

11 May 2011

## **ADX Secures Chorbane Permit Extension and Assurance of Government Assistance for Sidi Dhaher Drilling Operations**

ADX Energy Ltd (**ASX:ADX**) is pleased to announce that the Tunisian Authorities (Comité Consultatif des Hydrocarbures) have agreed to the extension of the current Exploration period for the Chorbane permit by one year to the 12<sup>th</sup> of July 2012.

The Chorbane exploration permit contains the Sidi Dhaher prospect. All site preparations to drill the Sidi Dhaher exploration well have been completed and a ready to drill status has been achieved.

The Tunisian authorities (Ministry of Industry and Technology) have informed the Company during recent meetings in Tunis that the drilling of the Sidi Dhaher well is a priority and the required level of government authority supervision to ensure safe mobilization and efficient drilling operations will be provided. ADX anticipates that the appropriate measures for road clearance, traffic control and road safety will be available shortly.

ADX will continue to prepare for the drilling of the Sidi Dhaher well and provide a further update when a scheduled mobilization date is determined.

The Sidi Dhaher prospect is located in the 2,428km<sup>2</sup> large Chorbane Exploration Permit onshore central Tunisia near the port city of Sfax. It is surrounded by several producing oil fields and extensive oil and gas infrastructure. A summary of the Chorbane Permit and the Sidi Dhaher prospect is attached to this ASX release.

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

<b>ADX Energy Ltd</b>	<b>40%</b>	<b>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 Dhaher well and the Chorbane Permit are based on the completion of all farmin obligations.

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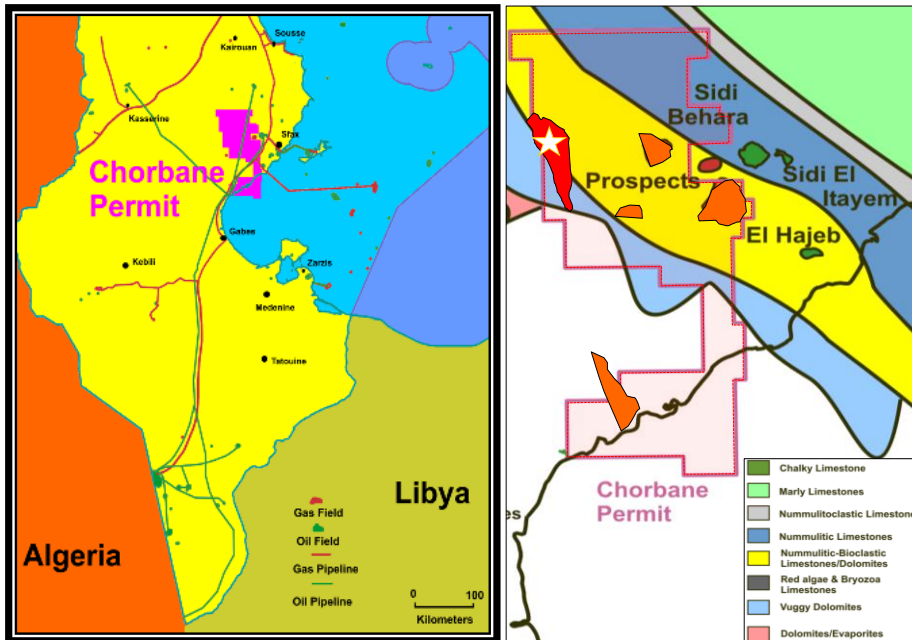
## Chorbane Permit Summary

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

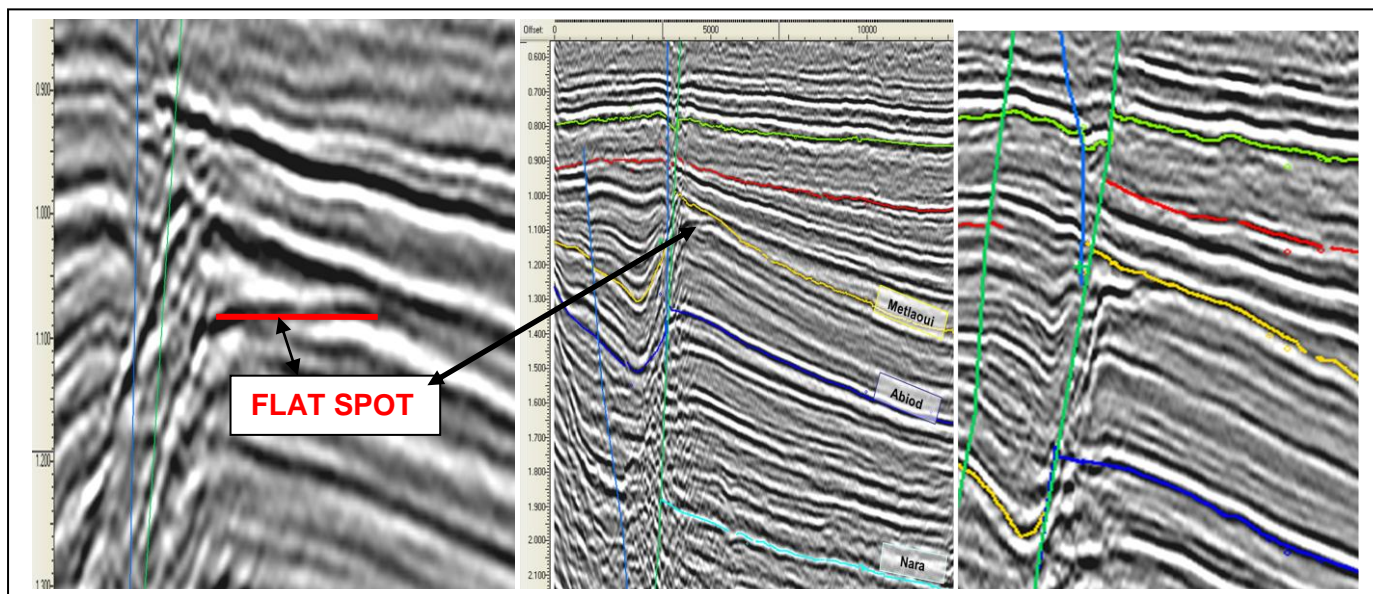
The largest structure mapped and the most highly ranked prospect is the multi-reservoir Sidi Dhaher prospect. The structure has large closure at Eocene through to the Lower Cretaceous reservoirs that provide significant resource potential.

A Direct Hydrocarbon Indicator (DHI, flat spot) which is indicative of a gas-water contact has been identified in the Metlaoui reservoir that significantly enhanced the expectation of success. Additionally a large closure (+25km<sup>2</sup>) exists at the Abiod reservoir level that is analogous to the Sidi-El Kilani field which to date has produced approximately 50 mmbbls of oil from the same horizon 30 kilometers north of Sidi Dhaher prospect.

The Sidi Dhaher prospect has estimated prospective resources of **175 billion cubic feet** of recoverable gas at the Metlaoui level and **44 million barrels** of oil for the Abiod Formation. Additional targets also exist including the deeper Douleb and Bireno reservoirs that produce oil and gas in the Guebiba-El Hajeb field immediately east of the permit.



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



Seismic lines through Sidi Dhafer prospect also showing a flat spot at the shallow reservoir target. Deeper prospective reservoirs such as the Abiod, Douleb and Bireno reservoirs will also be penetrated.