

ASX : ENR

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Company Announcements Office
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Uranium Mineralisation confirmed at McPherson's Bore

- Near surface uranium mineralisation intersected that extends over 1.2kms of strike
- Intersections received to date include;
 - 1m @ 448ppm U₃O₈ from surface
 - 1m @ 283ppm U₃O₈ from surface
 - 1m @ 271ppm U₃O₈ from surface
- Assays from several key drill holes remain pending
- Additional ground secured

The directors of Encounter Resources Ltd are pleased to announce that a broad spaced aircore drill program at the McPherson's Bore project (E29/587 - Encounter 80%, Avoca Resources Ltd 20%) has successfully defined an extensive area of near surface uranium mineralisation.

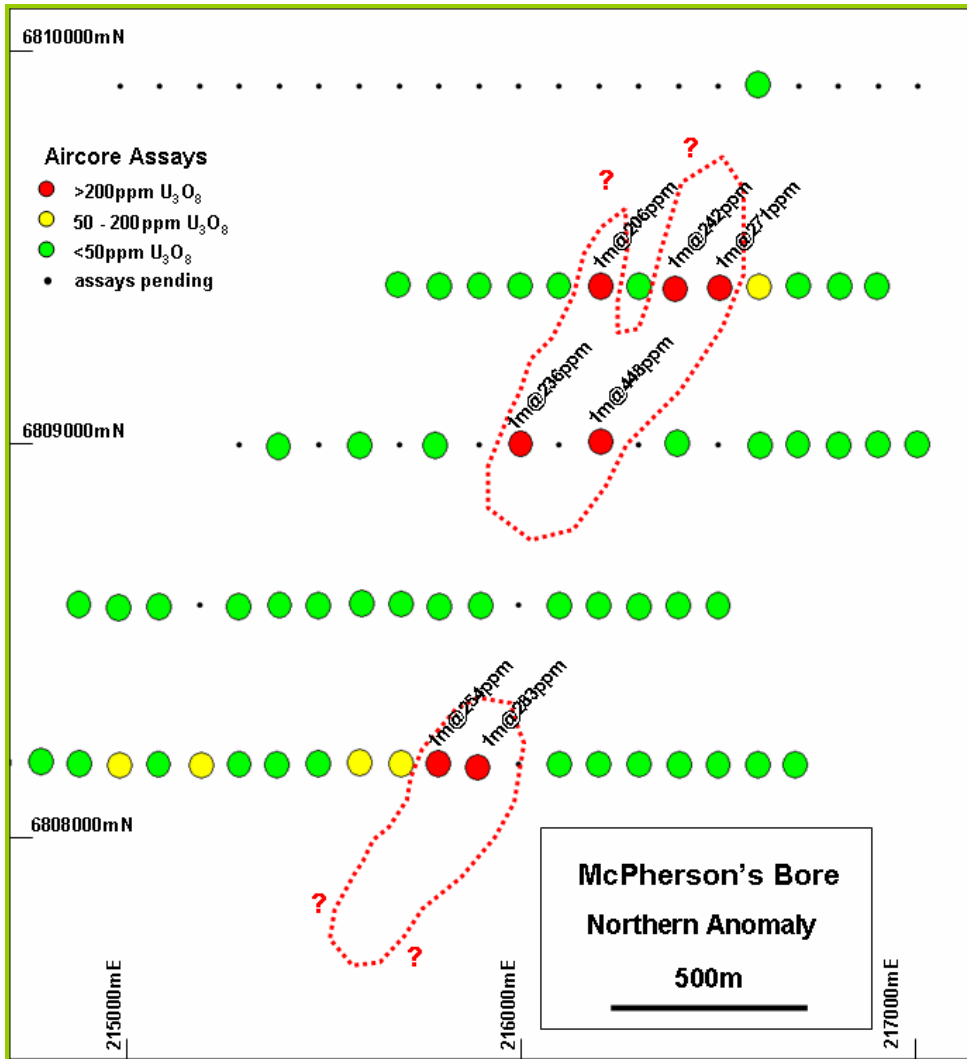
Initial assay results have confirmed the presence of uranium mineralisation within 1m from surface that extends over 1.2kms of strike (see Figure 1). Results from several key holes remain pending with the mineralisation remaining open to the north and to the south. Intersections received to date include:

Table 1. McPherson's Bore Northern Anomaly

Hole #	Northing	Easting	From	To	Width	U ₃ O ₈ ppm
EMB 006	6,809,400	216,200	0	1	1	206
EMB 008	6,809,400	216,400	0	1	1	242
EMB 009	6,809,400	216,500	0	1	1	271
EMB 115	6,809,000	216,000	0	1	1	236
EMB 117	6,809,000	216,200	0	1	1	448
EMB 028	6,808,200	215,800	0	1	1	254
EMB 029	6,808,200	215,900	0	1	1	283

Preliminary observations indicate that the surface mineralisation identified in the north of the project represents a significant uranium leakage anomaly. Additional drilling is required to confirm the source of this highly anomalous concentration of near surface uranium mineralisation.

Figure 1. McPherson's Bore – Northern Anomaly



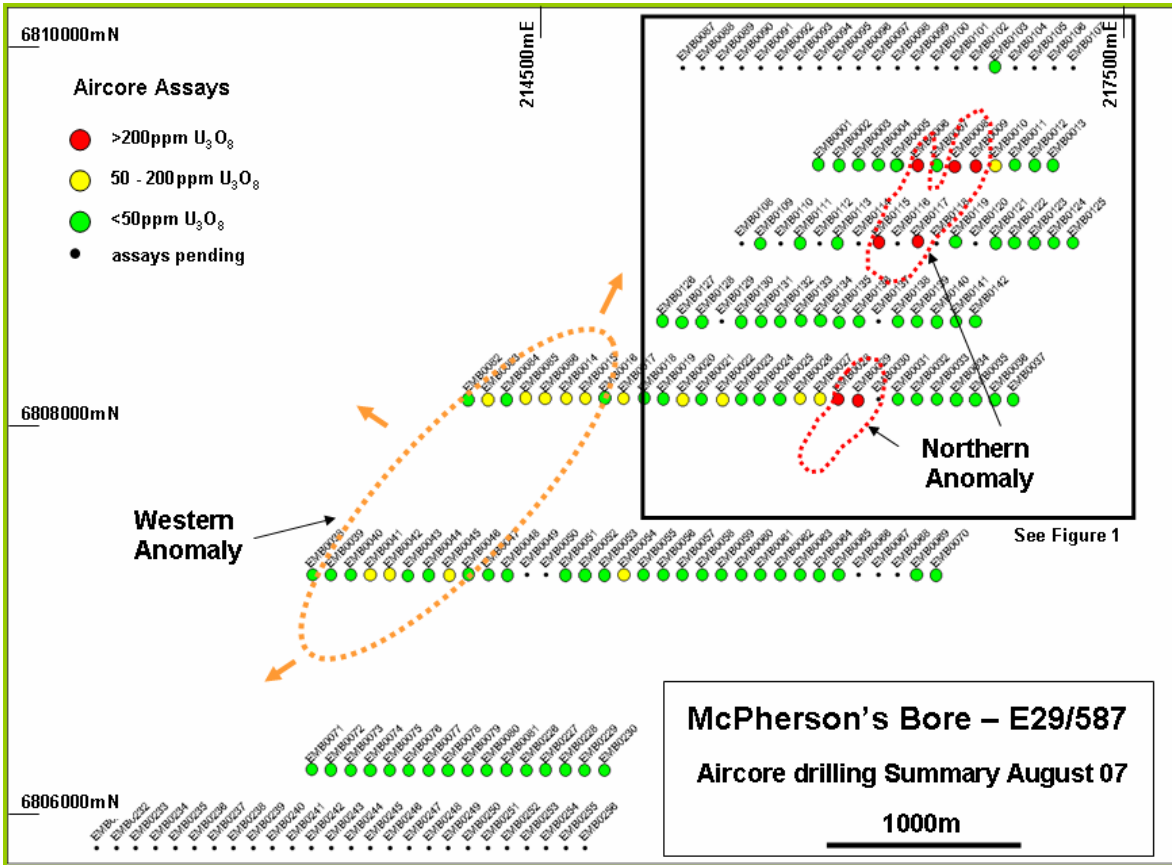
In addition to the Northern Anomaly, a second mineralised horizon has been defined along the western margin of the drilling that is not associated with the primary airborne radiometric anomaly. The Western Anomaly mineralisation occurs at around 3m depth with assays typically between 50-100ppm U₃O₈ over 2-3m and remains open to the north, south and west (see Figure 2).

Additional ground has been acquired to the north and south of the McPherson's Bore Project to cover the possibility of additional buried mineralisation within the defined trend.

A follow up aircore drill program is planned to test the continuity and for extensions to the uranium mineralisation defined. A key objective of the follow up program will be to determine the primary source of the significant surface uranium mineralisation defined at the Northern Anomaly.

The remaining assays from the McPherson's Bore drill program and the initial assay results from Hillview are expected to be received before the end of August.

Figure 2. McPherson's Bore aircore drilling summary



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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 his information in the form and context in which it appears.