Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ADX ENERGY LTD

ABN	Quarter ended ("current quarter")
50 009 058 646	31 DECEMBER 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
	Receipts from joint venture partners/ reimbursements from joint ventures	608	2,470
1.2	Payments for (a) exploration & evaluation	(1,495)	(2,464)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(172)	(319)
	(e) payments on behalf JV	(427)	(677)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) GST refunds, exploration refunds & cost recoveries from JV	22	58
	Net Operating Cash Flows	(1,453)	(918)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospect	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(2)
1.9	Proceeds from sale of:(a) prospects/ farmin	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) Exploration bond released	-	1,021
	Net investing cash flows	-	1,019
1.13	Total operating and investing cash flows (carried forward)	(1,453)	101

1.13	Total operating and investing cash flows (brought forward)	(1,453)	101
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, (net)	2,055	2,055
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	2,055	2,055
	Net increase (decrease) in cash held	602	2,156
1.20	Cash at beginning of quarter/year to date	2,408	783
1.21	Exchange rate adjustments to item 1.20	(65)	6
1.22	**Cash at end of quarter**	2,945	2,945

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	242
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- payment of director consulting fees and salaries.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Chorbane Project – Other entities are earning a combined 60% interest in this project by contributing 100% of the expected cost of the Sidi Dhaher well. ADX retains 40% of the project post well.

Financing facilities available
Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-
	Other facilities – refer Note 1	20,000	-

Note
In October 2009, ADX executed a Committed Equity Facility Agreement to secure a A$20,000,000 facility with Trafalgar Capital Specialised Investment Fund, Luxembourg (Trafalgar). Subject to terms and conditions of the facility, ADX may, at its discretion, issue shares to Trafalgar at any time over the next 30 months. Shares issued to Trafalgar will be priced at 95% of the lowest of the daily volume weighted average price ("VWAP") of the Ordinary Shares on ASX as quoted by Bloomberg during the prior five consecutive trading day period. This facility expires April 2012.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	915
4.2	Development	-
4.3	Production	-
4.4	Administration	255
	Total	1,170

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,945	2,408
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,945	2,408

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		No material changes		
6.2 Interests in mining tenements acquired or increased		No material changes		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	438,308,350	438,308,350		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	27,180,357	27,180,357	8 cents	Fully paid
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	3,600,000 525,000 1,500,000 1,000,000 19,200,000 2,500,000 2,000,000	- - - - - - -	*Exercise price* 40 cents 40 cents 25 cents 30 cents 25 cents 25 cents 25 cents	*Expiry date* 21/4/2012 13/5/2012 1/7/2012 1/7/2013 31/12/2012 31/12/2012 31/7/2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/ Forfeited during quarter	500,000	-	30 cents	1/7/2013

+ See chapter 19 for defined terms.

7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 31 January 2012.
Company secretary

Print name: PETER IRONSIDE

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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