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ASX: ENR

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

Avoca Resources elects to contribute to uranium JV

The directors of Encounter Resources Ltd ('Encounter') are pleased to announce that Avoca Resources Limited ('Avoca') has elected to contribute to exploration expenditure to maintain their interest in the company's uranium exploration projects.

In accordance with the joint venture between Avoca and Encounter, Avoca has elected to contribute to the six month exploration expenditure program commencing 1st April 2007 to maintain their 20% interest in Encounter's project portfolio.

Avoca Resources has held a 20% free carried interest in Encounter's exploration projects for the two year period which ended on 1st April 2007. This includes all Encounter projects except the Lake Way South project which Encounter earned a 60% interest in the Uranium Rights from Avoca, see ASX Announcement 3rd October 2006. Encounter is the manager of the joint venture.

"We welcome the ongoing contribution to our projects by Avoca. We also value the input of Avoca's highly respected exploration skills and we look forward to working with them to unlock the value of our exciting portfolio of uranium assets" said Managing Director, Will Robinson.

For further information please contact:

Mr Will Robinson Managing Director Encounter Resources Ltd Tel: 08 9486 9455

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.