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ASX : ENR

2nd April 2007

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Placement to Accelerate Uranium Exploration

The directors of Encounter Resources Ltd are pleased to announce that the Company has arranged a private placement to raise A\$4.3 million before costs through the issue of 8,600,000 ordinary fully paid shares in the Company at a price of A\$0.50 per share.

The funds will allow the Company to expand and accelerate its uranium exploration activities and provide additional working capital. The shares have been placed with institutional investors who have a strong interest in the on-going development of the Company's exploration projects.

"We are pleased to welcome this institutional backing to our register. This funding will enable us to move faster and expand our exploration activities to realise the value of our extensive portfolio of projects" said Managing Director, Will Robinson.

The share placement will be made to sophisticated or professional investors within the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

For further information please contact:

Mr Will Robinson
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Encounter Resources Background

Encounter was established in 2004 to assemble a portfolio of strategically located, high quality, uranium projects in Western Australia. Project targeting involved a deliberate, commodity specific program at a time when there was minimal competition in Western Australia.

As a result of this extensive preliminary planning, in conjunction with joint venture partners Avoca Resources Ltd, Encounter now controls a portfolio comprising over 6,000 square kilometres of strategically located and highly prospective uranium projects. The portfolio includes nineteen calcrete style uranium projects located in the Yilgarn and the Officer Basin and six projects targeting unconformity style deposits in the Bangemall Basin.

To complement this extensive portfolio the company has assembled an experienced management team with proven corporate and exploration track records.