

ASX Release



8th September 2010

Lambouka -1 Well – Decision to Suspend Well

ADX Energy Limited is pleased to announce that the participants have agreed to the Operators proposal to suspend the Lambouka -1 discovery in a manner that is suitable for the future re-entry of the well.

The suspension of the well at this time with the ability for future re-entry will provide the opportunity to obtain additional hydrocarbon and reservoir information in a cost effective manner from an appropriately designed drill stem test of the Abiod Formation. Furthermore, given that the Lambouka structure has further up dip potential from the Lambouka-1 location it is possible to re-drill the bottom section of the well with an appropriate orientation to test the crest of the structure as well as prospective porous sandstones encountered in the lower part of the well that are interpreted to be in closure at an up dip location.

ADX will continue to interpret the data obtained from the Lambouka-1 well in conjunction with 3D seismic data and provide further assessments of the potential of Lambouka discovery.

Participants in the Lambouka -1 well are as follows ^(note 1);

ADX ^(note 2)	30% Operator
Gulfsands Petroleum Plc	30%
Carnavale Resources Ltd	20%
XState Resources Ltd ^(note 3)	10%
PharmAust Limited	10%

Notes:

1. The respective interests in the Lambouka Prospect area in the Kerkouane Permit and the Pantelleria Licence are based on the completion of all farmin obligations.
2. ADX' interest is held via wholly owned subsidiary Alpine Oil & Gas Pty Ltd and pending completion of the farmin obligation, Alpine will continue to hold 100% of the Pantelleria Licence.
3. XState Resources Limited interest is held via wholly owned subsidiary Bombora Energy Limited.

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