



ADX Energy Ltd

ABN 50 009 058 646

**HALF-YEAR FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2013**

Directors

Ian Tchacos (Non-Executive Chairman)
Wolfgang Zimmer (Managing Director)
Paul Fink (Technical Director)
Andrew Childs (Non-Executive Director)

Company Secretary

Peter Ironside

Registered and Principal Office

Suite 6, 2nd Floor
11 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: +61 8 9226 2822
Facsimile: +61 8 9226 5333
Web Page: www.adxenergy.com.au
Email: admin@adxenergy.com.au

Technical Office

Kundratstrasse 6/2/1, A 1100
Vienna, Austria
Telephone: +43(0)1 6410189 15
Facsimile: +43(0)1 6410189 20

Share Registry

Computershare Investor Services Pty Ltd
45 St George's Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2001
Facsimile: +61 8 9323 2033

Solicitors

Freehills
250 St George's Terrace
Perth, Western Australia 6000

Bankers

National Australia Bank
100 St George's Terrace
Perth, Western Australia 6000

Stock Exchange Listing

Australian Stock Exchange
2 The Esplanade
Perth, Western Australia 6000
ASX Code: ADX

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth, Western Australia 6005

ADX ENERGY LTD
DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 30 June 2013.

DIRECTORS

The names of Directors of the Company during or since the half-year and up to the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Position
Mr Ian Tchacos	Non-Executive Chairman
Dr Wolfgang Zimmer	Managing Director
Mr Paul Fink	Technical Director
Mr Andrew Childs	Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

Summary of Financial Performance

A summary of key financial indicators for the Group, with prior period half-year comparison, is set out in the following table:

	Consolidated 30 June 2013 \$	Consolidated 30 June 2012 \$
Net profit/(loss) for the half-year after tax	(3,821,863)	(10,339,906)
Included in loss for the half-year:		
Revenue from farmouts	894,165	-
Exploration impairment	(2,848,574)	(7,081,580)
Impairment of investment in associate	(600,000)	(2,000,000)
Share of loss in associate	(855,697)	(358,556)
Basic profit/(loss) per share (cents) from continuing operations	(0.79) cents	(2.36) cents
Net cash (used in) operating activities	(987,629)	(408,907)
Net cash (used in) investing activities	113,547	(2,122,609)
Net cash (used in) financing activities	-	-

During the six month period:

- Exploration assets were written down by A\$2,848,574. This was primarily in relation to the Kerkouane permit to reflect a carrying value in line with its value based on farmout discussions.
- ADX's investment in Riedel Resources Limited was written down to reflect current market value.
- Additional farmout revenue from 2012 farmouts was recognised and received during the period.

Asset Transactions and Corporate Activities

There were no significant asset transactions or corporate activities.

ADX ENERGY LTD
DIRECTORS' REPORT

Operations Review

OFFSHORE ITALY AND TUNISIA (ADX operated)

Kerkouane & Pantelleria Permits (60% interest), d364 C.R-.AX permit (100% interest)

During the six-month period ADX continued to evaluate the permits on its Geostreamer 3D seismic and the 2D seismic acquired by Shell in the northern part of Kerkouane. As a result of these activities the multi target Dougga-West oil prospect in the Tunisian Kerkouane license has been high graded as the leading prospect in the portfolio of future exploration drilling candidates. An independent resources review was also commenced during the period.

The farmout efforts with an objective to fund the next well have continued and resulted in increasing industry interest. No legally binding offer was however made during the reporting period.

In order to allow sufficient preparation time for the next well, ADX has commenced the discussion for the extension of the Kerkouane permit with the Tunisian authorities and received encouraging verbal feedback. In addition to that the development options for the Dougga gas condensate field were discussed further with the Tunisian authorities.

ONSHORE TUNISIA (30% non operated interest)

Chorbane Permit

The exploration focus has shifted to the lower risk but medium size oil and gas prospects in the eastern part of the permit. An attractive exploration and appraisal target has been identified on trend with producing oilfields prior to transferring operatorship.

This so called "SAG" prospect is a possible candidate for a near future seismic acquisition campaign, which is fully funded through the farmout to the new operator Gulfsands.

NEW BUSINESS ACTIVITIES

In order to enhance its portfolio ADX has continued activities in two areas.

1. Building on its existing database and expertise, ADX is actively pursuing opportunities in Romania. This includes also possible corporate deals. In addition, preparations are ongoing for the next Romanian exploration and production licensing round in the near future.
2. Technical assessment, government meetings and networking activity for The Caspian Sea area continued throughout the period.

SUBSEQUENT EVENTS

No matters or circumstance have arisen since 30 June 2013 that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

ADX ENERGY LTD
DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The following is a copy of a letter received from the Company's auditors:

“Lead auditor’s independence declaration under Section 307C of the Corporations Act 2001

To: The Directors of ADX Energy Ltd

In accordance with Section 307C of the Corporations Act 2001 (the “Act”) I hereby declare that to the best of my knowledge and belief there have been:

- no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2013 interim financial statements; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Graham Swan
Lead Auditor
Rothsay Chartered Accountants”

This report is made in accordance with a resolution of the directors.



Wolfgang Zimmer
Managing Director
PERTH, 11 September 2013

ADX ENERGY LTD
INDEPENDENT REVIEW REPORT



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of ADX Energy Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for ADX Energy Ltd for the half-year ended 30 June 2013.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 30 June 2013 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of ADX Energy Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of ADX Energy Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 30 June 2013 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay

A handwritten signature in blue ink that reads 'G.R. Swan'.

Graham R Swan
Partner

Dated // September 2013



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW).

ADX ENERGY LTD
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of ADX Energy Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - 1) giving a true and fair view of the financial position as at 30 June 2013 and the performance for the half-year ended on that date of the consolidated entity; and
 - 2) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Wolfgang Zimmer
Managing Director

PERTH, 11 September 2013

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2013

	Note	Half-year ended 30 June 2013 \$	Half-year ended 30 June 2012 \$
Continuing Operations			
Revenue and Income			
Interest Revenue		23,387	13,377
Other revenue		894,165	3,190
		917,552	16,567
Expenses			
Administration and corporate expenses, net of recoveries from exploration projects	3	432,683	898,927
Exploration impairment	5	2,848,574	7,081,580
Impairment of investment in associate		600,000	2,000,000
Share of loss from associate		855,697	358,556
Total expenses		4,736,954	10,339,063
Loss before income tax		(3,819,402)	(10,322,496)
Income tax expense		(2,461)	(17,410)
Net loss for the half-year		(3,821,863)	(10,339,906)
Other Comprehensive Income/(Loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		998,873	(121,000)
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the period, net of tax		998,873	(121,000)
Total comprehensive income/(loss) for the period		(2,822,990)	(10,460,906)
		Cents Per Share	Cents Per Share
Basic loss per share	2	(0.79)	(2.36)

ADX ENERGY LTD
CONSOLIDATED
BALANCE SHEET
AS AT 30 JUNE 2013

	Note	As at 30 June 2013 \$	As at 31 Dec 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,536,292	2,080,538
Trade and other receivables		889,939	537,410
Other financial assets at fair value		2,273	2,005
Inventories		56,544	49,851
Total Current Assets		<u>2,485,048</u>	<u>2,669,804</u>
Non-Current Assets			
Receivables		18,038	36,773
Property, plant and equipment		189,635	190,519
Deferred exploration expenditure	5	5,015,515	6,125,323
Investment in associate		330,262	1,790,220
Total Non-Current Assets		<u>5,553,450</u>	<u>8,142,835</u>
Total Assets		<u>8,038,498</u>	<u>10,812,639</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		480,241	429,517
Provisions		10,682	10,197
Total Current Liabilities		<u>490,923</u>	<u>439,714</u>
Total Liabilities		<u>490,923</u>	<u>439,714</u>
Net Assets		<u><u>7,547,575</u></u>	<u><u>10,372,925</u></u>
EQUITY			
Contributed equity	6	62,263,381	62,263,381
Reserves		4,567,652	3,571,139
Accumulated losses		(59,283,458)	(55,461,595)
Total Equity		<u><u>7,547,575</u></u>	<u><u>10,372,925</u></u>

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2013

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 January 2012	61,511,381	3,404,195	(47,682,625)	17,232,951
Loss for the half-year	-	-	(10,339,907)	(10,339,907)
Exchange differences on translation of foreign operations	-	(121,000)	-	(121,000)
Total comprehensive loss for the period, net of tax	-	(121,000)	(10,339,907)	(10,460,907)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	-	-	-	-
Share based payments	-	403,767	-	403,767
	-	403,767	-	403,767
At 30 June 2012	61,511,381	3,686,962	(58,022,532)	7,175,811
At 1 January 2013	62,263,381	3,571,139	(55,461,595)	10,372,925
Loss for the half-year	-	-	(3,821,863)	(3,821,863)
Exchange differences on translation of foreign operations	-	998,873	-	998,873
Total comprehensive loss for the period, net of tax	-	998,873	(3,821,863)	(2,822,990)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	-	-	-	-
Share based payments	-	(2,360)	-	(2,360)
	-	(2,360)	-	(2,360)
At 30 June 2013	62,263,381	4,567,652	(59,283,458)	7,547,575

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2013

CONSOLIDATED	Half-year ended 30 June 2013	Half-year ended 30 June 2012
	\$	\$
Cash Flows from Operating Activities		
Receipts in the ordinary course of activities	20,966	71,898
Payments to suppliers and employees	(1,031,982)	(476,772)
Interest received	23,387	13,377
Income tax paid	-	(17,410)
Net Operating Cash Flows	(987,629)	(408,907)
Cash Flows from Investing Activities		
Proceeds from sale of plant and equipment	11,725	-
Payments for plant and equipment	(20,431)	(90,476)
Payments for capitalised exploration expenditure	(1,121,092)	(2,566,133)
Proceeds from farmouts	833,940	696,000
Payments made on behalf of joint venture partners	(562,299)	(500,000)
Repayments from joint ventures	971,704	338,000
Net Investing Cash Flows	113,547	(2,122,609)
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	-
Payment of share issue costs	-	-
Net Financing Cash Flows	-	-
Net Increase/(Decrease) In Cash and Cash Equivalents	(874,082)	(2,531,516)
Cash and Cash Equivalents at beginning of half- year	2,080,538	2,918,620
Effect of foreign exchange rates	329,836	113,026
Cash and Cash Equivalents at End of Half-Year	1,536,292	500,130

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2013

1. Basis of Preparation of Half-Year Financial Statements

This general purpose consolidated financial report for the half-year ended 30 June 2013 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

ADX Energy Ltd is a company limited by shares, domiciled and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange.

The Group is a for profit entity and is primarily involved in Hydrocarbon exploration, evaluation, and development.

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report for the year ended 31 December 2012 and any public announcements made by ADX Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial statements have been prepared in accordance with the historical cost basis.

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

The half year consolidated financial statements comprise the financial statements of ADX Energy Ltd and its subsidiaries ("Group") as at 30 June 2013.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Adoption of New or Revised Standards

All new and amended Accounting Standards and Interpretations effective from 1 January 2013 have been adopted, including:

- AASB 10 Consolidated Financial Statements. AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7. The adoption of AASB 10 had no effect on the financial position or performance of the Group

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2013

1. Basis of Preparation of Half-Year Financial Statements - continued

Adoption of New or Revised Standards - continued

- AASB 11 Joint Arrangements. AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Nonmonetary Contributions by Venturers. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128. The adoption of AASB 11 had no effect on the financial position or performance of the Group.
- AASB 12 Disclosure of Interests in Other Entities. AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced regarding the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The adoption of AASB 12 had no material impact on the financial statements of the Group.
- AASB 13 Fair value measurement. AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8 which has resulted in additional disclosures around the fair values of financial instruments. The adoption of AASB 13 had no effect on the financial position or performance of the Group.
- AASB 19 Employee Benefits. The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The adoption of AASB 19 had no effect on the financial position or the performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2013

2. Earnings Per Share

The Company's potential ordinary shares, being its options granted, have been excluded in the determination of diluted earnings per share as they are considered to be anti-dilutive for the periods presented.

	Consolidated	
	6 Months to 30 June 2013	6 Months to 30 June 2012
	\$	\$
3. Expenses		
Administration and corporate expenses include:		
Depreciation	30,844	8,419
Share based payments/(reversal) – options	(2,360)	403,767

4. Non-Cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period (six months to 30 June 2012: none).

	Consolidated	
	6 Months Ended 30 June 2013	12 Months Ended 31 December 2012
	\$	\$
5. Deferred Exploration Expenditure		
Deferred exploration and evaluation costs brought forward	6,125,323	6,200,505
Capitalised expenditure incurred during the year	1,095,643	166,253
Expenditure written off during the year	(2,848,574)	-
Currency translation differences	643,123	(241,435)
Deferred exploration and evaluation costs carried forward	5,015,515	6,125,323

6. Contributed Equity

		6 Months Ended 30 June 2013
Number of Shares	Summary of Movements	\$
485,368,175	Opening balance 1 January 2013	62,263,381
-	Issued during the six months	-
485,368,175	Closing Balance at 30 June 2013	62,263,381

ADX ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

7. Operating Segments

Operating Segments	Minerals	Oil and Gas	Total Operations
	\$	\$	\$
<u>6 Months ended 30 June 2013</u>			
Revenue	-	894,165	894,165
Total segment revenue			<u>894,165</u>
Result			
Segment result	(855,697)	525,383	(330,314)
Amortisation and depreciation	-	(8,732)	(8,732)
Impairment of investment in associate	(600,000)	-	(600,000)
Impairment of deferred exploration	-	(2,848,574)	(2,848,574)
Total Segment result	<u>(1,455,697)</u>	<u>(2,331,923)</u>	<u>(3,787,620)</u>
Reconciliation of segment loss after tax to net loss after tax:			
Unallocated revenue and income			23,387
Foreign currency gains/(losses)			(35,517)
Unallocated depreciation			(22,113)
Unallocated expenditure			-
Net loss after tax			<u>(3,821,863)</u>
Assets			
Segment assets	330,262	6,060,622	6,390,884
Reconciliation of segment assets:			
Cash held by parent			1,445,752
Other			201,862
Total assets			<u>8,038,498</u>
Liabilities			
Segment liabilities	-	436,798	436,798
Reconciliation of segment liabilities:			
Unallocated liabilities			54,125
Total liabilities			<u>490,923</u>

ADX ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2013**

7. Operating Segments – continued

Operating Segments	Minerals	Oil and Gas	Total Operations
	\$	\$	\$
<u>6 Months ended 30 June 2012</u>			
Revenue	-	-	-
Total segment revenue			-
Result			
Segment result	(358,556)	(127,734)	(486,290)
Amortisation and depreciation	-	(2,310)	(2,310)
Impairment of investment in associate	(2,000,000)	-	(2,000,000)
Impairment of deferred explorations	-	(7,081,580)	(7,081,580)
Total Segment result	(2,358,556)	(7,211,624)	(9,570,180)
Reconciliation of segment loss after tax to net loss after tax:			
Unallocated revenue and income			16,567
Foreign currency losses			(9,000)
Unallocated depreciation			(6,109)
Unallocated expenditure			(771,184)
Net loss after tax			(10,339,906)
Assets			
Segment assets	2,009,691	7,598,563	9,608,254
Reconciliation of segment assets:			
Cash held by parent			400,282
Other			345,762
Total assets			10,354,298
Liabilities			
Segment liabilities	-	2,892,624	2,892,624
Reconciliation of segment liabilities:			
Unallocated liabilities			286,278
Total liabilities			3,178,902

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2013

8. Share Based Payments

(a) Value of share based payments in the financial statements

	Consolidated	
	6 Months Ended 30 June 2013 \$	6 Months Ended 30 June 2012 \$
Expensed/(reversals) in the profit and loss:		
Share-based payments – options	(2,360)	403,767

(b) Summary of share-based payments granted during the half-year:

6 Months to 30 June 2013

No options granted

6 Months to 30 June 2012

Granted to employees and consultants:

- 2,000,000 options expiring 28 February 2014, exercisable at 25 cents each, vesting 1 July 2013.

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	7/02/2012 *	30/04/2012
Number of options	1,000,000	1,000,000
Option exercise price (\$)	0.25	0.25
Expected life of options (years)	2.06	1.83
Dividend yield (%)	-	-
Expected volatility (%)	95.24	95.24
Risk-free interest rate (%)	6.06	6.06
Underlying share price (\$)	0.069	0.081
Value of Option (\$)	0.0161	0.0188

* These options have since been forfeited on 31/5/2013 upon resignation of the employee.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2013

9. Commitments and Contingencies

Since the last annual reporting date, there have been no material changes of any commitments or contingent liabilities.

10. Subsequent Events

No matters or circumstance have arisen since 30 June 2013 that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.