



ASX RELEASE

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Somerton Energy Acquires Otway Basin Tenement

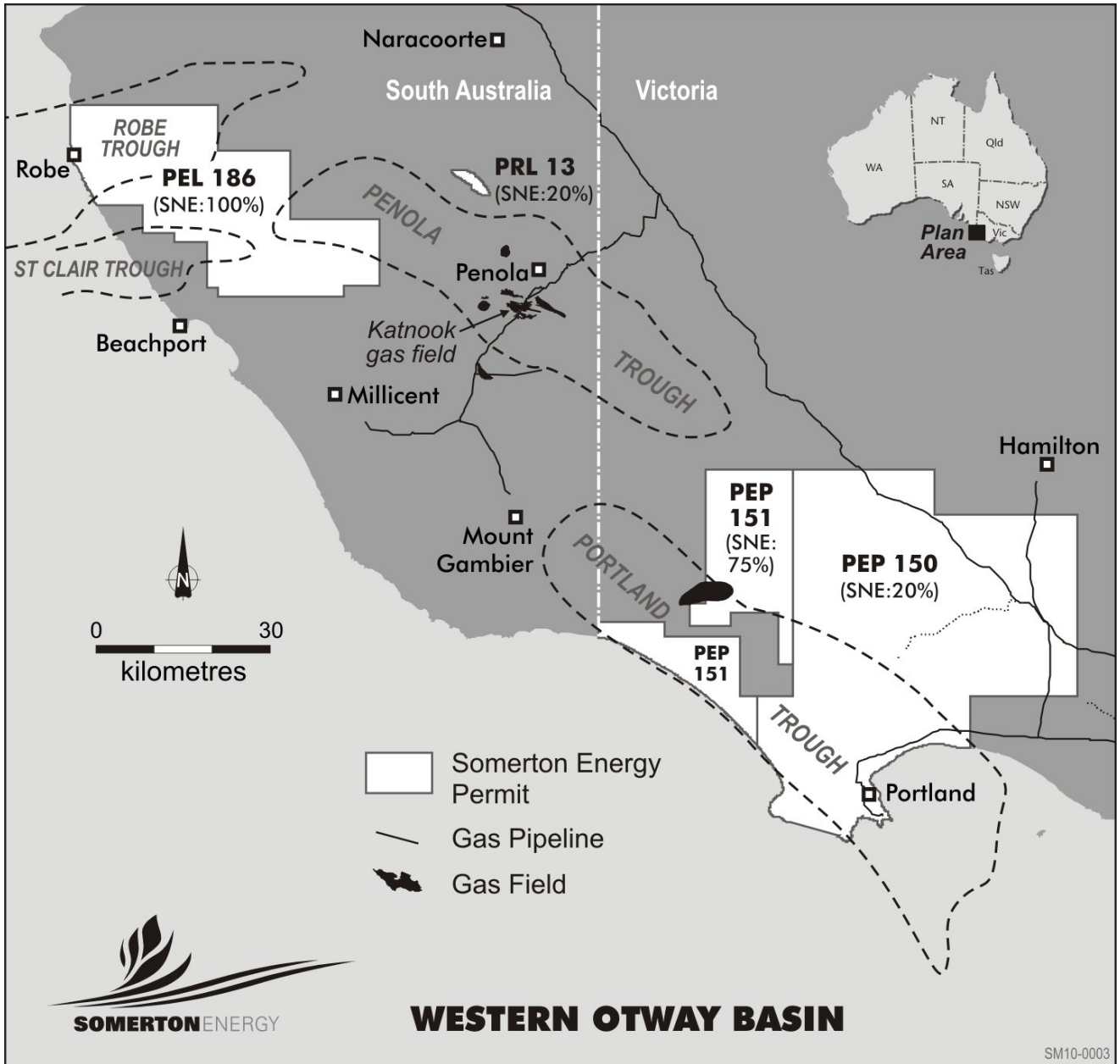
Somerton Energy Ltd (ASX:SNE) has agreed the principal terms of an agreement to acquire a 100% interest in the onshore Otway Basin petroleum exploration permit, PEL 186, in South Australia from Geothermal Resources Limited (ASX:GHT) for a cash payment of \$A200,000.

In accordance with Somerton's strategic alliance with Beach Energy Limited, Somerton will offer Beach a 66.67% interest in PEL 186 on the same terms as the transaction between Somerton and Geothermal. If accepted by Beach this will reduce Somerton's interest in the tenement to 33.33% and its cash outlay to \$66,667.

PEL 186 lies in the western Otway Basin and includes the western extension of the Penola Trough, which has yielded commercial gas discoveries in the Katnook area fields. Somerton considers the tenement to be prospective for a wide variety of oil and gas plays, but will particularly focus on evaluating plays with significant oil potential. Somerton plans to drill at least one petroleum exploration well in PEL 186 in 2011.

Somerton's Managing Director, Mr. Hector Gordon, said "The acquisition of PEL 186 represents the first step in the rebuilding of Somerton's Otway Basin exploration portfolio and provides the company with exposure to new exploration play types which are not present in our Victorian tenements.

We consider the Penola Trough has excellent potential for new oil and gas discoveries and we are aiming to put in place a drilling program of at least 3 wells for 2011. Further details on our plans will be announced once the portfolio is further enhanced".



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