ASX Release

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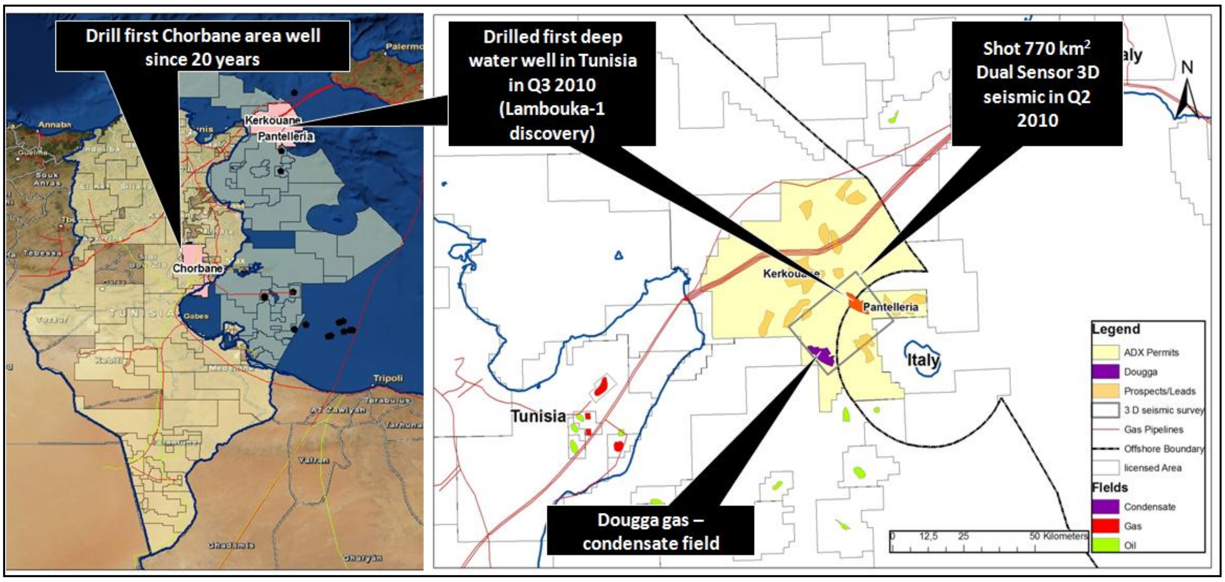
Activities Report
Period Ended 31 March 2011

Highlights

Operational

- The preparations for drilling of the Sidi Dhaher well in the Chorbane license, onshore Tunisia, were completed. All contracts have been executed and necessary permits have been secured. A suitable rig was also secured.
- Following events related to the revolution in January, the Sidi Dhaher drilling operation will commence once appropriate measures are in place that will provide safe operations for the benefit of shareholders, partners, and local residents.
- The Government of Tunisia has approved the renewal of the Kerkouane Exploration License (permis de recherché d'hydrocarbures) granting an additional three years for exploration and appraisal activities. An independent review of the Dougga Gas Condensate Field potential and development options by TRACS-AGR, a registered and internationally highly reputed resource certification company, has resulted in an increase in the mean recoverable contingent resources to 41 million barrels of condensate and LPG and 191 bcf of sales gas and that the development can be undertaken with proven off the shelf technology.
- Romania: ADX executed the concession agreement with NAMR (Agentia Nationala Pentru Resurse Minerale) for the ex-10 Parta exploration block in the oil and gas producing Pannonian basin, SW Romania.
- ADX Energy Ltd completed its transformation to a focused energy company through the divesture of its gold and base metal assets to Riedel Resources Ltd which listed on the Australian Stock Exchange (ASX:RIE) on January 27, 2011. ADX retains 42.94% of the company.



Tunisia & Italy ADX operated Assets. Light orange areas are exploration prospects.

Offshore Tunisia & Italy - Kerkouane & Pantelleria Permit (ADX operated)

Kerkouane License

ADX holds a 60% interest. In January the Government of Tunisia approved the renewal of the Kerkouane exploration license (permis de recherché d'hydrocarbures) granting a three year period for exploration and appraisal activities. The expiration date is 22 February 2014. The license can then be renewed for an additional three years.

ADX and partners committed to the following work program over the three year period:

- Well test the Lambouka discovery.
- Drill a well to a minimum of 2500 meters or to the Jurassic reservoir levels should a viable economic prospect be identifiable on the 2010 acquired 3D seismic survey.
- Relinquish 772 km^2 of the license area reducing the size to an area of 3080 km^2.

The reduced license area retains all previously identified appraisal and exploration prospects and leads:

- Dougga gas condensate field (covered by 3D seismic)
- Lambouka discovery (covered by 3D seismic)
- Dougga-NW prospect (covered by 3D seismic)

- Pliocene section structural/stratigraphic leads that are analogous to the very large offshore Sicily discoveries made recently by ENI and Edison (partly covered by 3D seismic)
- Several very large structural overthrust prospects and leads in the northern area of the license (covered by 2D)

Following the discovery and subsequent suspension of the Lambouka-1 well for re-entry, the technical focus for the quarter was on the Dougga gas condensate discovery and its re-evaluation based on the newly acquired leading edge (dual sensor technology) 3D seismic. The potential for a gas development at Dougga has recently been enhanced by the nearby Lambouka gas discovery.

The 3D seismic acquired in 2010 covers both discoveries and has identified additional medium to low risk exploration prospects which can be quickly monetized through short distance tie-in. Several additional very large size prospects have been identified on 2D seismic. In 2010 Shell acquired a large 3D survey (1,520 km^2) to further explore this highly prospective trend in the adjacent Sicily Channel licenses.

Lambouka Discovery

ADX holds a 30% interest and is operator of Lambouka and the surrounding Lambouka prospect area.

During the quarter studies were initiated and are currently ongoing that will provide a better definition of the estimated resources of the Lambouka structure. Immediate post drill estimates, shown in the following table, will be revised based on the currently ongoing studies.

ADX estimates of recoverable resources at Lambouka

	P90	P50	**Mean**	P10
Sales Gas* [BCF]	145	277	**309**	528

*Note: using a gas condensate ratio similar to Dougga would result in condensate resources of 24 mmbbls (mean case).

Whilst the Miocene age Birsa sandstone reservoir did not contain any hydrocarbons, the presence of a thick high quality clastic reservoir section in the distant western part of the Tunisian Sicily Channel area upgrades a number of exploration prospects which previously had deeper reservoir sections such as the Cretaceous Abiod formation as their main target.

Ongoing studies include:

- Re-mapping the prospective formations using the fully processed 3D seismic data
- Rigorous depth conversion of the key horizons using well data and the 3D velocity cube to more accurately define the structure
- Additional quantification of the gas chromatograph reading and gas ratios to determine the hydrocarbon type
- Rock property, sedimentological and facies studies to better define the reservoir characteristics
- Conduct a detailed petrophysical evaluation integrating the detailed rock properties and characteristics to define hydrocarbon saturations and flow units.

Unlike the nearby Dougga field which contains relatively high proportions of CO_2 (i.e. 30%) it is assumed that no CO_2 is present at Lambouka given that CO_2 was not detected on measuring equipment during the drilling of the well.

Dougga Revised Resource Evaluation

ADX holds a 60% interest and is operator of Dougga and the surrounding Kerkouane permit. Gulfsands and Xstate hold 30% and 10% respectively.

In November 2010 ADX contracted TRACS-AGR (Tracs) to undertake an independent assessment of the Dougga gas condensate discovery recoverable resource potential and to assess the most cost effective development scenarios to recover the resources. Tracs, a highly reputable resource certification company, has completed the competent person report (CPR) that concludes the Dougga gas discovery is a potentially viable resource and that the planned Dougga appraisal well is an attractive project.

Highlights of the Dougga independent evaluation:

- ✓ Mean recoverable Contingent resources are 41 million barrels of liquids (condensate and LPG) and 191 bcf of sales gas.
- ✓ A significant increase of gas in place (GIIP) resources for the high confidence P90 case of 20% compared to previous work based on 2D seismic. It can be concluded that the recently acquired 3D seismic has significantly decreased the uncertainty of the project and increased the downside case scenario resources.
- ✓ The mean contingent recoverable resources are 41 mmbbls of liquids (condensate and LPG) and 191 bcf of sales gas.

- ✓ The development can be undertaken with off the shelf proven technology.

The total gas in place (GIIP) results based on 3D seismic and Dougga-1 well information are shown in the table below. Note that ADX currently holds 60% equity and is the operator of the project:

GIIP (BCF)

	P90	P50	P10	Mean
Aboid	307	482	762	515
Allam	21	75	228	103
Probabilistic Totals	**384**	**585**	**894**	**618**

Whilst Dougga is a large gas resource, the project's commerciality would be substantially enhanced by the potential high liquid yield of 90 barrels of condensate/mscf gas. (This estimate is based on an interpretive analysis of the samples taken by Shell in 1981). Using this condensate yield and the gas quality analysis Tracs has concluded that the recoverable Contingent Resource at Dougga is:

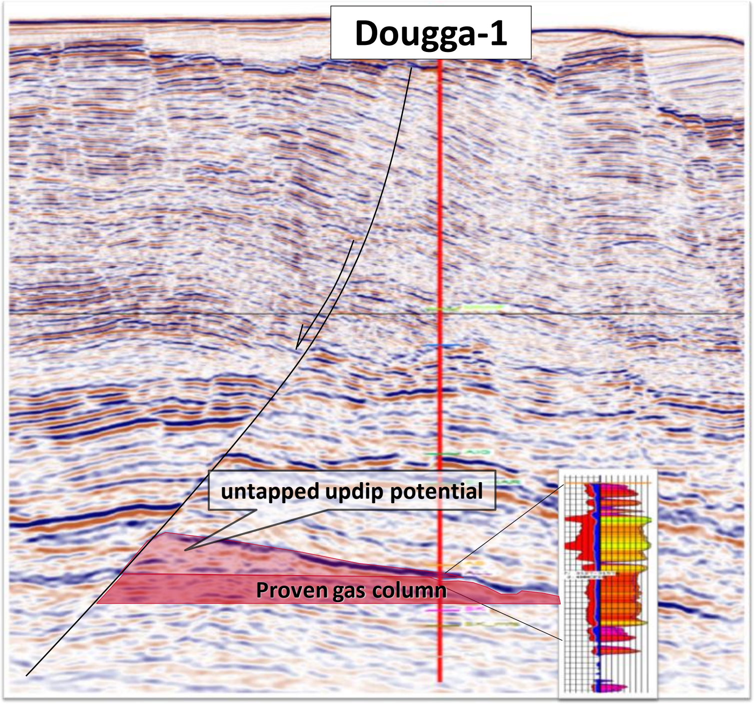
	Gross Contingent Resources (PROJECT)				
Constituent	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Mean Estimate	Risk Factor
Sales Gas (BCF)	117.0	180.0	272.5	190.6	0.7
Condensate (MMbbl)	19.5	29.5	44.3	31.0	
LPG (MMbbl)	6.1	9.3	14.1	9.9	

These figures are comparable with the ADX in house estimates previously announced. The only marked difference is that although Tracs assigned an in place gas resource to the deeper Allam reservoir section, they have included no recoverable resources to the formation.

Due to the high liquid yield it would be technically possible to sell the condensate offshore; however, the current development concept foresees a sale of both gas and liquids into the local Tunisian market.

Key results from the 3D seismic analysis

In addition to the increase of the "high confidence" P90 Contingent Resources, the 3D seismic mapping has also revealed the potential for a thicker high quality reservoir further updip from the Dougga-1 well intersection. A location approximately 300 meters updip from Dougga-1 will provide an excellent candidate for a future Dougga well.



Seismic *cross section from Dual Sensor 3D volume through Dougga-1 well. Note additional seismic events beneath top reservoir event. This indicates possibility for additional reservoir.*

Key objectives of the next well on the Dougga structure are:
- ✓ confirm the Dougga structural interpretation;
- ✓ confirm a hydrocarbon column in excess of 500 meters;
- ✓ demonstrate commercial gas and condensate flow rates via a well test;
- ✓ confirm the condensate and LPG yields; and
- ✓ asses the interpreted production enhancing reservoir fracturing on the crest of the structure.

The Joint Venture current plan is to be ready to drill the Dougga appraisal well in 2012.

The prospects for a gas development at Dougga have been further enhanced recently by the nearby Lambouka gas discovery. Together

Dougga and Lambouka represent a compelling appraisal and potential development opportunity.

<u>Dougga-1 Discovery Overview</u>

Dougga was discovered in 1981 by Shell at a time when gas was of little value and in a water depth that was near the technical limit for oil and gas development. The discovery well intersected and tested gas in the late Cretaceous Abiod and Allam formations. Drill stem test results revealed that Dougga contains liquids rich gas but also contains considerable levels of CO_2 (approximately 30%).

Dougga is located in 328 meters of water approximately 45 kms East of Cap Bon in the prospective Gulf of Hammamet. The discovery is well positioned in terms of access to domestic and export infrastructure, proximal to landfall for onshore gas processing and demand for gas at internationally attractive pricing. The liquids rich nature of Dougga gas enhances the commercial potential of any gas development.

Onshore Tunisia - Chorbane Permit (ADX operated)

ADX is the operator and holds a 40% interest. Joint Venture partners are Gulfsands with 40% interest, Xstate with 10 % interest and Verus with 10% interest. The farmout activities completed during the previous quarter have resulted in a fully funded well (P50 well cost case) with cash proceeds from the farmout which can be utilized to fund other operations.

During the quarter all necessary drilling, material and service related and local land and employment contracts were negotiated and signed. Construction was completed on the access roads, rig site, and camp location.

While all preparations to drill are complete ADX and partners have delayed commencing operations until concerns have been resolved with respect to safety for both company operations and local residents. ADX is currently working closely with the local authorities (police and local government authorities), who prior to the revolution would have provided this service when necessary, to resolve security issues to allow the commencement of safe operations for the benefit of its partners, shareholders and local residents.

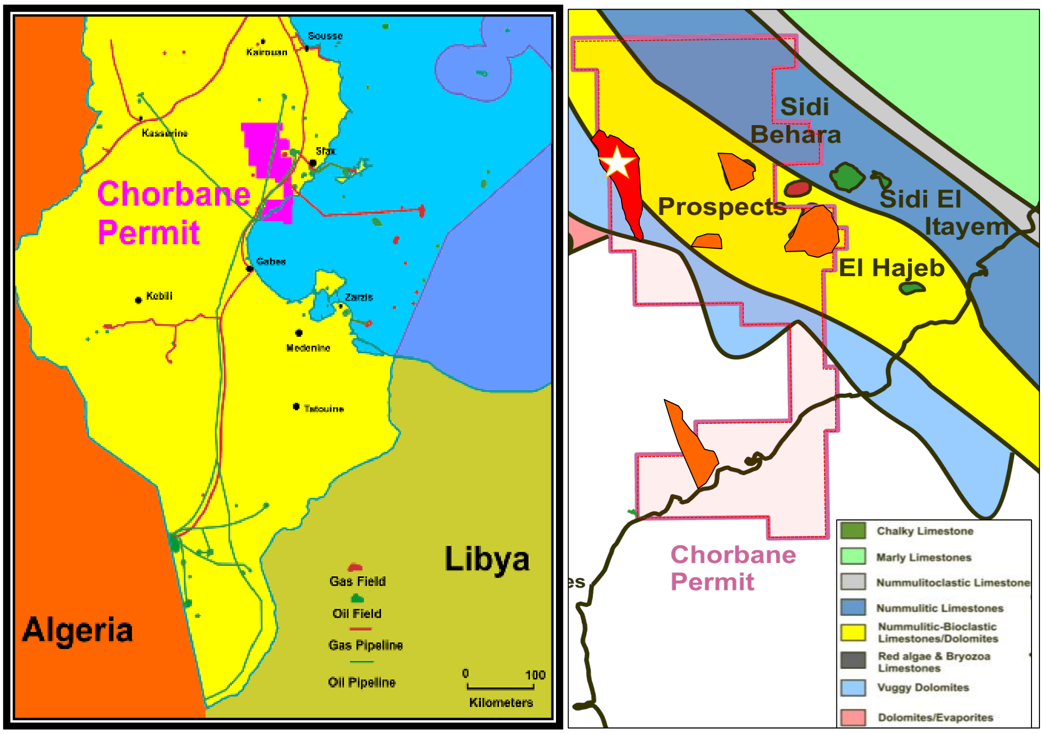
Sidi Dhaher Prospect Background Information

The Sidi Dhaher prospect is a large fault-bounded 3-way dip closure (+25km^2) that has significant structural closure at Eocene through to the Lower Cretaceous and Jurassic reservoirs that add significant upside and risk reduction to the prospect.

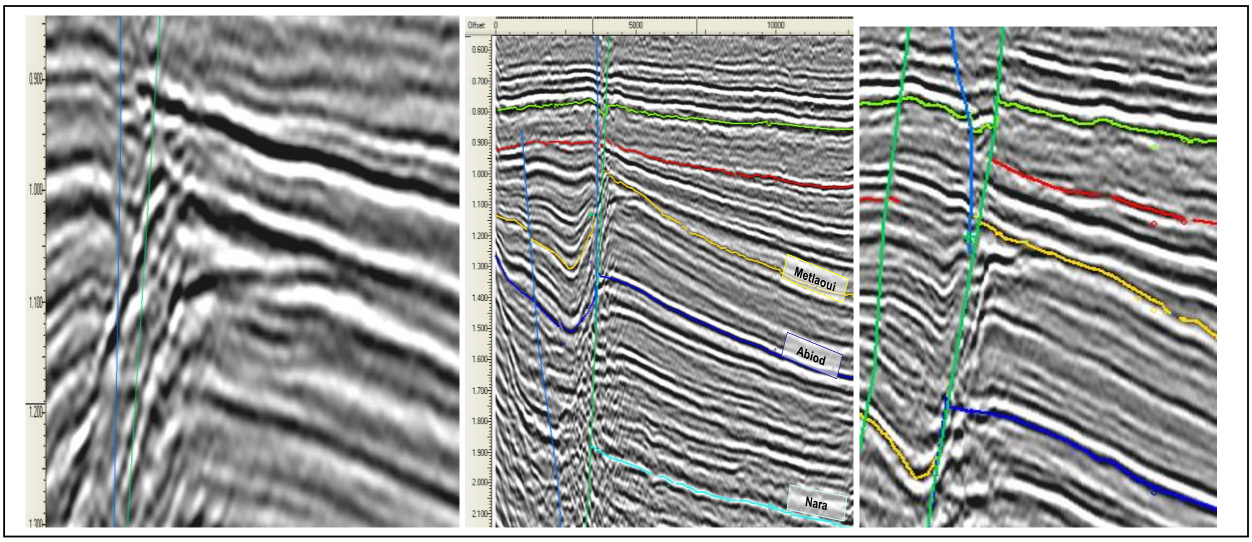
Reprocessed seismic over the Sidi Dhaher Prospect has identified an Eocene Direct Hydrocarbon Indicator (DHI) or flat spot that is conformable with structure which ADX interprets as indicative of trapped hydrocarbons. The DHI is a positive indication of good porosity; trap integrity and hydrocarbon generation, thereby significantly increasing the likelihood of a discovery. The most likely case prospective resource estimates for the Eocene reservoir are – 175 bcf of gas with the possibility for an oil leg.

Of special interest is the large closure (+25km^2) at the Upper Cretaceous reservoir level that is, in many respects, comparable to the Sidi-El Kilani field, which to date has produced approximately 50 mmbbls of oil from the same horizon and is on the same structural trend, approximately 30km north of the Sidi Dhaher Prospect. The estimated mean recoverable resource potential is 44 mmbbls of oil.

Finally, Sidi Dhaher mean recoverable resources are estimated by ADX to be 350 bcf and 7 mmbbls of condensate at the Jurassic level.



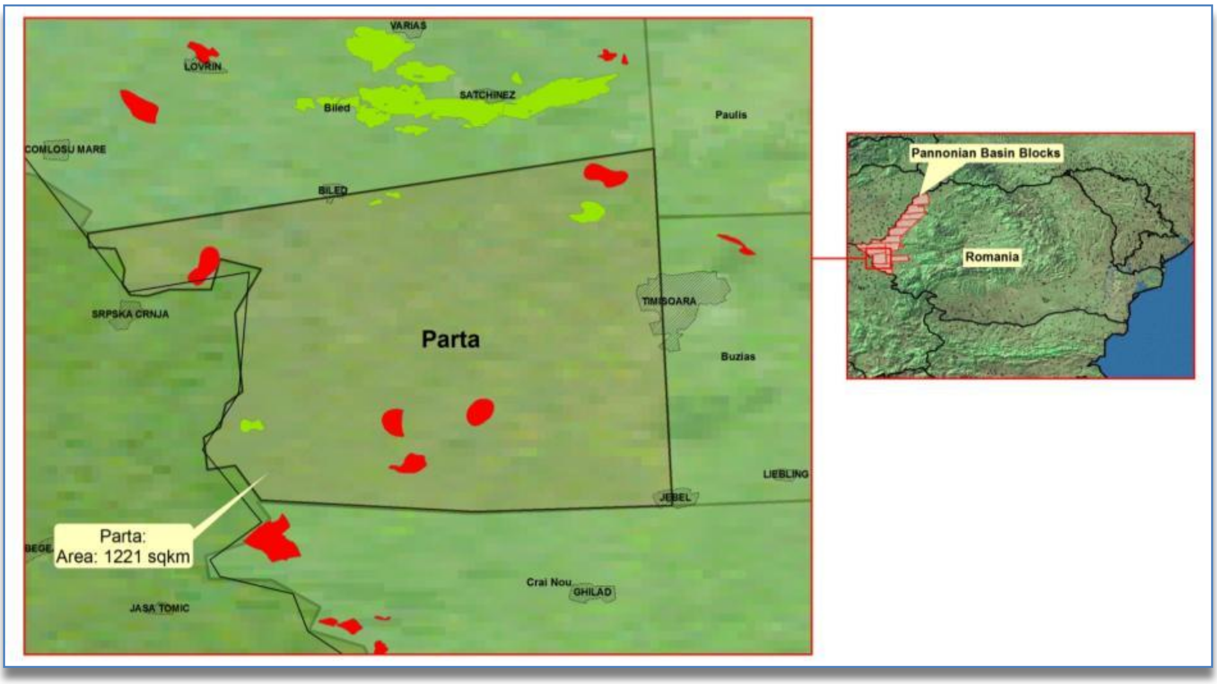
Maps showing Chorbane block outlines and infrastructure (left map) and Sidi Dhaher Prospect (see star symbol on right map) in relation to proven reservoir fairways inside which the DHI over Sidi Dhaher was mapped.



Seismic lines through Sidi Dhaher prospect showing also flat spot at the shallow nummulitic limestone target. Deeper prospective target reservoirs will also be penetrated.

Romania: Parta Concession Awarded and AMI Activities

ADX is the operator and holds a 60% interest in the awarded block.



Map showing Parta block location. Red and Green areas depict existing gas and oil fields, respectively.

Following the success of ADX and its Area of Mutual Interest, partners (ASX listed Caspian Oil & Gas Limited and Sibinga Petroleum Limited) in being awarded exploration block EX-10 PARTA in Romania during the 10th bidding round in 2010 in the Romanian Pannonian Basin, activities concentrated on finalising the concession agreement with NAMR (Agentia Nationala Pentru Resurse Minerale).

In January 2011 ADX signed the EX-10 Parta block concession agreement with NAMR (Agentia Nationala Pentru Resurse Minerale). Ratification of the agreement, which will allow exploration operations to commence, is pending.

The PARTA block has an area of 1,221 km^2 and is located in the southern Pannonian basin area of western Romania. This prospective block covers 7 excised oil and gas fields and is considered underexplored based on seismically identified prospectivity.

ADX has identified 12 leads and prospects which are estimated to contain a total of 47 mmbbls of oil and 480 bcf of gas (recoverable mean prospective resource potential).

Activity during the quarter focused on review and evaluation of the existing data, building of a drilling portfolio and the planning for initial seismic operations (3D and 2D).

Australia: Gold and Base Metal Assets

The divesture of the ADX gold and base metal assets was completed with the Official listing of the Riedel Resources Ltd (Company) being admitted to the Official List of ASX on Thursday January 27, 2011 and official quotation of the Company's securities commenced on Monday 31 January 2011.

The listing completes the transformation of ADX Energy Ltd to a focused energy company while ensuring that its' highly prospective gold and base metal assets secure the appropriate management and funding to achieve their potential.

ADX retains 42.94% of the Company.

Corporate and Finance

ADX will receive additional funding from the release of a US$1 million bond upon commencement of drilling the Sidi Dhaher well.

Yours faithfully

WOLFGANG ZIMMER
Managing Director