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25 June 2007

Dear Shareholder

Re: Eyre Energy Limited Initial Public Offer

In case you are not aware we have attached a copy of the announcement made on 14 June 2007 about Adelaide Resources' decision to spin-off its uranium exploration interests into a new company, Eyre Energy Limited.

Directors have decided on this course of action in order to unlock the value of the company's uranium exploration assets for the benefit of shareholders; and to enable Adelaide Resources to focus on its zircon rich mineral sand development opportunity in the Eucla Basin and its gold, copper and iron ore interests elsewhere.

It is intended that Eyre Energy will be listed on the ASX and a prospectus is to be lodged with ASIC in July. Shareholders of Adelaide Resources will be offered a priority entitlement to subscribe for Eyre Energy $0.20 shares provided they hold a minimum of 8,000 shares on the Record Date, which is anticipated to be 7 days after the lodgement of the prospectus with ASIC. The prospectus will be mailed to all shareholders and it will also be available on the Eyre Energy website which will be operative at the lodgement date.

In addition shareholders in Adelaide Resources will benefit from an in-specie distribution of Eyre Energy shares planned to take place after approval at a General Meeting to be held no later than two months after the company is listed in early September. The shares distributed in specie will of course be transferred at no cost to Adelaide Resources shareholders.

Further details concerning Eyre Energy will be announced in due course and you are advised to watch for their release.

Reponses from the market since the announcement have been most encouraging and we are pleased to offer this opportunity to our shareholders.

Yours sincerely

Keith Yates

Keith Yates
Executive Chairman.