

ASX : ENR

4 June 2010

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

WA government co-funded drilling grants

The directors of Encounter Resources Ltd are pleased to announce that the company has been successful in its two applications for co-funded drilling under the Western Australian (WA) Government Exploration Incentive Scheme.

The funding from the WA Government will contribute up to \$150,000 towards the drilling costs of the planned diamond drill program at the Yeneena Project located in the Paterson Province and up to \$100,000 towards the planned program at the Wanna Project in the Bangemall Basin. The co-funding provides recognition of the quality and the potential of these exciting drill targets defined by Encounter.

The co-funded diamond drill program at the Yeneena Project is scheduled to commence in August 2010.

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.