



ASX Release
7th June 2010

GULFSANDS EXERCISE OPTION TO INCREASE SICILY CHANNEL FARMIN INTEREST TO 30 %

AuDAX Resources Ltd (ASX:ADX and “AuDAX”) is pleased to announce that Gulfsands Petroleum Plc (‘Gulfsands’) has exercised its option to increase its working interest to 30% participation in AuDAX’s two contiguous offshore Exploration Permits, G.R15.PU and Kerkouane (the “Permits”) which are together described here in as the Sicily Channel Exploration Permits (the ‘Farmin Agreement’).

Gulfsands is listed on the Alternate Investment Market of the London Stock Exchange and has oil and gas production, exploration and development activities in Syria, Iraq and the U.S.A.

The Kerkouane Permit is located offshore northeast Tunisia and described in the figure below together with G.R15.PU (the “Pantelleria Licence”) which is located in adjacent Italian waters.

Pursuant to the Farmin Agreement Gulfsands is entitled to increase its farmin interest from 20% (as previously announced) to 30% upon review of the recently acquired 3D seismic program over the Sicily Channel Exploration Permits. Following its election, Gulfsands will earn a 30% interest in the Kerkouane Permit by paying varying but “promoted” proportions of the costs of the recently acquired 3D seismic programme and the planned Lambouka exploration well.

The Lambouka -1 exploration well is due to commence drilling in the second half of June 2010.

Following completion of all farmin obligations, the respective interests in the “Lambouka Prospect” being the limited area defined to be over the Lambouka prospect within both the Kerkouane Permit and the Pantelleria Licence, will be as follows:

AOG 30% (operator)

Gulfsands 30%
Bombora 10%
Carnavale 20%
PharmAust 10%,

Following completion of Gulfsands' and Bombora's farmin obligations the respective interests in the remainder of the Kerkouane Permit (outside of the Lambouka Prospect), the Kerkouane production sharing contract and the Pantelleria Licence will be as follows:

AOG 60% (operator)

Gulfsands 30%

Bombora 10% (with an option to acquire a further 10% from AOG)

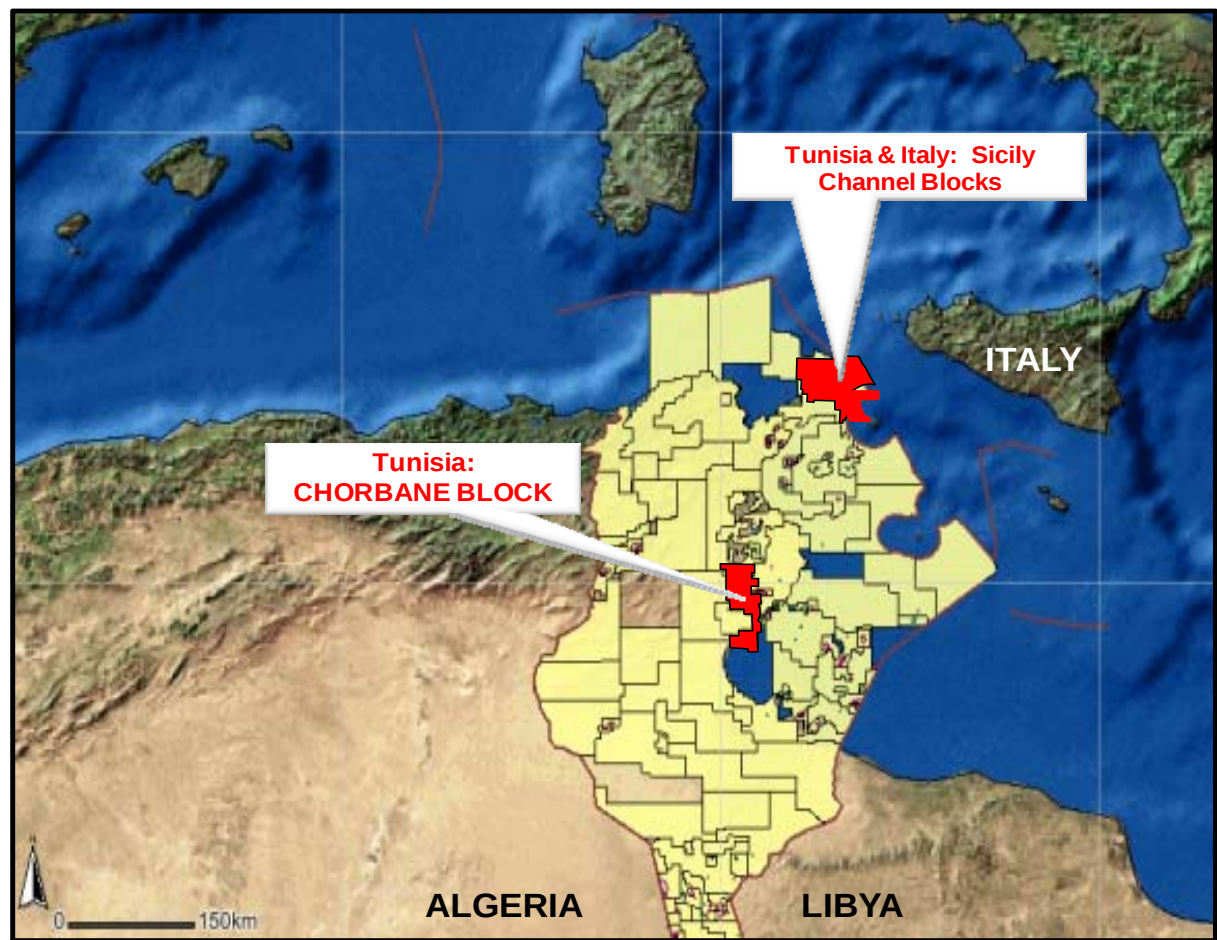
Tunisian government approval to move the "Atwood Southern Cross" drilling rig onto location at the selected Lambouka-1 well location is expected shortly. Tow vessels are on route to Tenerife in the Canary Islands to begin the tow of the Southern Cross. The gross cost of the Lambouka exploration well is estimated at approximately \$20 million with drilling anticipated taking approximately 30 days.

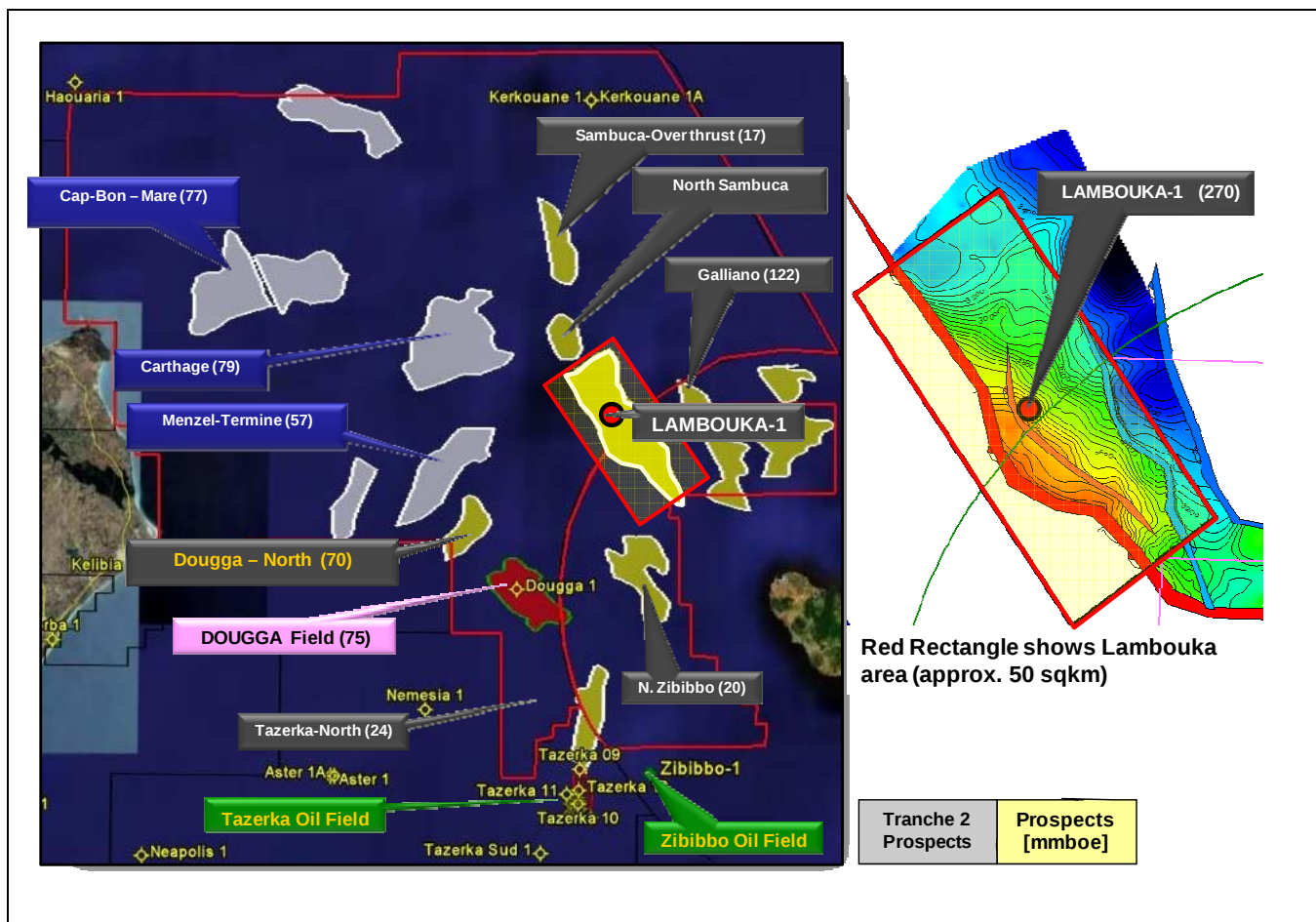
AuDAX has estimated the mean prospective resource for the Lambouka Prospect at 270 million barrels oil equivalent ("MMBOE") with the primary objectives for the well being the Miocene aged Birsa Formation and the Cretaceous aged Abiod Formation. The remaining forward work commitment for the Kerkouane permit requires the drilling of only one exploration well. AOG, a subsidiary of AuDAX, has entered into a drilling contract with a subsidiary of **Atwood Oceanics Inc** to provide the "**Atwood Southern Cross**" semi-submersible offshore drilling unit to drill the "Lambouka" exploration well on the Lambouka Prospect with an expected spud date in the second half of June.

For further details please contact:

Wolfgang Zimmer
Managing Director
+43 (0) 676 358 1214
www.audax.com.au

Ian Tchacos
Chairman
+61 (8) 9226 2822
www.audax.com.au





Kerkouane & Pantelleria block map showing leads & prospects and the rectangular shaped Lambouka Prospect area (approx. 150 sqkm). The insert map shows a depth structure map of Lambouka at Birsa oil reservoir level and the Lambouka area.