



29 October 2015

Activities Report Quarter Ended 30 September 2015

HIGHLIGHTS

CORPORATE

- ADX has undertaken a number of cost cutting measures to reduce G&A expenditures without a reduction in capability.
- The leadership team has been strengthened with the appointment of Mr Paul Fink as CEO, Mr Ian Tchacos as Executive Chairman and Ms Amanda Sparks as Joint Company Secretary.

OPERATIONS

- A data review of license d363 C.R-AX which includes the abandoned Nilde oil field and three undeveloped satellite oil discoveries has revealed potentially significant light oil resources in productive reservoirs and shallow water which are worthy of further detailed evaluation.
- A 3D and 2D seismic permitting campaign on the onshore Romanian Parta blocks has continued and discussions with potential farminees have recommenced in anticipation of the pending ratification of the Permit's work program extension.

SHARE INVESTMENTS

- High grade gold intersections reported by Riedel Resources (ASX: RIE) at the Marymia project in WA.

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CORPORATE

Operating Philosophy

The Company has revised its operating philosophy in order to reduce costs, streamline decision making and increase its access to skills.

The key initiatives are as follows:

- Appointment of Mr Ian Tchacos as Executive Chairman, Mr Paul Fink as CEO and Ms Amanda Sparks as Joint Company Secretary providing access to extensive international oil & gas operations, management and corporate experience.
- Minimising fixed overhead by eliminating fixed salaries and only paying management and technical staff based on actual work accomplished.
- Centralising administrative and accounting functions to Australia and minimising non-productive overheads elsewhere.

Asset Strategy

ADX intends to focus its attention on lower risk appraisal and development assets which are capable of being rapidly commercialised in benign political regimes and favourable operating environments.

The Nilde abandoned oil field, together with surrounding discoveries offshore Italy in license d363 C.R-AX, provide an excellent opportunity for the Company to appraise a material potential resource base of unproduced oil (in Nilde) and additional near field discoveries. The potential resource is in a high productivity reservoir located in shallow water, at shallow drill depths, and is potentially economically enhanced by favourable fiscal terms.

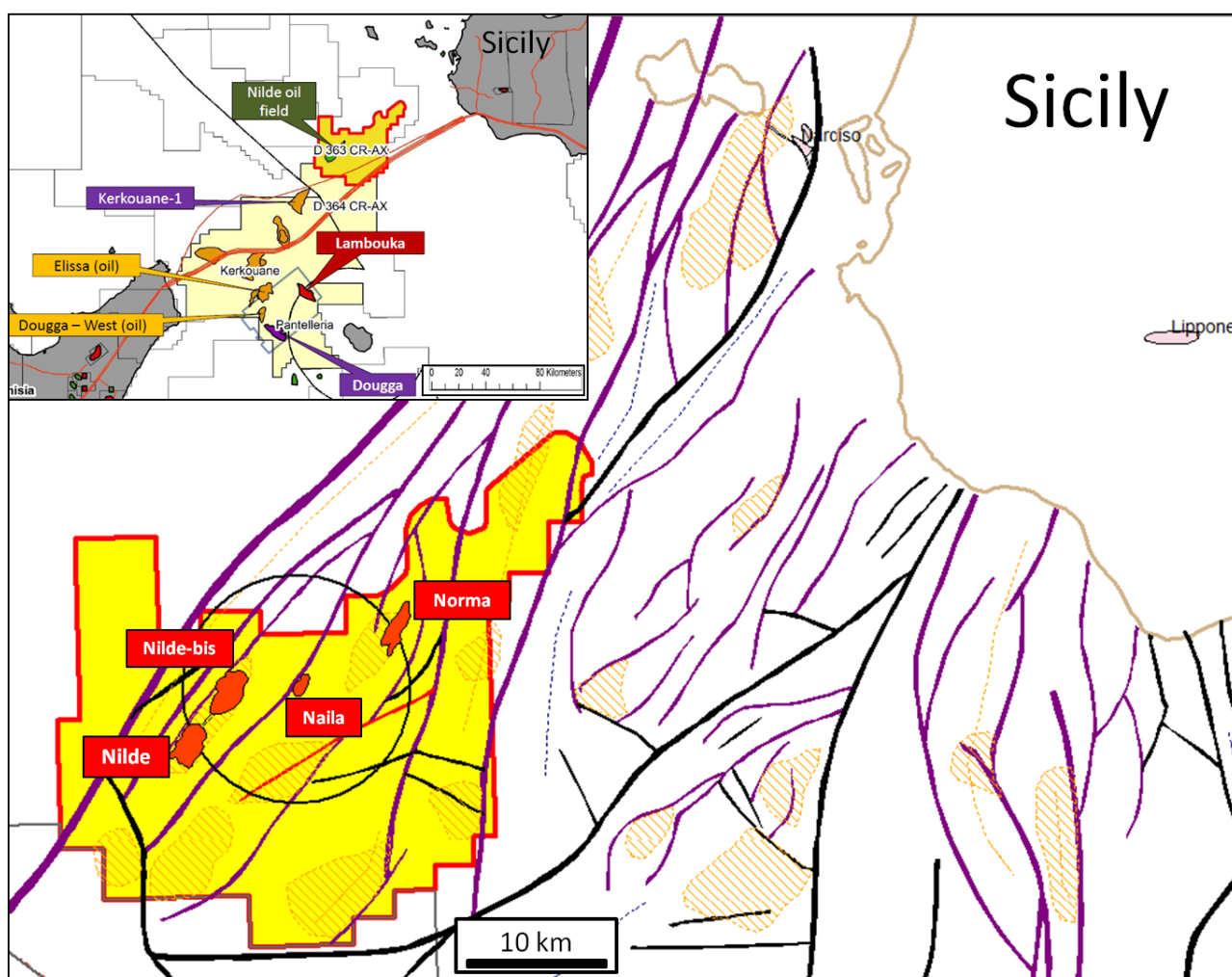
ADX will continue its farmout efforts on its existing Romanian onshore exploration asset (50% interest in Parta Permit) as well as its offshore Tunisian appraisal and exploration assets (100% interest in Dougga gas discovery in the Kerkouane permit) but is prepared to relinquish operatorship and accept a lower retained interest in exchange for a greater work program carry and/or cash.

ADX will also pursue new ventures opportunities that provide an appropriate risk profile within its geographic focus areas in the Mediterranean Sea, Italy and Eastern Europe.

OPERATIONS

Offshore Italy Pantelleria Permits & d363 C.R-AX permit (*Operator, 100% equity interests*)

A data room visit at ENI's offices in Italy has enabled an initial assessment of the abandoned Nilde oil field and three satellite oil discoveries in the Italian license d363 C.R-AX (refer to the "Nilde Oil Field Background" section further within this report). Work undertaken to date indicates potentially significant undrained oil at Nilde together with additional resources defined at undeveloped discoveries proximal to Nilde. ADX is in the process of purchasing the necessary data from ENI required to further quantify these oil resources during the last quarter of 2015.



Italian license d363 C.R-AX in yellow background showing Nilde oil field and nearby oil discoveries within radius of 8 km (black circle) together with regional tectonic elements.



Offshore Tunisia Kerkouane permit (*Operator, 100% equity interest*)

Further measures to reduce unproductive overhead costs were undertaken for the Tunis office.

3D seismic acquisition design for a prospective area north of the Dougga gas condensate discovery has been undertaken and several seismic contractors were invited to submit cost estimates.

Onshore Western Romania, Parta Concession (*Operator, 50% equity interest*)

ADX has been awarded a 30 months license extension for the Parta Permit by the NAMR (“Agentia Nationala Pentru Resurse Minerale”) and made progress with the government ratification of the extension (which needs to be signed by three ministries). During the ratification progress the license work program clock is stopped and hence no time is lost to undertake the exploration program.

In addition ADX has made good ongoing progress gaining land access contracts from landowners to enable further 2D and 3D seismic acquisition.

ADX has received ongoing attention from potential farminees that have expressed their interest in the Parta asset once the extension of the license has been ratified by the Romanian Authorities.

Riedel Resources Limited Share Investment

ADX holds 26.7 million shares in gold and base metal explorer Riedel Resources Limited (“Riedel”) as a result of the demerger of the Company’s gold and base metal assets in 2011. Riedel has recently reported high grade gold intersections from drilling on the Dixon Prospect at the Marymia project in Western Australia. For further information please refer to the Riedel website (www.riedelresources.com.au).

FINANCE

ADX's cash at the end of the September 2015 quarter was \$1.044 million.

TENEMENT TABLE

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	100%	100%	-
Offshore Italy, d363 C.R-AX	100%	100%	-
Offshore Italy, Pantelleria	100%	100%	-
Offshore Italy, d364 C.R-AX	100%	100%	-
Onshore Romania, Parta	50%	50%	-

ADX Energy holds 26.7 million shares in ASX listed Riedel Resources Limited (ASX:RIE) (<http://www.riedelresources.com.au>).

Nilde Oil Field Background

The Nilde oil field was discovered in shallow water offshore Sicily and came on stream in 1980 when the oil price was US\$37 per barrel. High productivity was achieved from vertical wells (in excess of 9,000 bopd per vertical well) of light oil from shallow reservoirs at a depth of approximately 1500 meters making production from essentially a single well development (Nilde-2) highly profitable for the first few years. A second well was drilled very close by (less than 1km) in 1986 to increase production to 12,000 bopd when oil prices started to decrease significantly. Due to an interpreted strong water aquifer this resulted in a sharp increase in water cut without the ability to artificially lift the wells. The decision to abandon production instead of drilling additional development/appraisal wells within potentially undrained areas in the field in 1988 to 1989 is reported to be triggered by a collapse in oil price to US\$14 per barrel.

ADX believes that the potential for undrained resources at Nilde, combined with nearby satellite oil discoveries made in the 1980's which have encountered productive reservoirs similar to Nilde, may provide a substantial resource.

Yours faithfully

A handwritten signature in black ink that reads 'Paul Fink'.

Paul Fink
CEO/Technical Director

A handwritten signature in black ink that reads 'Ian Tchacos'.

Ian Tchacos
Executive Chairman

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.