

31 October 2014

**Activities Report
Period Ending 30 September 2014**

Highlights

- **Tunisia & Italy: ADX has commenced in house studies on the new permit offshore Sicily.**

Farmout discussions in relation to the Dougga gas condensate discovery and the Dougga West oil prospect have continued with a number of parties with a view to securing farmout during the current calendar year.

After the award of the offshore exploration permit d 363 C.R.-AX to ADX (ASX release 21 May, 2014) 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% ownership in all 8,000 sqkm of ADX license area in the highly prospective foothill belt fairway, it is expected that this will further facilitate the ongoing farmout process.

- **Parta Permit (EX-10), Onshore Romania: Prospects ready for drilling, Seismic permitting and preparation for additional 2D and 3D seismic acquisition ongoing.**

As already reported, ADX has mapped a number of prospects which are mature for drilling. ADX now intends to drill up to two prospects and has commenced farmout discussions with a number of parties with a view to securing further funding for drilling during the first half of 2015. ADX has completed 90km 2D seismic within the Parta permit and intends to acquire additional seismic following the finalisation of landowner access agreements. ADX and its partner also intend to acquire an additional 200km² of 3D seismic to delineate further exploration prospects. To achieve the planned program ADX has continued its permitting activities for the next 2D and 3D seismic campaign. Difficult land access negotiations have caused delays in the program. Legal proceedings have commenced to gain access and enable the company to fulfil its concessions agreement commitments and generate further prospects in this attractive license.

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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 seismic data already acquired in late 2013. Based on 2D seismic data acquired to date and recent mapping work, ADX has identified three exploration prospects. These prospects are deemed to be drill-ready based on the technical de-risking provided by seismic which has increased the chance of success and the attractive economics which would underpin a discovery.

Prospect economics are supported by relatively shallow target depths (800 to 2,000 meters), low drilling costs (< 2 MMUSD per well), availability of infrastructure, attractive fiscal terms and the proximity to European markets which would result in relatively modest discoveries delivering excellent returns on investment. As more modern 2D and 3D seismic data becomes available further prospects are likely to emerge.

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 commenced geoscience studies on the new offshore exploration permit d 363 C.R.-AX (“Nilde” permit). It contains the formerly ENI operated and abandoned Nilde oil field. With this new additional permit 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 similar foothill belts containing a chain of large undrilled structures. ADX has demonstrated with its 700 km² Geostreamer 3D seismic survey acquired on the Tunisian side of the hydrocarbon trend, that these large potentially hydrocarbon bearing structures can be much more successfully imaged with modern technology. This was not possible in the past explaining the very low number of exploration wells, despite several oil and gas discovery on this trend.

In addition to the generally excellent prospectivity of the area, the newly obtained Italian “Nilde” license block is favourable for commercialisation of even modest discoveries. 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 holds a 100% operated interest in all permits after receipt of government ratifications on 27 July 2014.

In the Kerkouane permit, detailed seismic mapping of the Geostreamer 3D in the greater area of the Dougga gas condensate field has revealed the potential for

additional stacked carbonate reservoir section updip of the Dougga # 1 discovery well. It is expected that this will lead to an additional volume of prospective resource for the gas condensate field which can be targeted by a future Dougga appraisal well.

With 100% operated interest in its entire Sicily Channel license portfolio (see tenement list below) ADX has started a renewed farmout campaign.

New Ventures Activities

ADX has continued to screen opportunities on a regular basis especially in Eastern Europe and the Mediterranean basins, with the current focus on the next Romanian bid round where ADX has developed an extensive data base and 36 blocks are expected to be offered.

Tenement List

Tenements held at the beginning and the end of the quarter are in the table below:

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	100%	100%	0
Onshore Romania, Parta, ADX operated	50%	50%	0

(**) subject to government approval

ADX Energy holds 18% shares of ASX listed Riedel Resources Limited (<http://www.riedelresources.com.au>).

Yours faithfully



WOLFGANG ZIMMER
Managing Director