

7<sup>th</sup> December 2010

## TUNISIAN AUTHORITIES “ETAP” APPROVE RIG SELECTION FOR SIDI DAHER DRILLING

**ADX Energy Ltd** (ASX:ADX) is pleased to announce that **ETAP (Enterprise Tunisienne D’Activites Pétrolières)** has approved the rig tender evaluation for the drilling of Sidi Daher 1 well on the Chorbane permit as proposed by ADX.

This approval places ADX in the fortunate position of having the choice of four compliant onshore drilling rigs which are technically capable of drilling the Sidi Daher-1 well. The final decision on the preferred drilling rig will be made within the next few days based on commercial criteria and earliest possible spud date. At this stage a spud date in January 2011 is anticipated for Sidi Daher.

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

<b>ADX</b>	<b>40% Operator</b>
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 Daher well and the Chorbane Permit are based on the completion of all farmin obligations

For further details please contact:

**Wolfgang Zimmer**  
Managing Director  
+43 (0) 1641 0189

**Ian Tchacos**  
Chairman  
+61(08) 9226 2822

[www.adxenergy.com.au](http://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](mailto: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

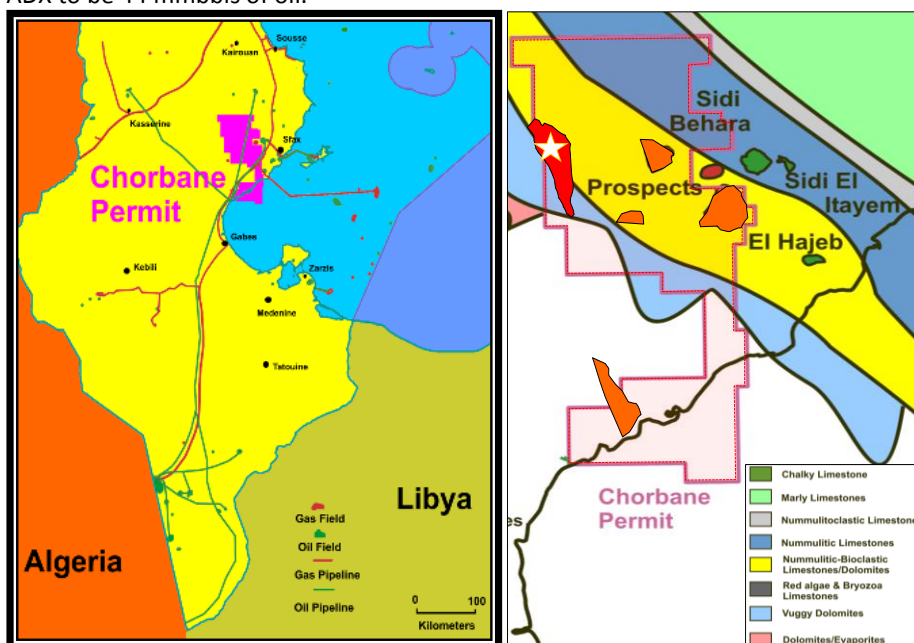
[www.adxenergy.com.au](http://www.adxenergy.com.au)

## Chorbane Permit Summary

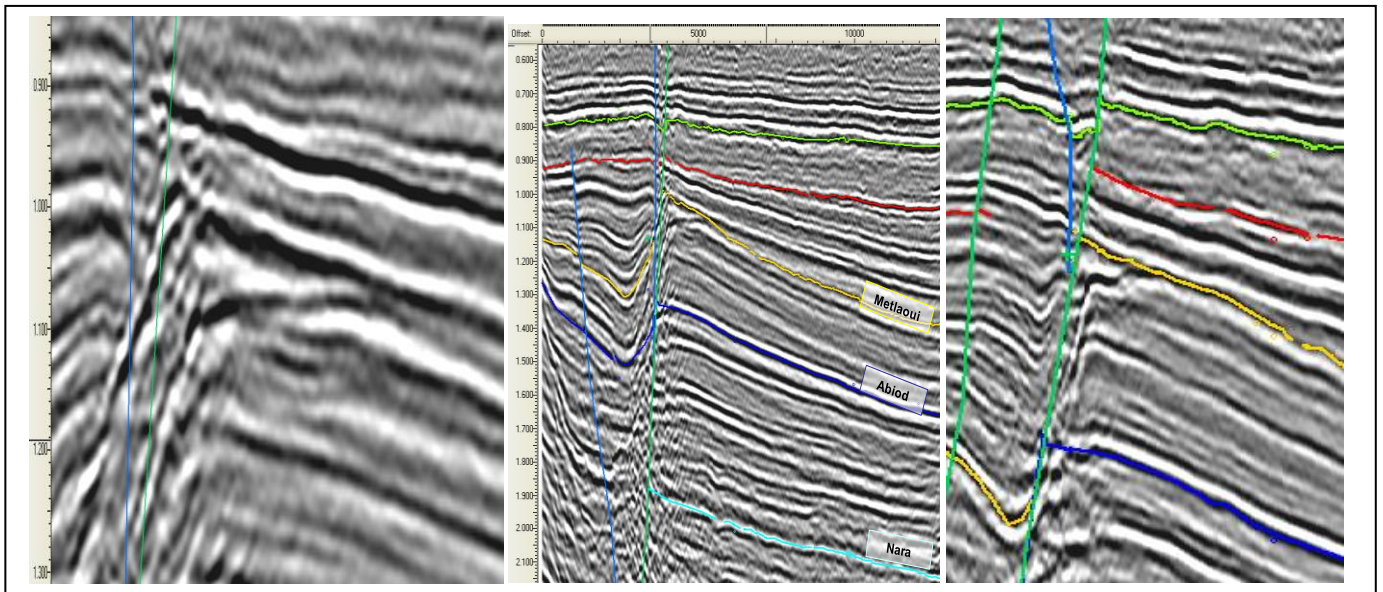
The ADX operated Chorbane Exploration Permit is located mainly onshore central Tunisia. The permit is relatively underexplored containing prospects and leads with multiple objectives and both oil and gas potential. Chorbane is favorably located with regard to infrastructure for both oil & gas export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

The largest structure mapped and currently the most highly ranked prospect is the multi-reservoir Sidi Daher prospect. Unrisked mean recoverable resources are estimated at 350 BCF and 7 MMbbl of condensate at the Jurassic level alone. In addition, the structure has significant closure at Eocene through to the Lower Cretaceous reservoirs that add significant upside and risk reduction to the prospect. Of special interest is the large closure (+25 sq km) at the Abiod reservoir level that is in many respects analogous to the Sidi-El Kilani field which to date has produced approximately 50 mmbbls of oil from the same horizon and is on the same structural trend approximately 30 kilometers north of Sidi Daher prospect.

Recent work on the Sidi Daher prospect has identified an Eocene Metlaoui flat spot or **DHI** (direct hydrocarbon indicator) that is conformable with structure which ADX interprets to be indicative of trapped hydrocarbons. The feature is a positive indication of good porosity, trap integrity and hydrocarbon generation, thereby significantly increasing the likelihood of a discovery. The most likely case prospective resource estimates for the Metlaoui are ~175 BCF gas with the possibility for an oil leg. In addition, the mean recoverable prospective resource potential for the Abiod formation target is estimated by ADX to be 44 mmbbls of oil.



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



*Seismic lines through Sidi Daher prospect showing also flat spot at the shallow Eocene nummulitic limestone target. Deeper prospective targets such as the Abiod reservoir will also be penetrated.*

