

ASX : ENR

1 October 2009

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

Copper Drill Program Commences

- **Diamond drilling has commenced at the Yeneena project**
- **Four large scale copper targets to be tested**
- **The drill program is being co-funded through the WA Government Exploration Incentive Scheme**

The directors of Encounter Resources Ltd (“Encounter”) are pleased to announce that diamond drilling has commenced at the Yeneena project in Western Australia (WA). The 2,200 metre program will provide an initial diamond drill test of the BM1, BM5, T2 north and south targets within the Yeneena project. The company believes that the targets to be tested have the potential to host a major new copper position.

BM1 Target

Two drill holes will test the conductive body identified in airborne and ground electromagnetic (EM) surveys completed by Encounter. The discrete conductor is situated down dip of the 1km long copper regolith anomaly (up to 2m @ 0.89% Cu from 38m) which was identified in the shallow aircore drilling completed in June 2009. The conductor is interpreted to be the source of the copper regolith anomaly and may represent bedrock copper sulphide mineralisation.

T2 Target (north and south)

At T2 north two drill holes will target a 600 metre long, discrete conductor. The T2 north conductor has been modelled as a northerly plunging synform and is located on the regionally extensive McKay Fault. This target is completely sand covered but the strength and geometry of the conductive body, and its ideal structural location, are considered highly encouraging. A second conductive body defined in the ground EM program completed in August 2009, T2 south, will also be tested in this drill program.

BM5 Target

The compilation and interpretation of the results from the June 2009 aircore program has identified a clear geochemical vector within the BM5 gossan. The geochemical target is coincident with an interpreted NW to NNW structural jog along the western margin of the gossan. This geochemical and structural target will be tested as part the current diamond drilling program.

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).

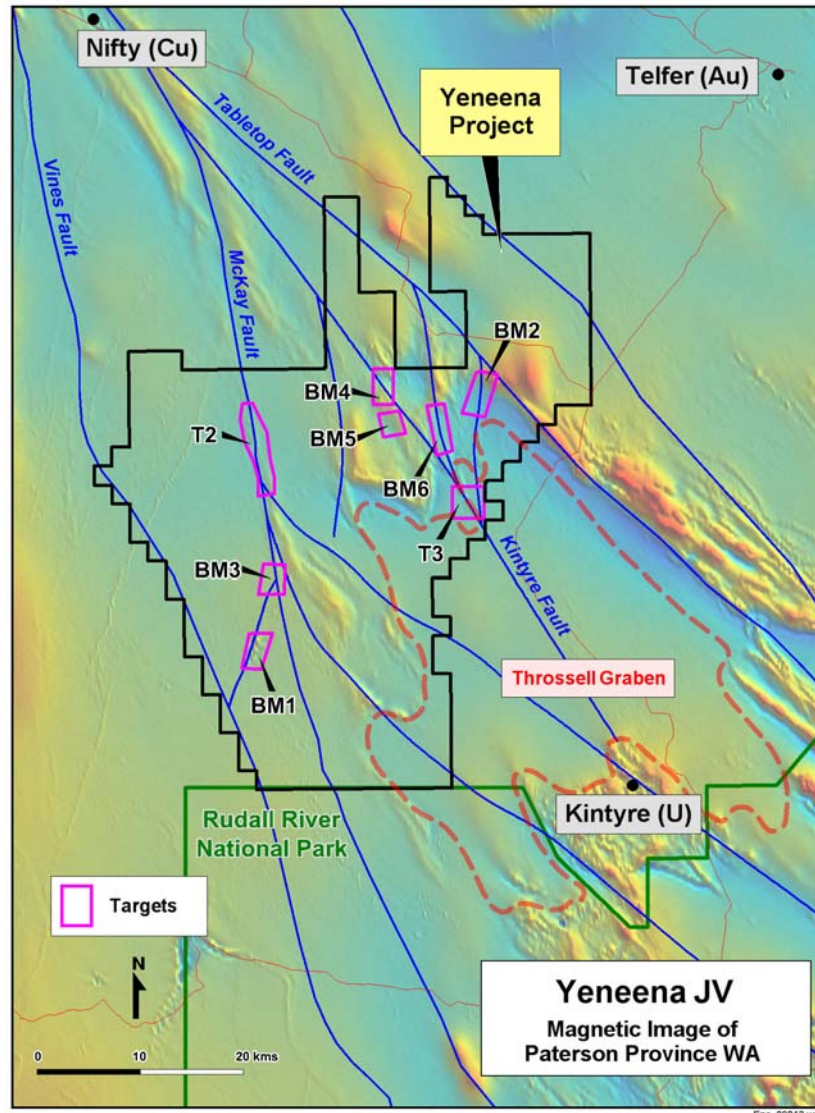


Figure 1. Key structures and targets over magnetics

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.