

9 June 2011

ADX : Go ahead for Sidi Dhaher

ADX Energy Ltd (**ASX:ADX**) is pleased to announce that the Tunisian Authorities have agreed a schedule of supervision designed to ensure safe rig mobilization and efficient drilling operations for the Sidi Dhaher exploration well.

ADX anticipates that road clearance, traffic control and road safety measures to be provided by the Tunisian authorities will allow rig mobilization to commence on the 20th of June.

Once mobilization is completed, rig up and equipment testing will start immediately in order to enable drilling operations to commence as soon as possible. ADX expects that drilling could start early July.

The Sidi Dhaher prospect is located in the 2,428km² large Chorbane Exploration Permit onshore central Tunisia near the port city of Sfax. It is surrounded by several producing oil fields and extensive oil and gas infrastructure. A summary of the Chorbane Permit and the Sidi Dhaher prospect is attached to this ASX release.

Participant interests in the Sidi Dhaher -1 well will be as follows;

ADX Energy Ltd	40%	Operator
Gulfsands Petroleum Plc	40%	*
XState Resources Ltd	10%	* (ASX code: XST)
Verus Investments Limited	10%	* (ASX code: VIL)

Note: The respective participant interests in the Sidi Dhaher well and the Chorbane Permit are based on the completion of all farmin obligations.

For further details please contact:

Wolfgang Zimmer
Managing Director
+61 (08) 9226 2822

Ian Tchacos
Chairman
+61 (08) 9226 2822

www.adxenergy.com.au

ADX Energy Ltd

AUSTRALIA

Suite 6, Level 2
11 Ventnor Ave, West Perth
Western Australia 6005
PO Box 913 West Perth
Western Australia 6872

T +61 (08) 9226 2822
F +61 (08) 9226 5333
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

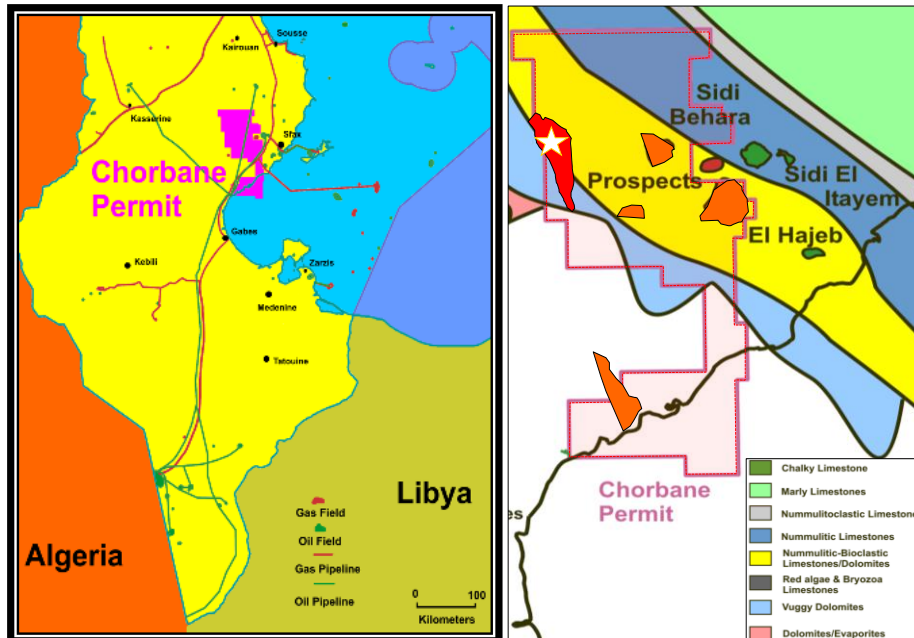
Chorbane Permit Summary

The ADX operated Chorbane Exploration Permit is located mainly onshore central Tunisia. The permit is relatively underexplored containing prospects and leads with multiple oil and gas potential. Chorbane is favorably located with regard to infrastructure for both oil and gas export due to its proximity to a number of producing fields, oil and gas pipelines and the port of Sfax. Several proven petroleum systems are evidenced by fields on trend that produce or have tested oil, condensate and gas.

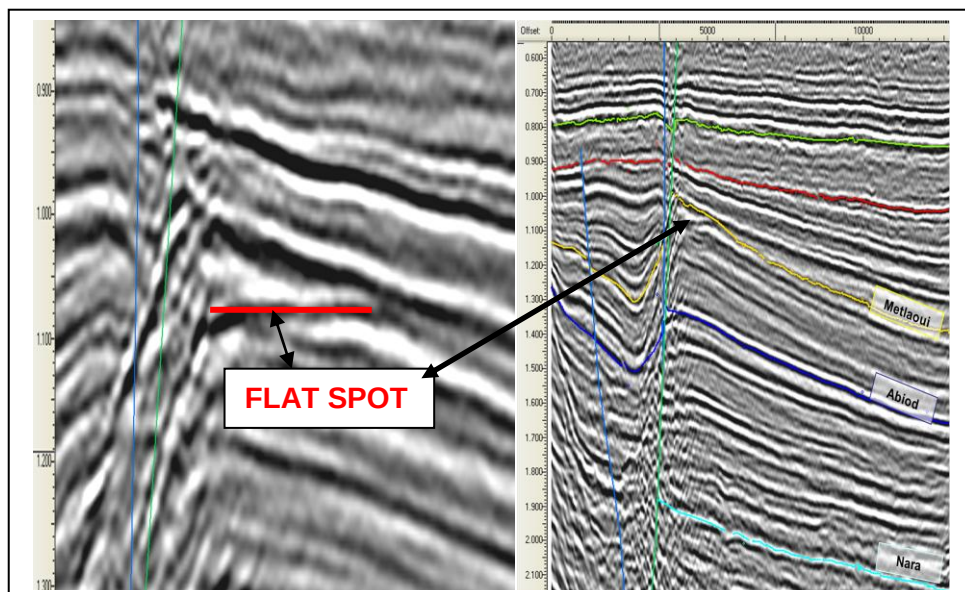
The largest structure mapped and the most highly ranked prospect is the multi-reservoir Sidi Dhaher prospect. The structure has large closure at Eocene through to the Lower Cretaceous reservoirs that provide significant resource potential.

A Direct Hydrocarbon Indicator (DHI, flat spot) which is indicative of a gas-water contact has been identified in the Metlaoui reservoir that significantly enhanced the expectation of success. Additionally a large closure (+25km²) exists at the Abiod reservoir level that is analogous to the Sidi-El Kilani field which to date has produced approximately 50 mmbbls of oil from the same horizon 30 kilometers north of Sidi Dhaher prospect.

The Sidi Dhaher prospect has estimated prospective resources of **175 billion cubic feet** (5 billion m³) of recoverable gas at the Metlaoui level and **44 million barrels** (5.9 million tons) of oil for the Abiod Formation. Additional targets also exist including the deeper Douleb and Bireno reservoirs that produce oil and gas in the Guebiba-El Hajeb field immediately east of the permit.



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



Seismic lines through Sidi Dhafer prospect also showing a flat spot at the shallow reservoir target. Deeper prospective reservoirs such as the Abiod, Douleb and Bireno reservoirs will also be penetrated.