

## ***Future of ADX remains bright despite well test disappointment***

The future of ADX remains bright despite the disappointing well test result at Sidi Dhaher, directors said today.

The Board of ADX recognizes that the result is a temporary setback for the Company, especially after the encouraging retrieval of an oil sample during the drilling campaign and the evidence for good reservoir during the well test.

“However we should not lose sight of the prospective exploration and appraisal portfolio ADX currently operates, the funding ADX has secured and the potential for substantial growth,” Wolfgang Zimmer, Managing Director of ADX said.

Looking forward ADX will continue to work diligently on materializing its strategy of:

- I. Delivering low cost, medium to low risk near term onshore production in a fiscally attractive regime;
- II. Participating in large growth upside exploration and appraisal with high reward potential;
- III. Funding the majority of its exploration activities through industry farmouts to minimize financial exposure and maximize reward for the capital deployed; and
- IV. Developing the Company’s asset portfolio over time and maintaining a balance between low risk and medium resource size projects and higher risk but large resource size projects.

### **Ongoing Asset Objectives:**

#### **Chorbane Permit, Onshore Tunisia (ADX holds 40% and is the operator)**

There are several undrilled opportunities within the Chorbane permit in onshore Tunisia, which are independent of Sidi Dhaher-1 and in addition to the deeper Jurassic gas potential confirmed by the Chaal 1 well in the adjacent Chaal permit.

“Our next phase of exploration in the permit is likely to focus on a set of prospects close to oil and gas discoveries and within the proven oil and gas kitchen area that exists in the central and eastern part of Chorbane,” Paul Fink, Technical Director of ADX said.

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“Secondly, the southern part of the Chorbane permit remains unexplored, holding potentially large sized structures facing a prolific hydrocarbon generation kitchen area. This area will, however, require more seismic data acquisition to deliver drillable prospects.”

*Parta Permit, Onshore Romania (ADX holds 50% and is the operator)*

The Parta permit in Romania was added to the portfolio in 2011 and holds several low cost oil & gas drilling opportunities which if successful could be brought into production in a short amount of time. Even small accumulations can be brought into production profitably, due to the availability of infrastructure and the excellent fiscal terms of the concession agreement under which ADX will operate. Following execution of the concession agreement with the Romanian authorities in 2011 ADX has completed its 3D and 2D seismic tender and bidding process and expects to commence seismic acquisition during the second half of this year once the Prime Minister ratifies the concession agreement. The first well in the Parta permit is currently planned for 2013.

In summary ADX will continue to explore both onshore in Tunisia and Romania. The immediate focus will be onshore Romania where funding is secured through the recent farmout. The near term activity will be the seismic acquisition campaign in Romania, followed by drilling in 2013.

*Sicily Channel Permits, Offshore Tunisia (ADX holds 60% and is the operator)*

Onshore operations in Tunisia following the Arab Spring revolution have required a dependency on local community goodwill and resolution of local political issues which has resulted in considerable uncontrollable delays in operations such as the drilling and testing of Sidi Dhaher. Offshore these local community issues do not apply. ADX now intends to focus its attention to the Sicily Channel assets which offer a combination of material appraisal opportunities and excellent exploration potential which offers large drillable prospects defined with 3D seismic within a proven oil & gas fairway. Acquisition of 3D seismic over the best exploration and appraisal opportunities, including the Dougga gas condensate discovery, has resulted in the improved definition of substantial opportunities which have in turn been verified by independent third party technical experts. The 3D seismic has also resulted in new exploration drilling opportunities which complement Dougga and provide an attractive and material portfolio of drilling projects that are ready to drill.

The table below summarizes the most likely resource potential of the projects covered by 3D seismic (670 sqkm) within the approximately 5,000 sqkm Sicily Channel ADX acreage. (Note that the Dougga figure is revised based on a recent third party independent review of ADX seismic and reservoir engineering work).

3D Project Name	Status	Most Likely (mean) Resource [mmboe]	Expected Hydrocarbon Type
Dougga	Appraisal of contingent resources	173	gas condensate
Lambouka	Appraisal	52	gas only, condensate potential not quantified, estimated at 24 mmbbls
Lambouka-Deep	Drill Deeper - Exploration	126	gas condensate
Dougga West	Near Field Exploration	226	oil or gas condensate (resource given for oil case in Birsă)
Elissa	Exploration	616	Oil (Birsă) or condensate Abiod)
<b>TOTAL COVERED BY 3D SEISMIC</b>		<b>1,193</b>	

In order to secure the necessary funding for the drilling of the Sicily Channel portfolio ADX has commenced with farm out efforts for its Sicily Channel acreage. The objective is to conclude the farmout process by the end of 2012 and prepare for drilling the next well in 2013.

### Summary

The Romanian Parta permit and the enhanced Sicily Channel portfolio both represent excellent growth opportunities for ADX. In addition ADX will continue to consider new projects; focusing on those areas which provide the best opportunity to rapidly deliver production. ADX will continue its strategy of acquiring assets with operatorship and large equity holdings where it can add value through its technical skills and farm down to provide funding for drilling as has been the case with the recent Parta farm in deal.

Despite being a small cap explorer, ADX has built an extensive high impact appraisal and exploration portfolio which it holds at high equity interest. These assets have the potential to deliver outstanding shareholder returns and corporate transformation. To date the majority of funds required for the operational activities has come from industry farm outs. This funding strategy requires technically robust, high quality assets and drilling projects which will attract industry funding.

ADX intends to continue the funding of its projects via farmouts however it should be recognized that this approach not only requires high quality technical work to gain the required credibility amongst technical experts of other exploration & production companies, but it also requires time to market those assets successfully.

ADX's priorities and planned activities over the coming year can be summarized as follows:

- Drill the top ranked appraisal and exploration projects from our existing portfolio, such as the Dougga appraisal well offshore Tunisia and nearby opportunities identified on 3D seismic, including Lambouka. Depending on the duration of the farm out process, drilling activity is planned for 2013.
- Generate new opportunities in the existing permit, such as the Romanian Parta permit, where modern seismic acquisition will be instrumental to achieve this goal.
- Minimise the issue of new equity by funding these activities mainly through industry farmouts. This has been achieved in the past for the Lambouka offshore drilling project where we hold 60%, the Tunisian Chorbane permit where we hold 40% (the lowest equity level in our portfolio) and most recently for the Romanian Parta project, where we hold 50%.

ADX also has gold and base metal interest in Western Australia and Burkina Faso which it holds via its 31.2% stake in ASX listed Riedel Resources Ltd (RIE).

The Board of ADX looks forward to pursuing these substantial opportunities that exist within the Company's portfolio on behalf of its shareholders and its partners.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Peter Ironside', with a long horizontal flourish extending to the right.

Peter Ironside  
Company Secretary