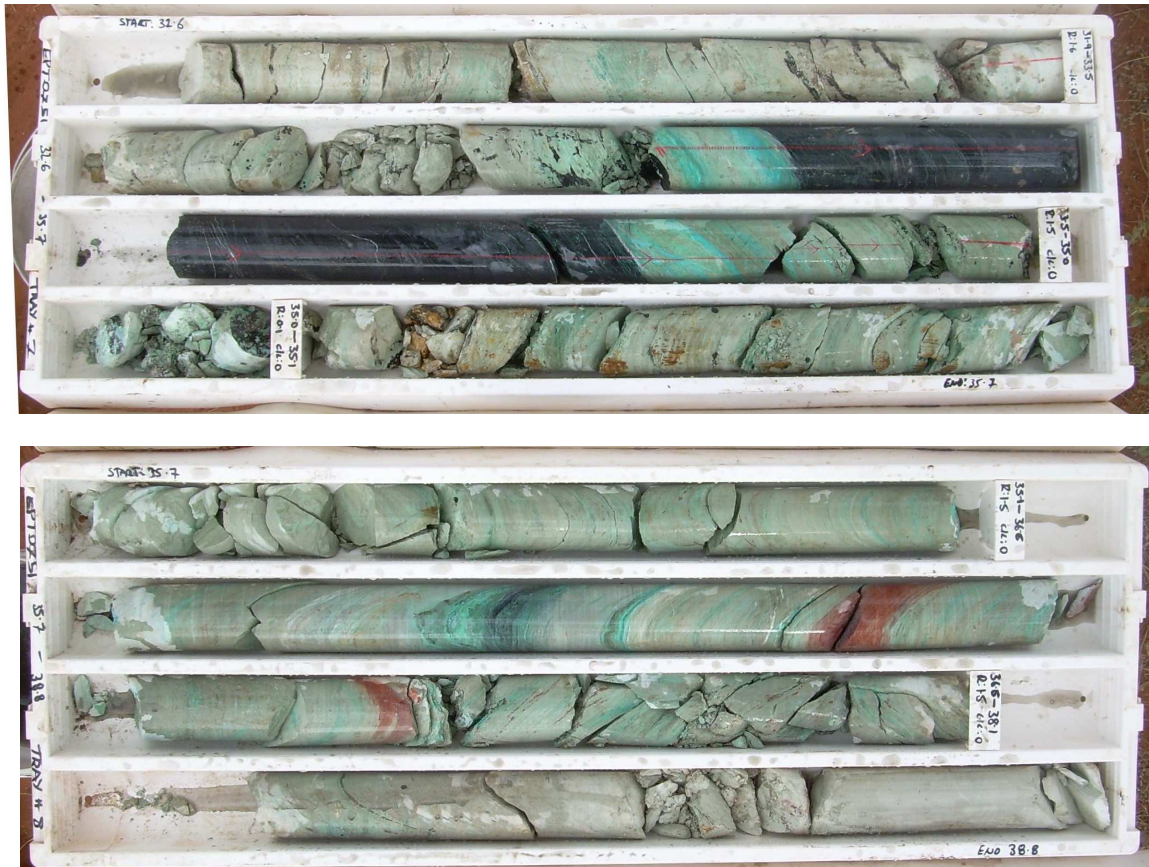


Photo 1 & 2: EPT 751 – Copper Mineralisation 32.6m to 38.8m

The mineralisation contains a steep structural fabric within a unit dipping shallowly to the north. This unit will be tested in the coming weeks with a series of RC drill traverses to determine its extent and the orientation of this mineralised horizon. The dark zone in Photo 1 contains the highest copper and sulphur Niton XRF values and may represent the direct weathering of primary copper sulphide mineralisation.

Four diamond drill holes of the initial fifteen hole program have been completed to date, with the fifth (EPT 751) currently in progress. The ongoing diamond drilling program has provided key structural and lithological information and has identified extensive zones of silica and pyrite replacement within the fresh rock which is consistent with alteration expected proximal to primary copper mineralisation.

The company looks forward to providing further updates as drilling progresses and assay results become available.



Photo 3: EPT 751 – Copper Mineralisation at approximately 34.6m

<i>Drill Hole ID</i>	<i>Northing(m)</i>	<i>Easting(m)</i>	<i>RL(m)</i>	<i>Azimuth</i>	<i>Dip</i>	<i>EOH (m)</i>
EPT 751	7544180	368535	320	180	-82	In progress

Project Background & Location Plan

The BM1 prospect is one of several high quality prospects within the 100% owned Yeneena project. 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 targets identified are located adjacent to major regional faults and have been identified through electromagnetics, geochemistry and structural targeting. The 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).

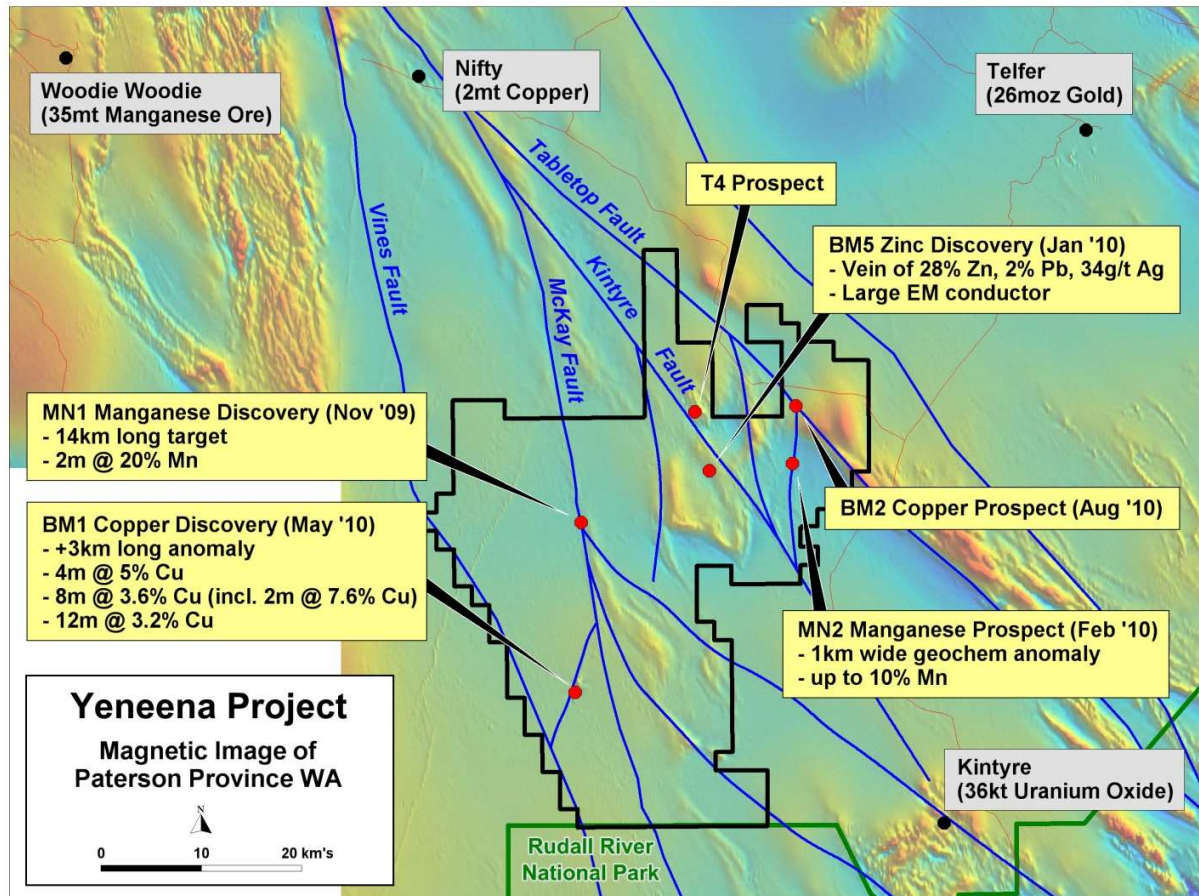


Figure 1. Yeneena Project leasing and targets areas on regional TMI magnetics

For further information please contact:

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