

**31 July 2012**

**Activities Report  
Period Ending 30 June 2012**

**Highlights**

**Corporate/Farmins**

- **Parta License, Onshore Western Romania**

A farm in agreement was executed between ADX and Rohoelaufsuchungsgesellschaft ('RAG') in relation to ADX's Parta licence ("Parta Permit") in Romania. RAG is a financially and technically capable joint venture partner. The farm is expected to provide the majority of the funding for the first exploration phase consisting of 2D and 3D seismic and drilling of two wells. ADX will retain operatorship and a 50% interest.

**Operational**

- **Chorbane Permit, onshore Tunisia - Sidi Dhafer-1 well test**

The testing of the Sidi Dhafer-1 well was completed. The well flowed water due to very low oil saturations even within the best reservoir zone – from which an oil sample was retrieved during the drilling operations in 2011. The Sidi Dhafer-1 well was plugged and abandoned.

- **Kerkouane Permit – Sicily Channel, offshore Tunisia and Italy**

During the quarter farmout preparations continued with the completion of the exploration prospect & appraisal opportunity analysis. ADX now has an attractive portfolio of four 3D seismic defined prospects which contain a total of approximately 1.2 billion barrels of oil equivalent most likely prospective resources. The contingent resources are in the order of 225 mmboe (Dougga and Lambouka appraisal

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projects). ADX has also progressed further work on the remaining 5,000 km of the permits where several large 2D seismic defined prospects have been identified.

### Offshore Tunisia & Italy - Kerkouane - Pantelleria Permit; d364 C.R.-AX permit (all ADX operated)

During the quarter the exploration and appraisal portfolio reassessment based on the Geostreamer 3D seismic was completed. Additional regional geoscience work based on 2D seismic was completed that describes the geological setting justifying the potential for the large resources in leading prospects interpreted by ADX. ADX has been invited to publish its findings in the July edition of “The Leading Edge”, which is the worldwide most referenced E&P industry magazine for oil & gas geophysics and geology.

The table below summarizes the most likely resource potential of the projects covered by 3D seismic 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 Birsa)
Elissa	Exploration	616	Oil (Birsa) or condensate Abiod)
<b>TOTAL COVERED BY 3D SEISMIC</b>		<b>1,193</b>	

### **Onshore Tunisia - Chorbane Permit (ADX operated)**

ADX is the operator and holds a 40% interest.

Following the disappointing Sidi Dhaher-1 test results, the focus of activity has now shifted to a number of areas and leads which are geologically independent of the Sidi Dhaher trend. Of special interest are three areas:

1. The area within the present day oil & gas mature kitchen areas adjacent to producing oil fields in the east. An appraisal and exploration opportunity exists at well drilled in the 70's that tested oil which has large updip potential based on a new seismic interpretation. Additional deeper potential is interpreted which was previously intersected.
2. A virtually unexplored area in the southeast part of the license which has good evidence for the potential of large structures. Further seismic will be required to identify a firm and robust drilling target.
3. The area on trend with a large gas field inside the adjoining Chaal license.

A technical and commercial review has also lead to a recommendation for a 20% areal relinquishment required for renewal of the permit until July 2015. The necessary renewal documents were prepared and submitted to the Tunisian authorities during the quarter.

### **Romania: Parta Concession – Pannonian Basin**

ADX is the operator and holds a 50% interest in the awarded block.

A farm in agreement was executed between ADX and Rohoelaufsuchungsgesellschaft ('RAG') during the quarter.

RAG has made an upfront payment to ADX and be entitled to earn 50% interest in the Parta Permit upon further payment in lieu of past costs and a payment of a promoted share of future costs prior to the commencement of seismic operations. The forward work commitment for the Parta Permit requires the acquisition of 2D and 3D seismic and the drilling of two exploration wells.

The Parta block in South West Romania has an area of 1,221 km<sup>2</sup> and is located in the prolific oil and gas producing southern Pannonian basin. This prospective block includes 7 excised oil and gas fields and is considered underexplored based on seismically identified prospectivity. The concession agreement is fiscally attractive providing the opportunity for excellent returns.

During the quarter ADX further refined the layout and technical parameters for both the planned 3D and 2D seismic. The 3D seismic has been designed to determine the details of a proven but underexplored oil trend in the northern part of the license, whereas the 2D seismic is intended to firm up drilling targets on large sized stratigraphic traps which are most likely gas bearing.

### **Corporate and Finance**

ADX currently has 438, 308,350 shares on issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wolfgang Zimmer', written in a cursive style.

**WOLFGANG ZIMMER**  
Managing Director