

23rd September 2010

LAMBOUKA-1 WELL – PRELIMINARY RESOURCE ESTIMATES

ADX Energy Limited is pleased to announce that it has completed an initial evaluation of the Lambouka-1 well results and has generated a preliminary resource estimate for the Lambouka gas discovery.

The mean recoverable gas resource is estimated to be 309 BCF with the potential for significant associated condensate volumes.

The resource evaluation is based on the incorporation following data:

- a comprehensive set of LWD and wire line log data
- gas chromatography data acquired during the Lambouka #1 drilling campaign; and
- an updated 3D seismic interpretation incorporating geological data acquired during the drilling of the Lambouka-1 well.

Note that ADX has utilised a number of third party log analysis experts to review log data and contribute to this evaluation.

ADX estimates of recoverable resources at Lambouka

	P90	P50	Mean	P10
Sales Gas [BCF]	145	277	309	528

While condensate estimates have not been included in the above table, gas chromatograph measurements taken while drilling indicate condensate rich gas is present at Lambouka. Using a similar gas condensate ratio to Dougga for Lambouka would result in condensate resources of 24 MMBBLS based on the mean resource estimate.

The above resource estimates relate to the Abiod and Allam carbonate reservoirs, which are interpreted as hydrocarbon bearing at the well location. Only the porosity of the reservoir matrix has been included in this resource calculation. Fracture porosity which is evident from the well data may be significant and may add considerable additional resource volume that has not been included in these preliminary estimates but will be the focus of ongoing studies.

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Beneath these carbonate reservoirs, a water wet sandstone reservoir was encountered at the bottom of the well which has the potential to be hydrocarbon bearing further updip in the Lambouka structure (see map and X section later in this release). This material upside potential is however not incorporated in the current resource estimate.

Unlike the nearby Dougga field which contains relatively high proportions of CO₂, it is assumed that no CO₂ is present at Lambouka given that CO₂ was not detected on measuring equipment during the drilling of the well.

Forward Work Program:

The comprehensive Lambouka dataset will be further evaluated over the next months in further detail. In order to move resources into a reserves category, a successful well test recovering reservoir hydrocarbons to surface is required together with a commercially viable development plan. It is planned to re-enter Lambouka-1 then sidetrack and test the Abiod and Allam formations with a specifically designed Abiod reservoir flow test. ADX believes that a Lambouka test can be best accomplished in conjunction with a Dougga field appraisal well and a possible exploration drilling campaign in 2011, targeting further potential identified on the large high quality 3D seismic dataset that was acquired prior to the drilling of Lambouka.

Dougga and Lambouka

The Dougga field contains audited mean recoverable contingent sales gas resources of 196 bcf and 42 mbbls of associated condensate and LPG's. The resource potential of Dougga is currently being reviewed, utilising the newly acquired 3D seismic data set. The combination of Dougga (ADX interest 60%) and Lambouka enhances the potential of a commercially attractive gas condensate development aggregating the resources of both fields. Any development would be assisted commercially by the attractive gas pricing conditions in Tunisia and the significant liquid volumes.

ADX will continue to update its shareholders in relation to ongoing Lambouka studies, the results of the Dougga resource review and prefeasibility studies which are being undertaken in relation to Dougga. The Dougga prefeasibility work will also incorporate the potential addition of Lambouka.

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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Figure 1 Lambouka Location Map

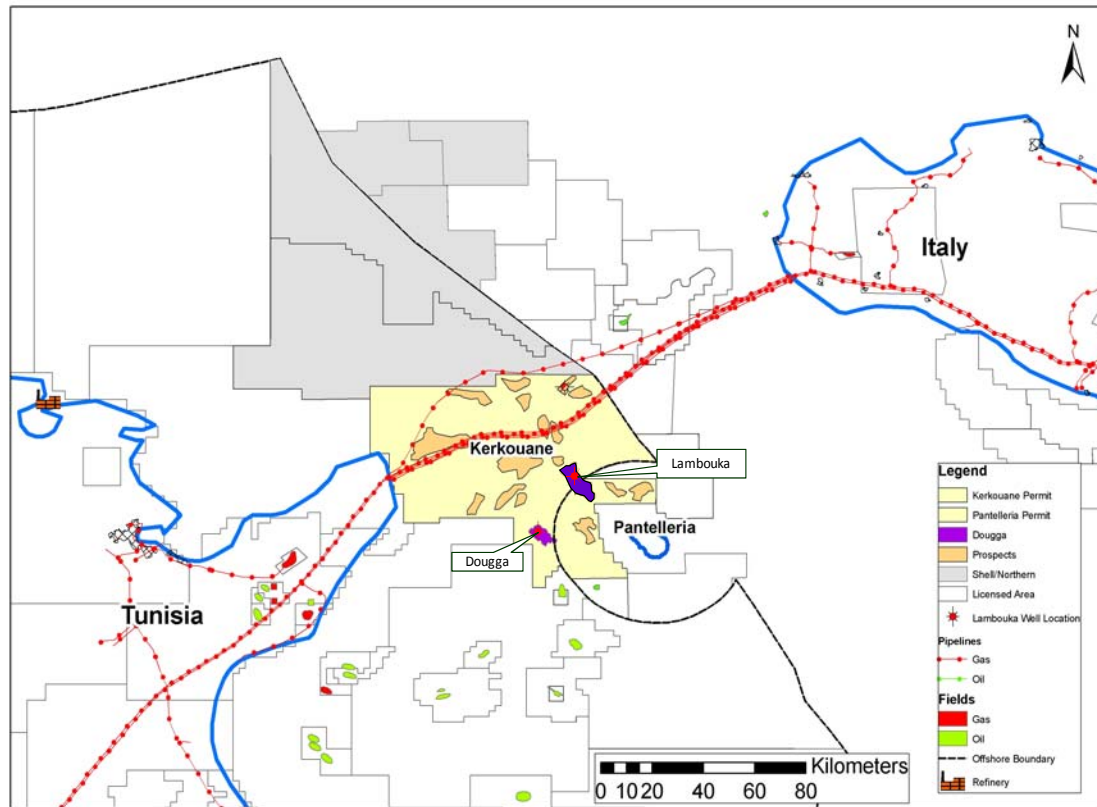


Figure 2 Seismic cross section through Lambouka structure

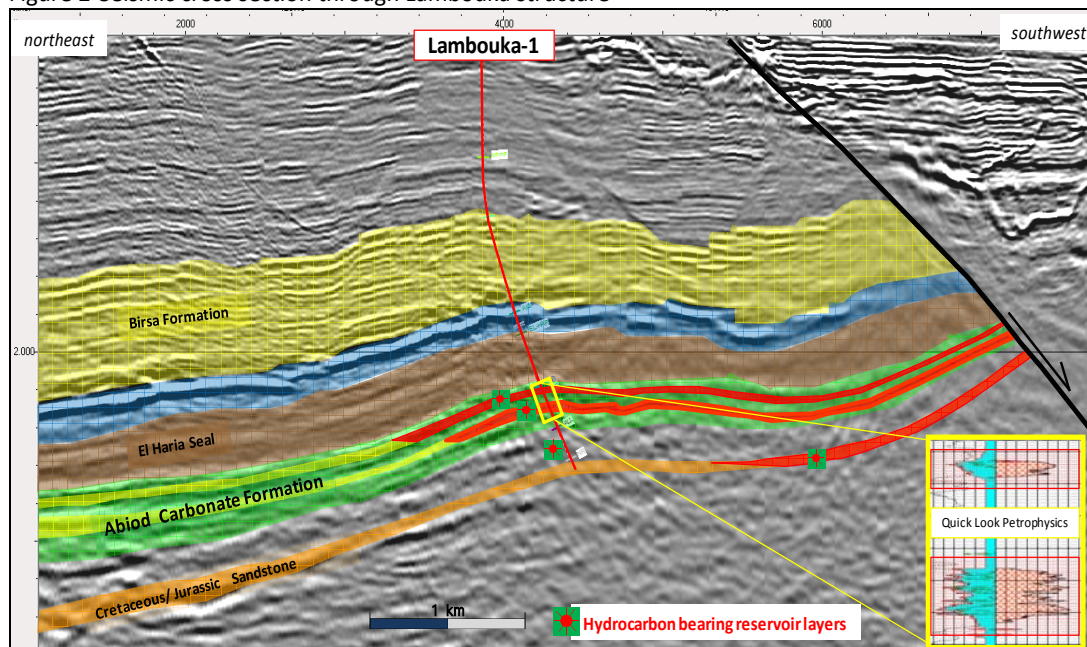
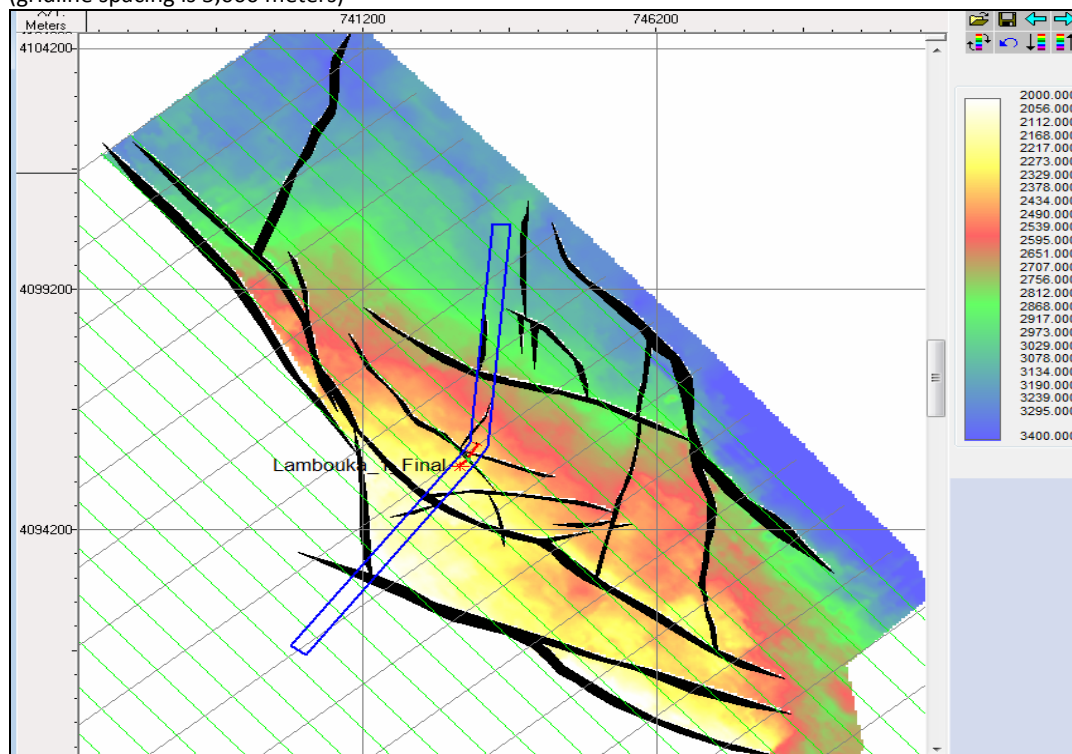


Figure 3 Lambouka Abiod reservoir structure map showing location of seismic line above (gridline spacing is 5,000 meters)



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