

25th November 2010

ADX Farms out further 10% of Sidi Daher Prospect

ADX Energy Ltd (ASX:ADX) is pleased to announce a farmout has been executed for 10% of its 50% remaining interest in the Chorbane Permit with Verus Investments Limited ("Verus"). Under the terms of the agreement ADX will receive US\$250,000 for back costs following execution of the agreement and a further US\$1,100,000 by the 3rd of December 2010. The transaction represents a 2 for 1 farm-in deal plus back costs.

Verus will earn its interest upon completion of the drilling of Sidi Daher well which is expected to spud in January 2011. As previously announced ADX has already secured farm-outs with Gulfsands Petroleum Plc and Xstate Resources Ltd which are expected to fully fund ADX's share of drilling costs for the Sidi Daher well prior to this farmout. Proceeds from this farmout will therefore provide additional funding that can be utilised to fund other operations.

The farminee, Verus Investments Limited (ASX:VIL) is an ASX listed company with exploration and appraisal interests onshore Texas USA.

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

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

ADX Energy Ltd	40% Operator
Gulfsands Petroleum Plc	40% *
Xstate Resources Ltd	10% * (ASX:XST)
Verus Investments Limited	10% * (ASX:VIL)

*Note: The respective participant interests in the Sidi Daher well and the Chorbane Permit are based on the completion of all farmin obligations.

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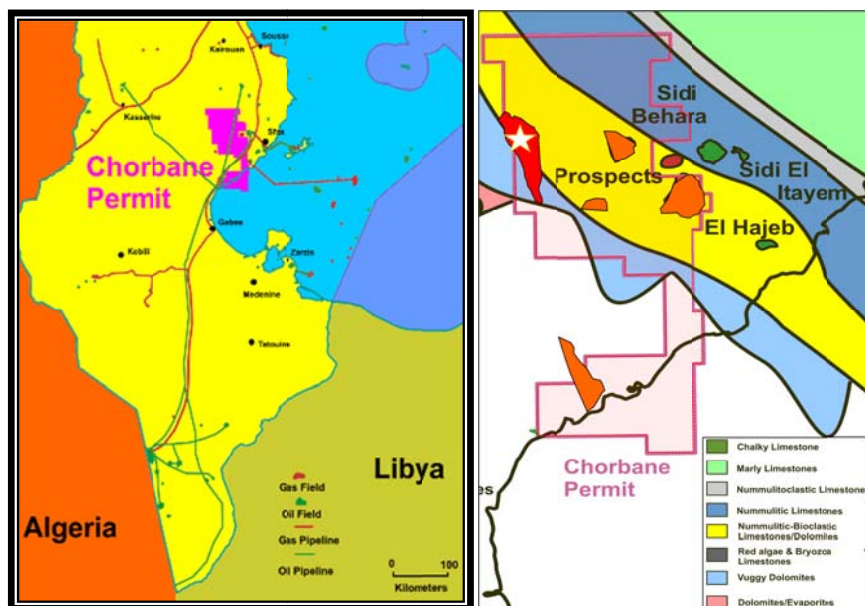
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Chorbane Permit Summary

The ADX operated Chorbane Exploration Permit is located mainly onshore central Tunisia. The permit is relatively underexplored containing prospects and leads with multiple 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. The structure has significant closure at Eocene through to the Lower Cretaceous reservoirs that provide significant resource potential. Of special interest is the large closure (+25 sq km) 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 and is on the same structural trend approximately 30 kilometers north of Sidi Daher prospect.

Technical work on the first prospect to be drilled, the Sidi Daher prospect, has identified a Direct Hydrocarbon Indicator (DHI) in the Eocene age Metlaoui Formation strata that significantly enhanced the expectation of success and upgraded the prospect to a ready to drill status. The multi-target prospect has estimated prospective resources of 175 billion cubic feet of recoverable gas at the Metlaoui level and 44 million of oil for the Abiod Formation. Additional targets also exist including the Douleb and Bireno reservoir Members of the Aleg Formation that produce oil and gas in the Guebiba field immediately east of the permit.



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.