

**31 January 2014**  
**Activities Report**  
**Period Ending 31 December 2013**

**Highlights**

- **Parta Permit (EX-10), Onshore Western Romania: Seismic Operations continue**

The second phase of an approximately 190 km 2D and 200 km<sup>2</sup> 3D seismic acquisition commenced during the period. Processing of the 2D seismic acquired earlier is of excellent quality and confirms ADX's expectation that new technology would be able to discover previously overlooked or even new prospects in an area with a highly prolific source rock.

- **Tunisia: Agreement for 100% of Kerkouane Permit, Offshore Tunisia and sale of remainder in Chorbane Permit, Onshore Tunisia**

ADX has reached an agreement whereby Gulfsands Petroleum Plc ("Gulfsands") withdraws from the Kerkouane Permit offshore Tunisia and ADX transfers its entire remaining non-operated 30% participating interest in its onshore Chorbane exploration permit to Gulfsands for a cash consideration of USD1.75M. At the same time ADX has submitted a request for a 2 year extension of the now 100% operated Kerkouane license.

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

ADX is the Operator and holds a 50% Interest

Earlier in the year approximately 90 km of 2D seismic data of excellent quality had been acquired and data processing completed.

Special processing of the data has revealed a distinct AVO\* related amplitude anomaly at depths of around 1,000 meters within sandstone reservoirs which are most likely related to natural gas.

In order to further investigate this anomaly and follow up on several other leads identified during the Q1 2013 seismic campaign, 3D seismic acquisition was commenced. As was already the case with 2D seismic, data quality is excellent. Production progress was however slower than planned due to land access permission issues with certain land owners. Therefore the seismic acquisition is continuing in 2014.

**In conclusion, the seismic results to date have confirmed ADX's strategy to enter proven hydrocarbon provinces with modern seismic technology in order to identify overlooked conventional oil and gas fields and so called stratigraphic traps.**

**ADX has no intention to explore for shale gas in Romania.**

*\*Note: If a seismic amplitude anomaly caused by the interface of a cap rock and a reservoir rock is further supported by a so called AVO effect the chances for the presence of hydrocarbons in the reservoir rock is often greatly increased.*

*(AVO stands for "Amplitude Versus Offset" and exploits the angle of incidence dependant seismic wave behaviour at the interface of a cap rock and a potentially porous and hydrocarbon filled reservoir rock.)*

**Offshore Tunisia & Italy – Kerkouane & Pantelleria Permits,  
d 364 C.R-AX permit (all ADX operated)**

Kerkouane 100% interest; Pantelleria 100% d364-C.R-AX 100% interest as per agreement with Gulfsands

ADX will hold 100% operated interest in assets after receipt of government approvals.

Under the terms of an agreement announced on the ASX on 23 December 2013, ADX received in January 2014 a cash payment of US\$250,000 after execution of the agreement with Gulfsands and the remaining US\$1.5M is due after receipt of the required government approvals, expected to be granted within the next three to four months.

ADX has at the same time submitted a request for a 2 year extension of the now 100% operated Kerkouane permit with the Tunisian authorities. With Kerkouane (Tunisia) and Pantelleria (Italy) licenses, ADX holds again 100 per cent of almost 5,000 sqkm acreage in an underexplored but proven oil and gas province.

The acreage offers a number of dual sensor 3D seismic covered appraisal and exploration projects. Examples are the appraisal project of the Dougga gas condensate discovery by Shell and the leading candidate in ADX's exploration portfolio the Dougga West oil prospect with considerably large resources as described in ADX's ASX announcement dated 6<sup>th</sup> September 2013. The approximate 700 sqkm 3D dual sensor seismic acquired by ADX has however shown that significant value can be added by delineation of large (anticline style) prospects which would have remained either undiscovered or poorly imaged with the existing vintage 2D data. Therefore the requested extension period will allow for the opportunity to acquire additional 3D seismic and hence add significant value to the prospect portfolio in an area which in the past has suffered from mostly poor quality 2D seismic vintage data.

### Onshore Tunisia – Chorbane Permit

ADX transfers its remaining non operated 30% interest

As of 1<sup>st</sup> February 2013 Gulfsands assumed operatorship and under the terms of the agreement (refer to Kerkouane section) ADX transfers its remaining non operated 30% interest in the Chorbane Permit.

This transaction is in line with ADX's forward strategy to focus on its activities and its resources as an operator onshore Romania, offshore Tunisia in the Sicily Channel and Central Europe.

### New Ventures Activities

In order to enhance its portfolio ADX has continued to screen opportunities especially in Eastern Europe and the FSU, with a focus on the next Romanian bid round where 36 blocks are expected to be offered.

Tenements held at the end of the quarter, their location, ADX's percentage held at the end of the quarter and changes thereof:

Permit	Percentage held at the beginning of the Quarter	Percentage held at the end of the quarter	Percentage acquired
Offshore Tunisia, Kerkouane, ADX operated	60%	100%	40%
Onshore Tunisia, Chorbane, Gulfsands operated	30%	0% (**)	n.a.
Offshore Italy, Pantelleria, ADX operated	100%	100%	0
Offshore Italy, d 364 C.R-AX, ADX operated	100%	100%	0
Onshore Romania, Parta, ADX operated	50%	50%	0

(\*\*) subject to government approval



ADX Energy holds 23% shares of ASX listed Riedel Resources Limited (<http://www.riedelresources.com.au> ).

Yours faithfully

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

**WOLFGANG ZIMMER**

Managing Director

Disclaimer: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.