

23 July 2014

**Activities Report
Period Ending 30 June 2014**

Highlights

- **Parta Permit (EX-10), Onshore Western Romania: Seismic permitting and preparation for upcoming 2D and 3D acquisition campaign ongoing.**

During the quarter ADX has continued its permitting activities for the next 2D and 3D seismic campaign. This is a follow up to the 2013 2D and 3D seismic campaign which revealed a previously unidentified sizeable structure with multiple targets. This prospect could be the first drilling target in the Parta license with drilling preparations commencing in late 2014.

- **Tunisia & Italy: ADX has been awarded a new Offshore Italy Permit and now holds and operates almost 8,000 sqkm of acreage in the highly prospective foothill belt area.**

The Italian Ministry of Industry has awarded the offshore exploration permit d 363 C.R-.AX to ADX (ASX release 21 May). ADX is the 100% operator of this license and now holds a total of 4 licenses in the Sicily Channel area within the proven but underexplored offshore Sicily Channel oil & gas area.

Having now secured 100% operatorship in all four licenses which cover almost 8,000 sqkm of ADX license area in the highly prospective foothill belt fairway will further facilitate the ongoing farmout process in a positive way.

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Romania Parta Concession – Pannonian Basin

ADX is the Operator and holds a 50% Interest

During the quarter the preparation for seismic acquisition has been progressed. The main focus was on permitting the 3D area adjacent to the high quality 3D seismic data already acquired in late 2013.

The new acquisition will also include a dense 2D high resolution grid over a prospect identified on the 2013 seismic acquisition campaign. This prospect, discussed in previous announcements has a shallow gas and deeper an oil target.

While 3D seismic is certainly preferable to line up a good size portfolio of drilling targets, the 2D infill seismic over the prospect is acquired with a view towards an early drilling of the first Parta well, possibly in towards the end of 2014.

Offshore Tunisia & Italy – Kerkouane & Pantelleria Permits, d363 C.R.-AX permit

Kerkouane 100% interest; Pantelleria 100% interest; d364-C.R-AX 100% interest, d363-C.R-AX 100% interest

In Italy ADX succeeded to secure the award of the new offshore exploration permit d 363 C.R.-AX (“Nilde” permit). The awarded permit is on trend with ADX’s offshore Tunisian Kerkouane Permit. It contains the ENI operated and abandoned Nilde oil field. With this new additional award ADX has now secured a large exploration area in the proven but underexplored foothill belt area of the Sicily Channel. This area – as many other foothill belt tectonic belts such as the on trend Italian Apennines, Kurdistan and Iran - contains a chain of large undrilled structures. ADX has proven with its approximately 700 km² Geostreamer 3D seismic acquisition on the Tunisian side of the hydrocarbon trend, that these large potentially hydrocarbon bearing structures can be imaged with modern technology. This was not possible in the past and explains the very low number of exploration wells, despite several oil and gas discovery on this trend.

In addition to generally excellent prospectivity of the area the specific newly obtained Italian “Nilde” license block would also allow relatively smaller discoveries to be commercially developed. This is due to a combination of water depths predominantly less than 100 meters and the appropriate fiscal regime in Italy.

On the Tunisian side of the foothill belt trend (Kerkouane license) ADX will also hold a 100% operated interest in all permits after receipt of government

ratifications. A two years license extension has been agreed with the Tunisian authorities, but government ratification is still pending.

With holding a 100% operated interest in its entire Sicily Channel license portfolio (see tenement list below) ADX has started a renewed farmout campaign. The 2 year extension period will allow for the opportunity to acquire additional 3D seismic and hence add significant value to the prospect portfolio in a very prospective area which in the past has suffered from mostly poor quality 2D seismic vintage data.

New Ventures Activities

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

Tenement List

Tenements held at the beginning and the end of the half year reporting period as per below table:

Permit	Percentage held at the beginning of the Quarter	Percentage held at the end of the Quarter	Percentage acquired
Offshore Tunisia, Kerkouane, ADX operated	100%	100%	0%
Onshore Tunisia, Chorbane, Gulfsands operated	0%	0% (**)	n.a.
Offshore Italy, Pantelleria, ADX operated	100%	100%	0
Offshore Italy, d 364 C.R-AX, ADX operated	100%	100%	0
Offshore Italy, d 363 C.R-AX, ADX operated	0%	100%	100%
Onshore Romania, Parta, ADX operated	50%	50%	0

(**) subject to government approval

ADX Energy holds 18.36% shares of ASX listed Riedel Resources Limited (<http://www.riedelresources.com.au>).

Yours faithfully



WOLFGANG ZIMMER
Managing Director