

31 October 2012

Activities Report

Quarter Ended 30 September 2012

Highlights

- **Chorbane License, Onshore Tunisia: Renewal to 2015**

The Tunisian Authorities (Comité Consultatif des Hydrocarbures) have approved the renewal of the Exploration period for three years to the 12th July 2015. Also, a 20% relinquishment was agreed with ETAP and approved by DGE.

The agreed minimum work obligation for this three year period is to drill one Exploration well to a depth of at least 2500 meters.

- **Capital Raising**

ADX has completed a placement to sophisticated investors eligible under s.708 of the Corporations Act (2001) of 47,058,825 new shares at 1.7¢ per share to raise \$800,000 before costs.

- **Parta permit Romania - Contract for Seismic Acquisition signed:**

ADX has secured with Romanian company S.C. PROSPECTIUNI S.A. an experienced and cost efficient seismic contractor who will be acquiring both 3D and 2D seismic in the Parta license prior to drilling of two wells. Prospectiuni is able to commence operations within a month after the Romanian government has ratified the already executed concession agreement.

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Offshore Tunisia & Italy - Kerkouane - Pantelleria Permit; d364 C.R.-AX permit (all ADX operated)

ADX is the operator and holds a 60% interest.

Following the completion of the appraisal portfolio reassessment based on the Geostreamer 3D seismic in the previous quarter the technical focus was to work on the drilling and testing design of the planned Dougga-2 well and further de-risk the Dougga West prospect which currently ranks as top exploration prospect on a reward to risk ratio. The table below summarizes the portfolio covered by 3D seismic.

3D Project Name	Status	Most Likely (mean) Resource [mmboe]	Expected Hydrocarbon Type
Dougga	Appraisal of contingent resources	173	gas condensate
Lambouka	Appraisal	52	gas only, condensate potential not quantified, estimated at 24 mmbbls
Lambouka-Deep	Drill Deeper - Exploration	126	gas condensate
Dougga West	Near Field Exploration	226	oil or gas condensate (resource given for oil case in Birsia)
Elissa	Exploration	616	Oil (Birsia) or condensate Abiod)
TOTAL COVERED BY 3D SEISMIC		1,193	

In order to further progress the farm out efforts a virtual dataroom was opened and a contract signed with ENVOI to further market the assets. ENVOI is a well established and highly reputed deal promotion and deal facilitation company based in the UK. Also, the outstanding but underestimated and underexplored Sicily Channel prospectivity was presented at the AAPG (American Association of Petroleum Geologists) on 18 September 2012 in Singapore to provide some recognition of the areas potential by the industry.

Onshore Tunisia - Chorbane Permit (ADX operated)

ADX is the operator and holds a 40% interest.

The focus of exploration within the Chorbane permit has shifted to the eastern parts of Chorbane which is on trend with producing oil & gas fields. Technical work has commenced to develop future drilling targets in this area. The current block outline encompasses the large

prospective area of 1,940 sqkm. The prospects being matured are significantly lower risk than Sidi Dhaher in relation to oil & gas charge and some of them also offer large prospective resource potential.

Currently the one prospect emerging out of a pool of several high ranked leads as the most likely candidate for further 2D and/ or 3D seismic acquisition and potentially the next target for exploration drilling is a large structure just to the south of two oil and gas fields (Sidi Il Itayem, Sidi Behara, respectively). Vintage well data (1970s and 1980s) has already proven the presence of oil & gas and good reservoir in the larger prospect area.

ADX and its JV partners intend to acquire the seismic in 2013 and drill the next well latest by 2014. The current license term is valid until July 2015 and carries only a one well obligatory commitment.

The approval of the 20% relinquishment area by the relevant Tunisian authorities was described in the previous Quarterly report.

Romania: Parta Concession – Pannonian Basin

ADX is the operator and holds a 50% interest in the awarded block.

During the quarter ADX completed the layout and technical parameters for both the planned 3D and 2D seismic and signed a contract with Prospektiuni for seismic acquisition and processing.

Although it is not possible to reliably predict the pace of administrative work within the Romanian government, there is a reasonable chance that the concession agreement ratification will be executed this year and hence seismic acquisition completion could be achieved by Q1 to Q2 2013.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wolfgang Zimmer'.

WOLFGANG ZIMMER
Managing Director