

27 August 2013

Romania Update: Seismic Processing confirms new prospect.

ADX Energy Ltd (ASX:ADX) is pleased to report that special processing of its first phase 2D seismic acquisition has revealed a distinctive AVO (gas) anomaly in the Parta permit.

Earlier in the year ADX acquired and completed processing of approximately 90 km of 2D seismic data which is of excellent quality. Subsequent special processing of the high resolution data has shown distinct AVO related amplitude anomalies at depths of approximately 1000 meters within sandstone reservoirs which are interpreted to be most likely related to gas.

Background: If a seismic amplitude anomaly caused by the interface of a cap rock and a reservoir rock is further supported by a so called AVO effect the chances for the presence of hydrocarbons in the reservoir rock is often greatly increased. (AVO stands for “Amplitude Versus Offset” and exploits the angle of incidence dependant seismic wave behavior at the interface of a cap rock and a potentially porous and hydrocarbon filled reservoir rock.)

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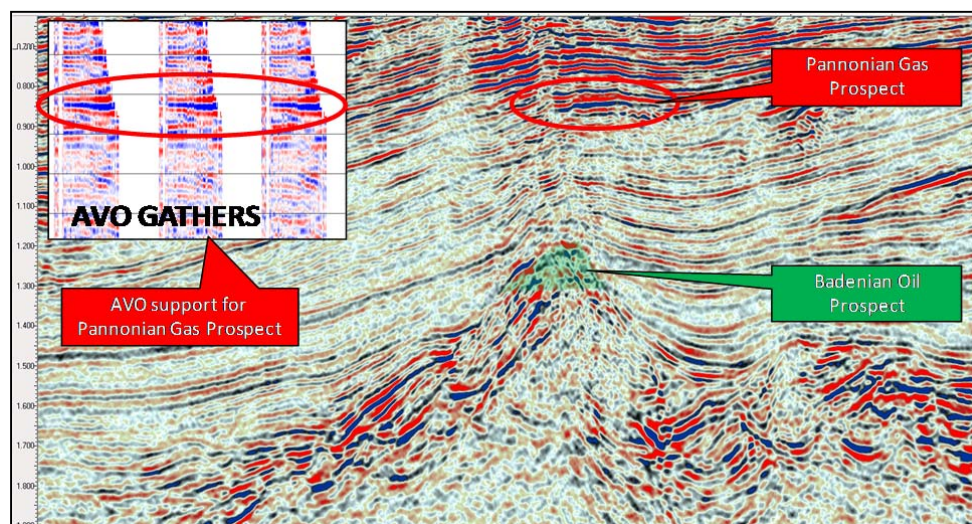


Figure 1: AVO supported oil & gas prospect. In addition to AVO support (inserted figure), note high frequency attenuation often associated with gas. “Pannonian” and “Badenian” are local geological names for Upper and Middle Miocene formations, respectively.

An example of such gas related anomaly above a deeper oil prospect is shown above. ADX will acquire additional 2D seismic in order to further delineate the feature. ADX also expects that the additional data will further confirm and de-risk the relatively large structure with the associated AVO gas anomaly which is

overlying a significantly large structure that is interpreted as potentially oil bearing.
Preparations for drilling of this prospect and others could start by mid October.

Another example of a mapped oil prospect with a possible overlying gas field is shown in Figure 2. Based on the encouraging results seen on the previously discussed seismic line, this seismic line will now also undergo special AVO processing.

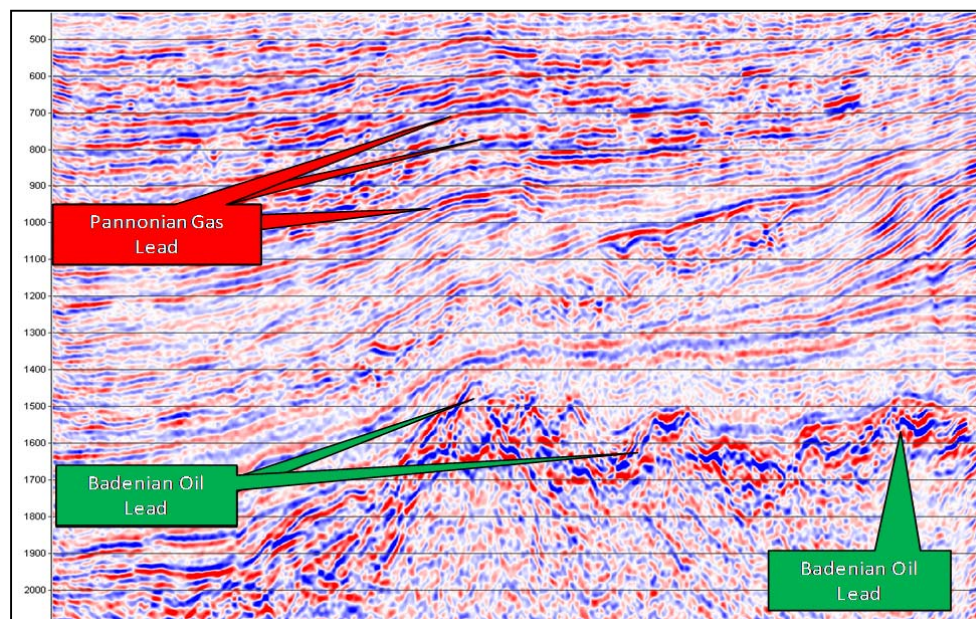


Figure 2: Newly identified oil & gas leads

The seismic results to date have confirmed ADX's strategy to enter proven hydrocarbon provinces utilizing modern seismic technology in order to identify overlooked conventional oil and gas fields and potential stratigraphic traps. ADX has no intention to use unconventional methods such as shale gas exploration in Romania.

Parta Permit Background

The Parta Permit covers an area of 1,221 km² and is located in the southern Pannonian basin area of western Romania. It also contains 7 excised oil and gas fields within its perimeter and is considered underexplored.

Previous geological and geophysical work by ADX has led to the identification of several conventional leads and prospects which are estimated to cumulatively contain a recoverable mean prospective resource potential of 47 mmbbls of oil and 480 bcf of gas. The main drilling targets are situated between 800 to 2000 meters depth, whereby the main gas potential is in the shallower section.



Romania represents an important growth opportunity in line with ADX's ongoing strategy of focusing its resources on core areas which offer materiality, proven prospectivity, excellent fiscal terms and access to markets, including direct gas transmission into the European markets.

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