

30 April 2015

**Activities Report
Period Ending 31 March 2015**

Highlights

- **Tunisia & Italy: ADX continued in house evaluation on the Sicily Channel including the recently acquired d363C.R-.AX permit in Italian waters.**
- **Parta Permit (EX-10), Onshore Romania: Seismic permitting and preparation for additional 2D and 3D seismic acquisition ongoing.**
- **Legal proceedings successfully recovered payment of US\$1.5 million from Gulfsands Petroleum Plc.**
- **Ongoing farmout discussions in relation to the Kerkouane permit in the Sicily channel and the Parta permit in Romania.**

Romania Parta Concession – Pannonian Basin

ADX is the Operator and holds a 50% Interest

During the quarter, the evaluation of the permit and preparation for seismic acquisition has continued. As previously reported this process was very slow in some areas or even obstructed by illegal landowner activities.

Those land access problems have been affecting our activities and have prevented the timely completion of the planned exploration program. Legal proceedings against the illegal activities of some land owners have already begun in Q4 2014 which will enable the company to fulfil its concession commitments and generate further prospects in this attractive license.

In order to ensure the best possible coverage of land owner data in the previously most troubled area of the 3D seismic project, land owner data acquisition has been resumed. Over 1,600 parcels have been mapped with

ADX Energy Ltd

AUSTRALIA

Level 2,
Suite 14, 210 Bagot Road
Subiaco WA 6008

PO Box 63 Subiaco 6904

T +61 (08) 9381 4266

F +61 (08) 9381 4766

E admin@adxenergy.com.au

ABN 50 009 058 646

AUSTRIA

Kundratstrasse 6/2/1
A 1100 Vienna, Austria
T +43 (0) 1 641 0189
F +43 (0) 1 641 0189 20

www.adxenergy.com.au

nearly 500 new owner addresses identified by end of Q1. The legally prescribed notification of these owners has commenced and a number of individual discussions with owners has already take place.

A series of consultations with regional authorities of the Timis County, such as the Police Inspectorate and the Prefecture, were held in order to request their support for future seismic works. Written statements on these institutions particular legal interpretation of land access questions and their individual role in the process have been obtained.

In the meantime positive relations with the town halls of supportive councils have been maintained.

It is planned to continue the Q1 activity in Q2 with the court proceedings as the most critical item for this upcoming quarter.

As a consequence of delays which are out of ADX control, ADX will apply for an extension of the current exploration period to be able to complete its seismic and drilling programs in the permit.

Robust prospect economics in the Parta permit are supported by shallow target depths (800 to 2,000 meters), low drilling costs (less than US\$2million per well), availability of infrastructure, attractive fiscal terms and the proximity to European markets which would result delivering excellent returns on investment for small sized discoveries even at significantly reduced oil prices. As more modern 2D and 3D seismic data becomes available it is expected that further prospects are likely to emerge.

Farmout discussions have continued with several parties.

Offshore Tunisia & Italy – Kerkouane & Pantelleria Permits, d363C.R-.AX permit

Kerkouane 100% interest; Pantelleria 100% interest; d363C.R-.AX 100% interest

In **Italy**, ADX continued its geological and geophysical evaluation of the new exploration permit d363C.R-.AX permit which contains the Nilde oil field and a few other hydrocarbon discoveries which were not commercialised or tied in to Nilde which was abandoned in 1989 at oil prices less than 20\$/bbl. In addition to the generally excellent prospectivity of the area, the newly obtained Italian “Nilde” permit is favourable for commercialisation of even modest discoveries. This is due to a combination of water depths that are predominantly less than 100 meters, high productivity reservoirs (i.e. 6,000 bbls/d production rates obtained from vertical oil wells at Nilde) and the appropriate fiscal regime in Italy. A data room visit is scheduled with ENI in Milano to assess the availability and quality of existing data.

In **Tunisia**, after receipt of government ratifications on 27 July 2014, ADX holds a 100% operated interest in the Kerkouane license.

During the quarter informal discussions were undertaken with seismic contractors in relation to a substantial 3D seismic acquisition program continuous with the 2010 ADX acquired 3D which covered a number of prospects, including the Dougga gas condensate project, the Dougga West oil prospect and two very large partly 3D covered prospects.

Due to the current market situation geophysical contractors were able to indicate competitive prices for an approximately 500 sqkm 3D acquisition area. In addition potential farminees are considering joining ADX in the Sicily Channel with a view to funding seismic in exchange for an option to drill a well in the future.

As reported previously the excellent results of our 3D dual sensor acquisition together with several large sized prospects covered only with low quality 2D is the technical rationale for additional 3D seismic. The feedback from several potential farminees was that the highly prospective ADX license area needs to be covered with 3D in order to create a substantial drilling portfolio based on 3D seismic.

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. This new interpretation led to an additional volume of prospective resource for the gas condensate field over and above the existing contingent resources reported previously which will be targeted by a future Dougga appraisal well. The reservoir mapping work also identified two large "sweet spot" areas where excellent reservoir quality and hence well productivity potential can be expected. Detailed geologic and geophysical work is continuing.

New Ventures Activities

ADX has continued to screen opportunities on a regular basis in Eastern Europe and the Mediterranean basins, with the current focus on the next bid round in Romania where ADX has developed an extensive in house expertise and data base. It is expected that 36 blocks will be offered.

Legal Proceedings to recover US\$ 1.5 million.

AOG had commenced proceedings against Gulfsands in the English High Court to recover the purchase price of US\$1.5 million owing to AOG in respect of the transfer of the Chorbane Permit to Gulfsands.

As of end February 2015 all outstanding funds have been received.

Tenement List

Tenements held at the beginning and at 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%	-
Offshore Italy, Pantelleria, ADX operated	100%	100%	-
Offshore Italy, d364C.R-.AX, ADX operated	100%	100%	-
Offshore Italy, d363C.R-.AX, ADX operated	100%	100%	-
Onshore Romania, Parta, ADX operated	50%	50%	-

ADX Energy holds 18% shares of ASX listed Riedel Resources Limited (ASX:RIE).

(<http://www.riedelresources.com.au>).

Yours faithfully



WOLFGANG ZIMMER

Managing Director