



# ADX Energy

## Good Oil Conference

6-7 September, 2011

**Ian Tchacos - Chairman**

# CORPORATE SUMMARY

## Share Capital

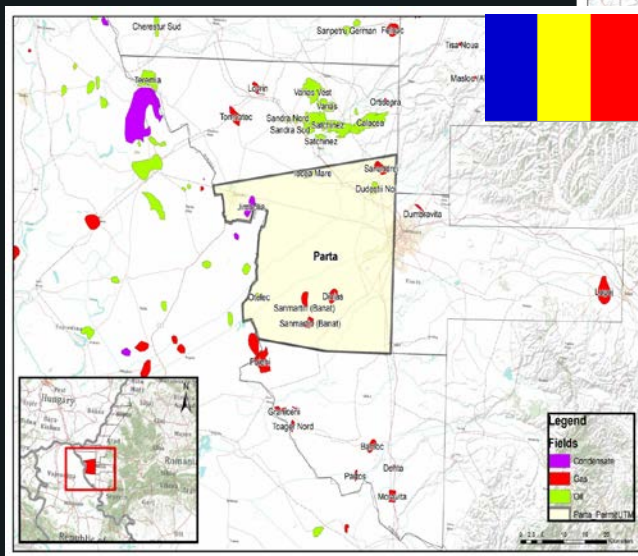
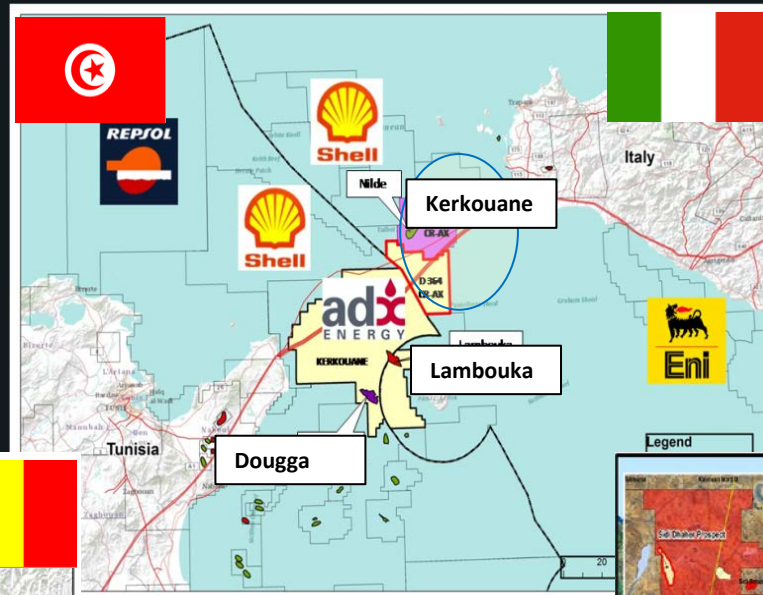
Shares on Issue	398 million
Market Capitalisation @ 11 cents	\$ 43.8 million
Options *	31 million
* exercise price between 25 to 40 cents	

## Share Trading History



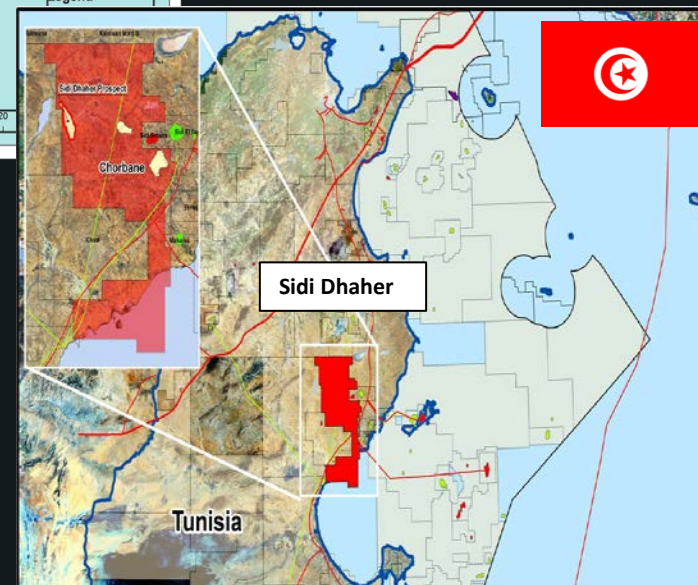
- ASX listed international energy explorer
- 43% interest in Riedel Resources. (ASX listed Gold and Base metal explorer)
- Headquartered in Perth, WA
- Operational offices in Vienna, Austria and in Tunisia
- 15 employees

# GEOGRAPHIC FOCUS



**Romania Parta Block**  
Prospective Onshore Exploration

**Sicily Channel**  
Dominant Strategic Appraisal  
and Exploration Position



**Tunisia Chorbane License**  
Prospective Onshore Exploration

# INVESTMENT PROFILE

**Appraisal and Exploration assets in Sicily channel (Tunisia and Italy), onshore in Tunisia and Onshore Romania held at high equity interest**

- **Sicily Channel Appraisal Projects**

Three existing gas condensate discoveries – Dougga (60%), Lambouka (50%) and Kerkouane (60%) totalling approx 254 mmboe of most likely resource “*ADX estimate*”

- **Sicily Channel Exploration Prospects**

**410 mmboe** prospective resource defined on 3D seismic

**570 mmboe** prospective resource defined on 2D seismic

- Drilling multi zone Sidi Dhaher Prospect onshore Tunisia currently drilling (**175Bcf gas and 44mmbbbls**) funded by farmouts..
- Prospective acreage position in Romania in under explored but proven oil and gas province.
- Majority of drilling funded by farmouts having benefited from Operatorship and early mover advantage
- Experienced Board and Management team



## KEY STRATEGIES

### Corporate Strategy

- Early entry to high impact exploration opportunities in proven oil and gas basins
- Commercialisation of existing discoveries

### Operating Philosophy

- Maintain operatorship through the exploration and appraisal phase of the asset cycle

### Funding Strategy

- Fund drilling via farmouts, enabling retention of large interests in material prospects that have potential to deliver exceptional shareholder returns.

# BOARD AND MANAGEMENT TEAM

## Ian Tchacos – Chairman

- Petroleum Engineer with 25 years international experience in corporate development and strategy, mergers and acquisitions, petroleum exploration, development and production operations, marketing and finance. MD of Nexus Energy Ltd – leading it from micro cap (**A\$2 million**) to ASX 200 Company (**A\$1.2 billion**)

## Wolfgang Zimmer – Managing Director

- Ph.D University of Vienna in Geology & Petrology with 30 years industry experience in Europe, the US and North Africa.
- Established OMV's Exploration and Production business in Australia and New Zealand and Managed OMV's Tunisian production assets.

## Paul Fink – Technical Director

- Explorationist with 18 years of diversified oil and gas exploration and producing experience in both technical and managerial positions in Austria, Libya, United Kingdom, Bulgaria, Romania, India, Australia and Pakistan.

## Andrew Childs – Non Executive Director

- Geologist with extensive experience in founding oil and gas companies in Australia. Has held a number directorships in Australian and International oil and gas companies. Extensive industry network through his career in recruitment.

## Peter Ironside – Company Secretary

- Chartered accountant and business consultant with over twenty years experience in the exploration and mining industry.

## WHY INVEST IN TUNISIA?

- Political situation has stabilised following revolution
  - ✓ Interim government in place and democratic elections scheduled for October 2011
- Transparent and open legal system
- Competent and well educated public service
- Pro development government with strong demand for energy and excellent pricing for oil and gas
- Export oriented with strong links to Europe
- Well developed infrastructure on doorstep of Europe
  - ✓ Domestic oil and gas pipelines, Export oil and gas pipelines, Good port and road access

**“Tunisia is in with a good chance of having a decent democracy and a perky economy by the end of next year, “** The Economist 14 July 2011

# TUNISIA OVERVIEW

## Political Situation

- Beginning of Jasmine Uprising: December 17, 2010
- President Ben Ali Departs: January 15, 2011
- Election for Constitutional Assembly: October, 2011

## General

- Area: 163.610 km<sup>2</sup>
- Population: 10,6 million (July 2011 est.)
- Languages: Arabic and French
- Government type: Republic (1956)
- GDP (purchasing power parity): US\$ 71.5 billion (2010 est.)
- GDP – real growth rate: 3.8% (2010 est.)
- GDP – by sector: services 53.7%, industry 35.3%, agriculture 11% (2008 est.)

*Data Source: IMF*



## Oil Industry Overview

- Oil Production: 70,400 bbl/d (2010 est.)
- Condensate Production: 17,000 bbl/d (2010 est.)
- Gas Production: 264 mmcf/d (2010 est.)
- Operators: 50

Data Source: ETAP

### 1932 – 2007:

- Wells: 669 drilled; 120 discoveries
- Investment: US\$ 1.7 billion + seismic

## RECENT HIGHLIGHTS

- **Sidi Dhafer Well Spudded 26 August 2011** – a DHI supported, multi target, onshore prospect - **mean prospective resource exceeding 70 mmboe.**
- **Dougga Resource Upgrade** – increased *Tracs report\** mean contingent resource estimates of 79 mmboe (239 bcf Sales gas and 41 mmbbls liquids) based on 3D seismic. **ADX most likely estimate is approx 110 mmboe.**
- **Sicily Channel Prospect Inventory** – new 3D seismic mapping generated three prospects with prospective resource potential of **400 mmboe.** 2D prospective potential of **570 mmboe.**
- **New Sicily Channel Acreage Award** - acquisition of prospective new offshore exploration permit d 364 C.R-.AX at 100% in Italian waters adjacent to ADX's Tunisian Kerkouane permit. **Strategic acreage position enhanced!**

*\*Tracs is an internationally accredited engineering firm that undertakes competent persons reports, resource and reserves reporting*



# ASSET SUMMARY – Sicily Channel Appraisal Opportunities

## Dougga Gas Condensate Discovery (ADX operated, 60% equity interest)

Audited mean recoverable contingent sales gas resources of 239 bcf and 41 mmbbls of associated liquids (TRACS)

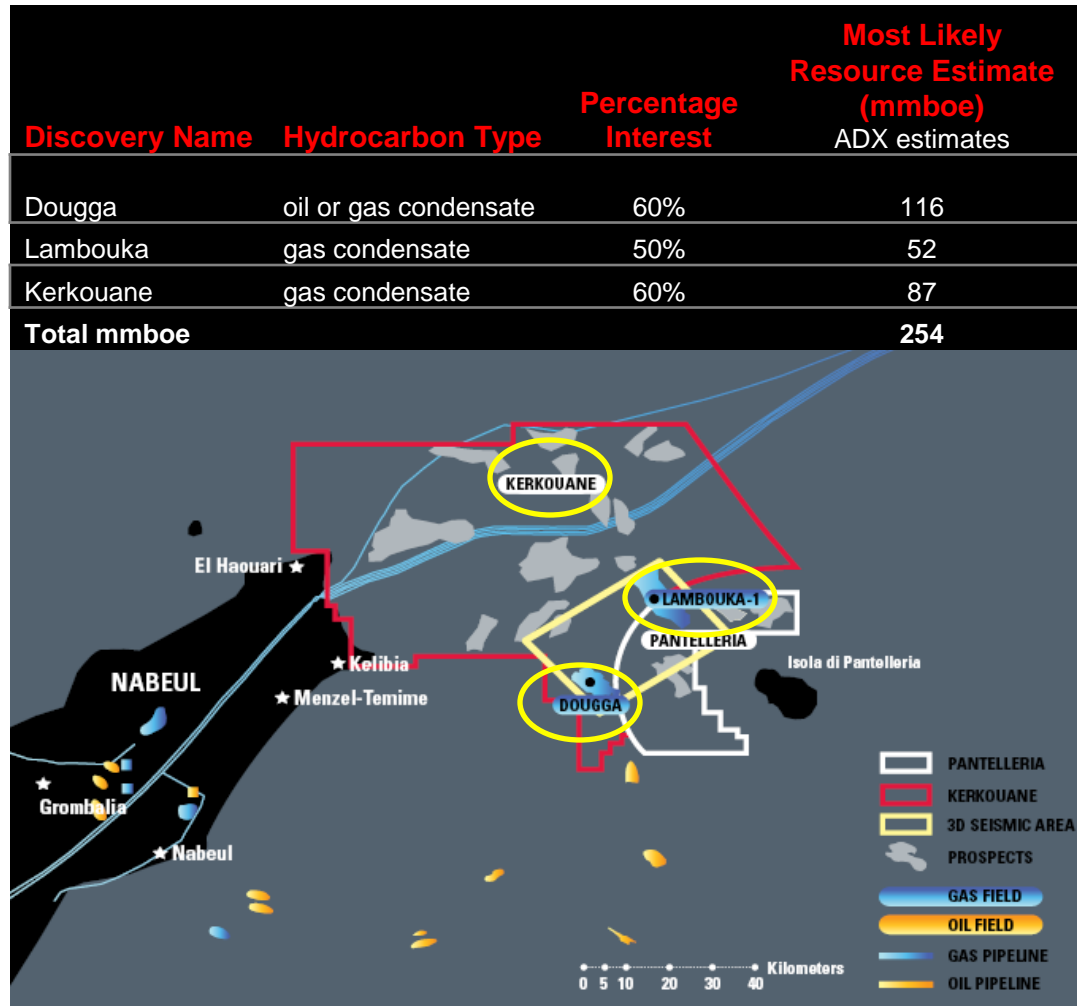
*The ADX most likely estimate is 340 bcf sales gas and 59 mmbbls.*

## Lambouka Gas Discovery (ADX operated, 50% equity interest)

Mean recoverable gas resource estimated by ADX to be 309 bcf – additional deeper undrilled potential

## Kerkouane Gas Discovery (ADX operated, 60% equity interest)

Mean recoverable gas resource estimated by ADX to be 87 mmboe



**Large Strategic Position**

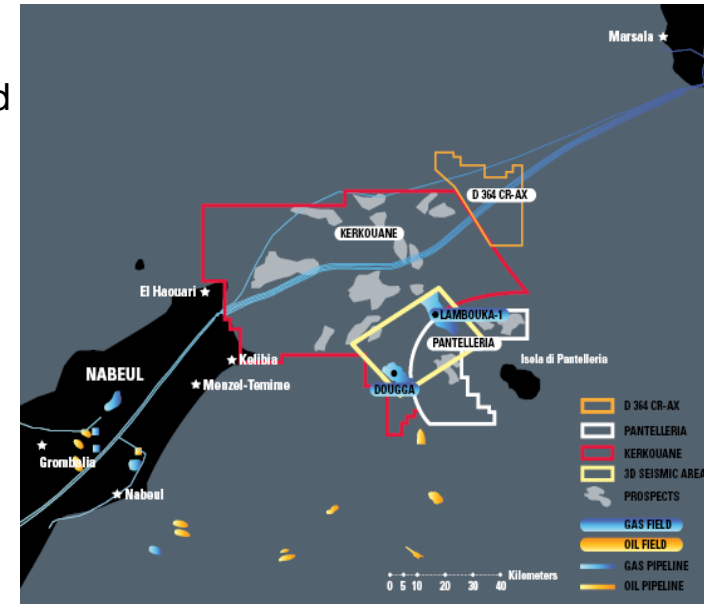
# DOUGGA APPRAISAL PROJECT – ADX Operator, 60% equity interest

## Background

- Gas resource discovered in 1982 with high liquids content and approx 30% CO<sub>2</sub>
- Independently assessed volumes by Tracs in 2011 (post 3D)

Gross Contingent Resources (Project)				
Constituent	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)	Mean Estimate
Sales gas (bcf)	148	226	341	239
Condensate (mmbbl)	19.5	29.7	44.6	31
LPG (mmbbl)	6.1	9.3	14.1	9.9
<b>Total (mmboe)</b>	<b>49.1</b>	<b>74.9</b>	<b>112.9</b>	<b>78.9</b>

*Tracs AGR - 2011 Competent Persons Report*



- Tracs assessment included prefeasibility capital and operating costs estimation as well as a commerciality review – Project NPV US\$ 1.1 billion based on offshore liquids removal:  
**ADX most likely resource estimates equivalent to Tracs 3C estimate**

## Development Attributes

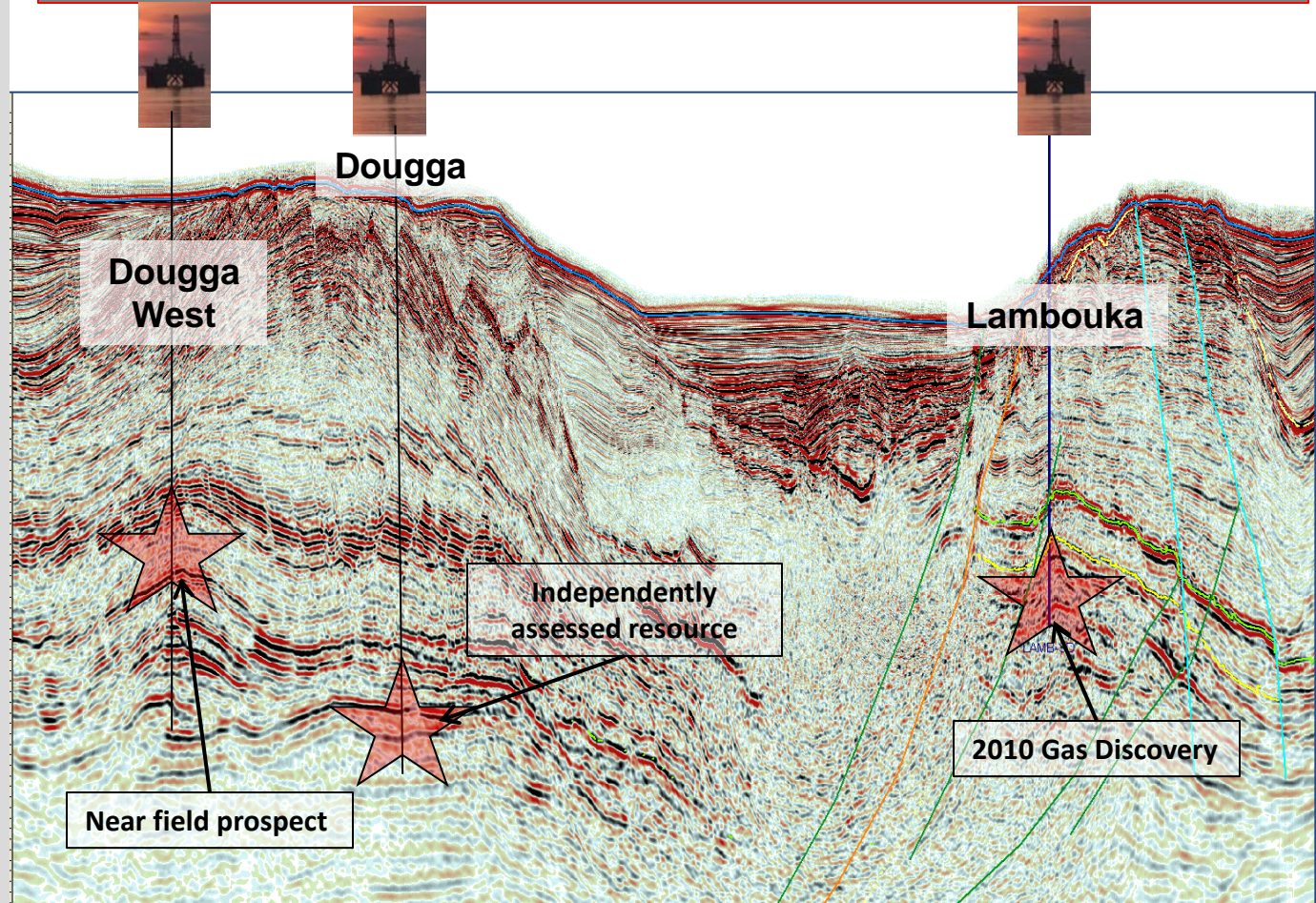
- Condensate Rich, Proximal to onshore, strong market and gas pricing condition
- Potential to incorporate Kerkouane, Lambouka and other discoveries
- Land based development with subsea wells may significantly enhance economics

# DOUGGA APPRAISAL PROJECT - continued

## Proximal Tie-in Opportunities – gas hub development

### Way Forward

- Undertake further concept engineering to confirm minimum capex option
- Continue engagement with government authorities regarding project facilitation
- Finalise Dougga appraisal and near field exploration program to establish minimum development resource and future expansion opportunities
- Secure farmout for 2 to 3 well program

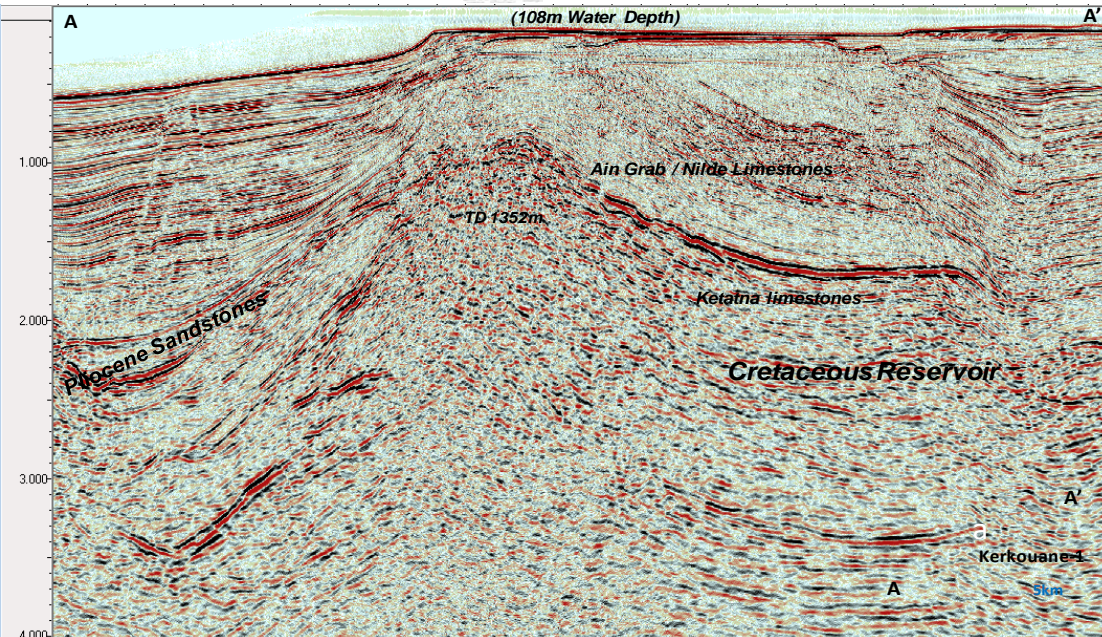


# KERKOUANE-1 DISCOVERY: An emerging appraisal opportunity

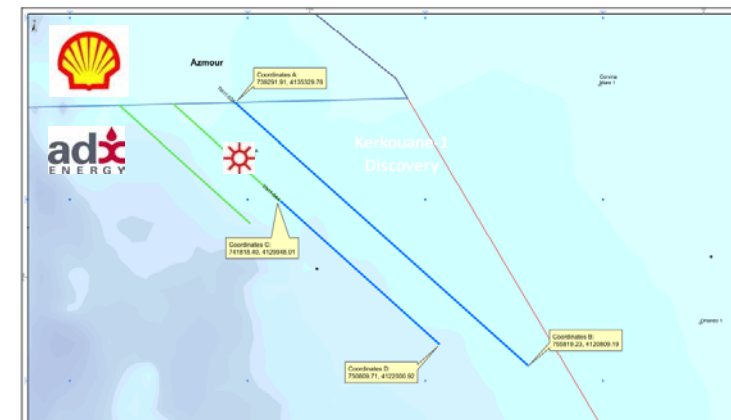
SURFACE LOCATION  
KERKOUANE - 1



(108m Water Depth)



- Sidetracked and then P&A in 1981 after massive gas kicks
- Solvent cut oil shows
- Cretaceous Abiod not reached !!
- Shell has acquired long offset 2D seismic survey in adjacent block and also in ADX Kerkouane block:
  - ADX will get 104 km of new seismic data, to be processed by Shell



# SICILY CHANNEL EXPLORATION POTENTIAL

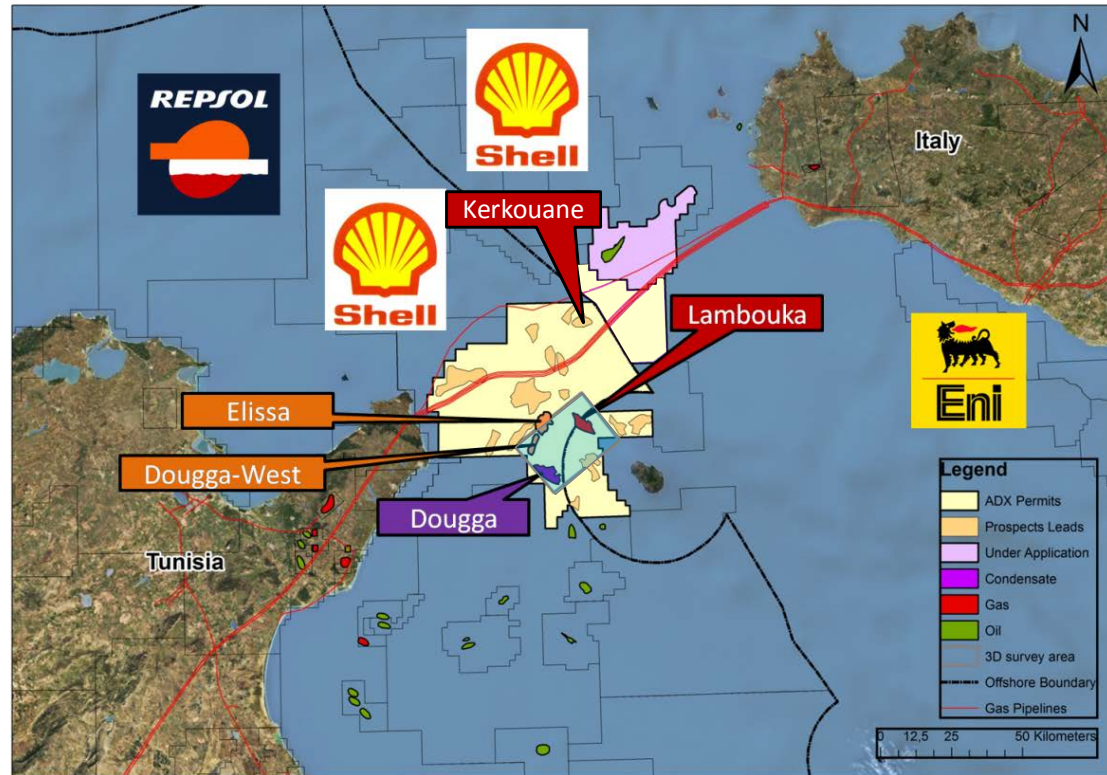
## Prospect Inventory

Combined most likely contingent and prospective resource potential identified on 2D and 3D seismic data:

**1.15 billion boe** prospective resource potential estimated by ADX

## Near Term Objectives

- Move significant contingent resources into reserves category through appraisal of Dougga
- Drill of material and prospective near field targets in the 3D area.
- Mature 2D prospects to drillable status
- Assess impact of exploration efforts by our neighbours



# SICILY CHANNEL EXPLORATION POTENTIAL

## MOST LIKELY PROSPECTIVE RESOURCES - 3D SEISMIC COVERAGE

Prospect Name	Status	Resource Estimate [mmboe]	Likely Fluid
Lambouka-Deep*	Drill Deeper - Exploration	126	gas condensate
Dougga West	Near Field Exploration	226	oil or gas condensate (resource base on Birsa oil case)
Elissa	Exploration	57	gas condensate
<b>TOTAL COVERED BY 3D SEISMIC</b>		<b>409 mmboe</b>	

\*Lambouka – Deep is undrilled potential at the Cretaceous level

# SICILY CHANNEL EXPLORATION POTENTIAL

## MOST LIKELY PROSPECTIVE RESOURCE – 2D SEISMIC COVERAGE

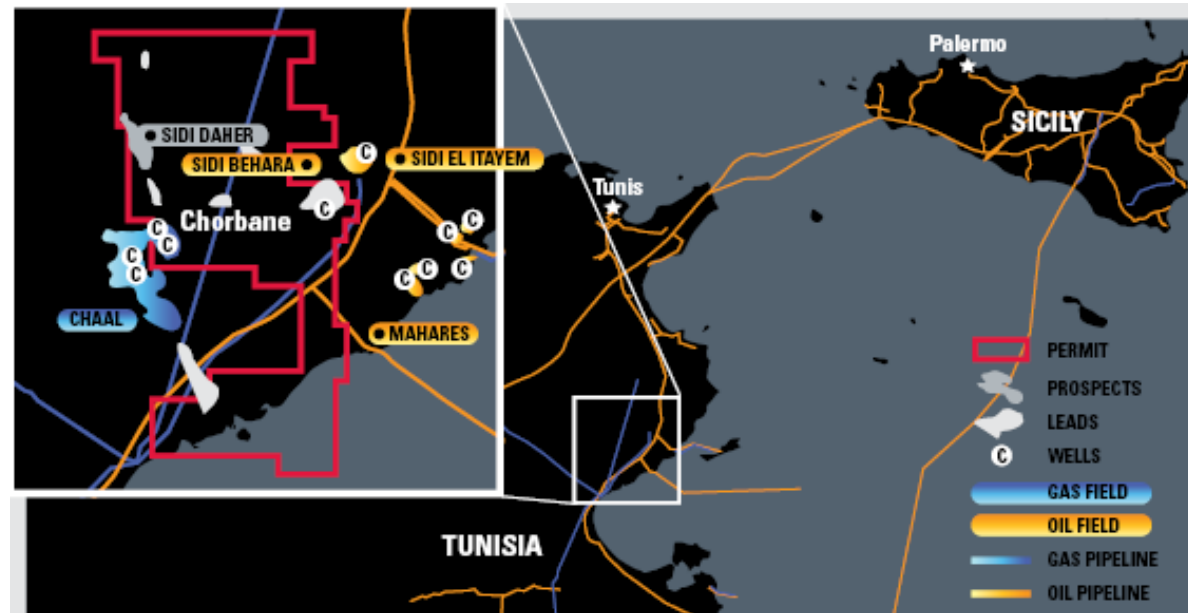
Prospect / Lead Name	Status	ML Resource [mmboe]	Predicted Fluid Type
Kerkouane*	Appraisal	87	gas condensate
Lambouka Overthrust	Exploration	17	gas condensate
Tazerka - North	Exploration	24	oil
Galliano	Exploration	122	gas condensate
East Galliano	Exploration	146	gas condensate
North Zibbibo	Exploration	20	oil
Cap Bon Mare	Exploration	77	gas condensate
Carthage	Exploration	79	gas condensate
<b>TOTAL COVERED BY 2D SEISMIC</b>		<b>572 mmboe</b>	

\*The Kerkouane discovery intersected a gas column at the Ain Grab formation - Cretaceous potential remains undrilled

# CHORBANE PERMIT – ADX Operator, 40% equity interest

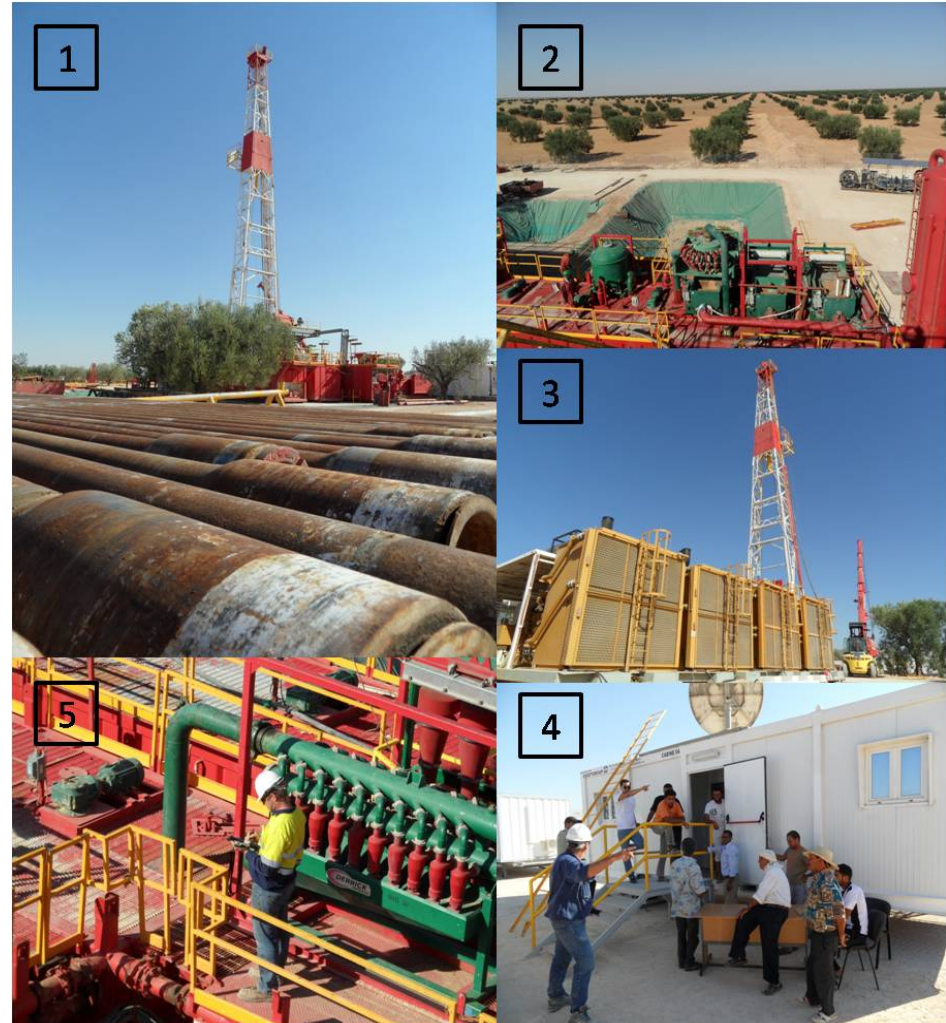
## Exploration Highlights

- Provides rapid commercialisation potential
- Large undrilled onshore structures in producing oil and gas province
- High quality seismic definition available over prospects and leads
- Short distance access to onshore pipelines, strong gas market and oil equivalent pricing conditions
- Follow up potential in a large prospective permit (2,438 km<sup>2</sup>)
- 175 bcf most likely gas potential
- 44 mmbbl most likely oil potential
- Deeper gas potential not included

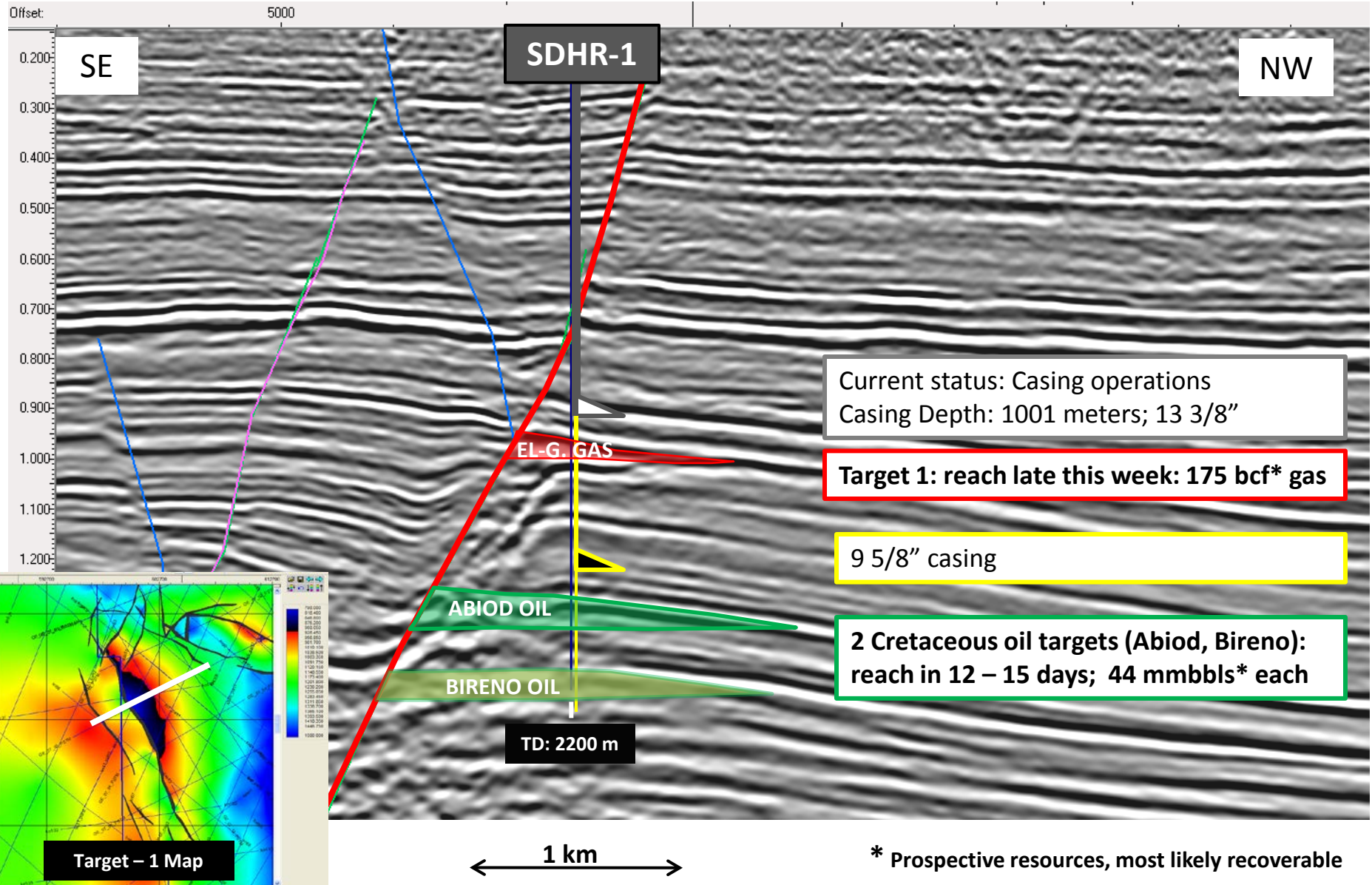


# CHORBANE EXPLORATION – Sidi Dhaher drilling operations

1. Challenger Rig 37 on Sidi Dhaher location, drill pipes in foreground.
2. View from rig floor, desander and degaser units in foreground, green geotextile covered mud pits in mid ground.
3. Radiators for cooling diesel engines in foreground.
4. Local community members in front of medical unit cueing for a medical check.
5. Rig inspector on top of a mud tank, desander unit on his right.



# SIDI DHAHER-1 Drilling Status



SE

NW

**SDHR-1**

EL-G. GAS

ABIOD OIL

BIRENO OIL

TD: 2200 m

Current status: Casing operations  
Casing Depth: 1001 meters; 13 3/8"

**Target 1: reach late this week: 175 bcf\* gas**

9 5/8" casing

**2 Cretaceous oil targets (Abiod, Bireno):  
reach in 12 – 15 days; 44 mmbbls\* each**

1 km

\* Prospective resources, most likely recoverable

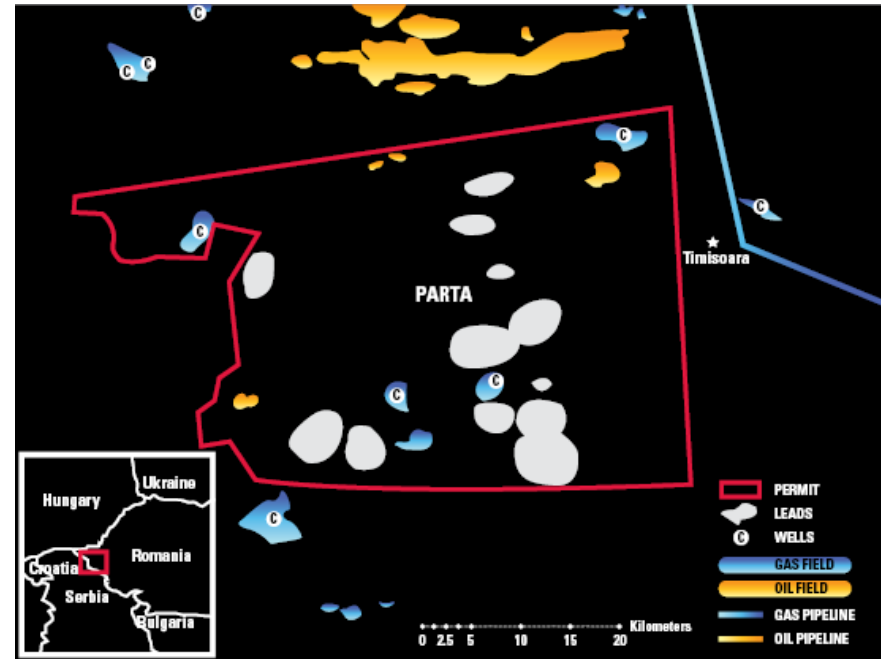
Target - 1 Map

# ONSHORE ROMANIA - Pannonian Basin, Parta Block

**ADX Operator – 60% Interest**

## Highlights

- Parta Block awarded at 10th bid round in October 2010
- Concession agreement signed with NAMR in January 2011
- Parta is a prospective permit in a proven and producing hydrocarbon province in Romania
- 1,200km<sup>2</sup> acreage with eleven identified leads
- Located in a European Union Country with favorable tax and royalty conditions
- Easy access to local infrastructure and European markets



## Strategy

- Acquire modern 2D and 3D seismic (first time in permit) in oil & gas producing area
- Low cost seismic and low cost drilling in area with access to European gas markets

# DEMERGED GOLD AND BASE METAL ASSETS

## RIEDEL RESOURCES

- 42.94% interest in issued Share Capital

### Highlights

- Listed on the ASX 27 January 2011 (RIE)
- Competent, independent management and funding to progress asset base
- High order projects in proven mineralised districts of WA, including exposure to the emerging DeGrussa copper-gold trend
- Existing inferred gold resources – with potential for expansion and development
- Mature, drill ready targets - Au, Cu-Au and Ni targets on core project areas
- Aggressive exploration with key exploration milestones by 2012



## NEAR TERM FORECAST ACTIVITIES

- Sidi Dhaher exploration well - onshore Tunisia **SPUDDED 26/8/2011**
  - Multi target Onshore Prospect funded via farmout
- Dougga appraisal program and Sicily Channel Exploration Program
  - Dougga pre feasibility studies **Q3 & Q4 2011**
  - Dougga + Exploration well farmout **Q3 & Q4 2011**
  - Drill Dougga gas field appraisal well **2012**
  - Test Lambouka well and or near field exploration **2012**
  - Follow up exploration well (i.e. Dougga - West) **2012**
- Acquire seismic onshore Romania **Q4 2011**

## DISCLAIMER

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be effected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialization, development progress, operating results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

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