

3 October 2011

ADX: Sidi Dhaher-1 Well Encounters Oil

ADX Energy Limited (ASX:ADX) is pleased to announce that the Sidi Dhaher well has encountered an interpreted oil column of approximately 30 metres on the basis of pressure data as well as oil recovered together with mud filtrate from down hole sampling. To determine the potential commerciality of the discovery a well test will be required to confirm oil production at commercial rates.

The Sidi Dhaher-1 well has been drilled to a total depth of 2011 meters measured depth (m MD). Wireline logs, as well as formation pressures and reservoir fluids have been acquired over the open-hole interval from 999 to 2011 m MD in order to evaluate the quality and hydrocarbon content of several potential reservoirs encountered within this bore hole section.

The well has intersected pre-Tertiary aged section structurally higher than originally predicted. Wireline logs indicate several potential reservoir zones within both the Tertiary and Cretaceous aged sections respectively, with relatively high porosity and permeability interpreted within Upper Cretaceous aged formations.

Wireline fluid sampling from an Upper Cretaceous aged reservoir has recovered a mixture of drilling mud, drilling mud filtrate and oil. This recovery indicates deep invasion of drilling fluids into a permeable reservoir and the presence of moveable oil. The oil gradient calculated from formation pressures within the interpreted oil column suggests the presence of relatively light oil.

After running casing to preserve well-bore integrity, the well will be suspended to secure the well pending future production testing operations to determine oil quality and reservoir productivity.

The 9 ⁵/₈" casing has now been set to a depth of 1295m. Following suspension to secure the well the current drilling rig will be released from location and testing operations will be conducted utilizing more appropriately sized and cost effective equipment.

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Weekly operations forecast:

- Complete suspension operations
- Release and demobilize drilling rig

The Sidi Dhaher prospect is located in the 2,428km² 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.

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

ADX Energy Ltd	40%	Operator
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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