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ADX Energy Ltd

ABN 50 009 058 646

ANNUAL REPORT

31 DECEMBER 2014

ADX ENERGY LTD

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ADX ENERGY LTD
CORPORATE DIRECTORY

Directors

Ian Tchacos (Non-Executive Chairman)
Wolfgang Zimmer (Managing Director)
Paul Fink (Non-Executive Director)
Andrew Childs (Non-Executive Director)

Company Secretary

Peter Ironside

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Solicitors

Herbert Smith Freehills
250 St Georges Terrace
Perth Western Australia 6000

Bankers

National Australia Bank
100 St Georges Terrace
Perth Western Australia 6000

Commonwealth Bank of Australia
1254 Hay Street
West Perth Western Australia 6005

Stock Exchange Listing

Australian Stock Exchange
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Perth Western Australia 6000
ASX Code: ADX

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth Western Australia 6005

ADX ENERGY LTD
CHAIRMAN'S REPORT

Dear Shareholders

It has been a difficult period for most junior oil and gas explorers due to the depressed equity market conditions for resource companies and more recently the significant deterioration in world-wide oil prices. The latter trend is the more significant influence on ADX which relies on industry funding to carry out its drilling programs via farm outs.

While the current oil price environment has delayed in the shorter term our farm out ambitions for our Sicily Channel assets Offshore Tunisia (The Kerkouane Permit including the Dougga Gas Discovery Appraisal and Dougga West Oil Prospect) and our onshore Romanian Assets (The Parta Permit), interest remains strong for both of these assets from prospective farminees. Importantly the Company has met its obligations for both assets, has obtained an extension for its Kerkouane Permit and is in the process of securing an extension in relation to its Parta Permit. These initiatives are important because they give ADX time to achieve its farm out objectives and make these assets more attractive for prospective farminees.

The current market cycle is challenging for all resource companies, however those that have sufficient funding to weather the cycle and are able to manage their permit obligations have a distinct advantage. At ADX our capital raising in the 4th calendar quarter of 2014 and the recently announced successful resolution of a dispute with Gulfsands Petroleum plc has placed us in a strong cash position in comparison to our low administration overhead and work program commitments.

Looking forward our shareholders can expect progress from the following asset initiatives which your board believes will deliver value to the Company's shareholders:

- Farmout of two drillable prospects in the Parta Permit, onshore Romania. Romania is a country with a shortage of gas seeking to displace expensive imports. Current prospects are shallow and well located in relation to infrastructure making both oil and gas discoveries potentially attractive even at a low oil price.
- Continue discussions with the Tunisian Authorities in relation to the Dougga Gas Condensate discovery (Kerkouane Permit) with a view to obtaining some fiscal relaxation in order to progress appraisal of this important nation building project.
- Undertake additional prefeasibility studies to seek lower cost development options with a view to enhancing the Dougga Appraisal Project farmout proposition.
- Undertake geological studies in relation to the recently gazetted 364 C.R – AX permit award (in Italian waters in the Sicily Channel adjacent to the Kerkouane Permit) to determine the resource potential of the Nilde Field (previously abandoned) and other near field oil discoveries in the permit. It should be noted that this permit is in relatively shallow water and enjoys very favourable fiscal terms for oil developments.
- New exploration gazettal applications onshore in Romania where ADX is very well placed in terms of local knowledge, geological data and its pre-qualification as an operator.
- ADX minority interest in Riedel Resources Limited is looking very promising with third party funded work programs being undertaken in two areas by capable and suitably financed companies under existing farm outs (refer Riedel Resources Limited (ASX: RIE) website)

Despite the challenging trading conditions your company is well placed in terms of assets and cash resources for a major resurgence. I have personally seen several oil pricing cycles in the past during my career and it has been my experience that resilient companies with quality assets benefit strongly from an inevitable turn around. The Board of ADX is determined to ensure ADX delivers on the potential of its assets for the benefit of its shareholders. On behalf of the Board of ADX I thank you for your support.



IAN TCHACOS
Chairman

ADX ENERGY LTD
OPERATIONS REPORT

Tunisia & Italy:

Kerkouane permit offshore Tunisia; Italy – Pantelleria, G.R15.PU, W - Sicily, D364 C.R. AX Permits

ADX is the Operator and holds a 100% Interest in all permits

ADX has completed in house G&G studies on the Sicily Channel area including the new permit in Italian waters. A two year extension for Kerkouane offshore Tunisia was ratified by the government.

In **Italy** ADX was awarded a new offshore exploration permit D 363 C.R.AX (“Nilde” permit). It contains the previously ENI operated and now abandoned Nilde oil field and several near field oil discoveries. The permit is on trend with ADX’s offshore Tunisian Kerkouane permit. With this new permit ADX has now secured a large exploration area in the proven but underexplored foothill belt area of the Sicily Channel. This area, as is the case in many other foothill belts such as the on trend Italian Apennines, contains a chain of large undrilled structures. ADX has proven with its 700 km² Geostreamer 3D seismic acquisition on the Tunisian side of the hydrocarbon trend, that these large potentially hydrocarbon bearing structures can be imaged with modern technology. This was not possible in the past and explains the very low number of exploration wells drilled, despite several oil and gas discovery on this trend.

In addition to generally excellent prospectivity of this new “Nilde” permit area an important attribute is that even relatively small discoveries are likely be commercially attractive. This is due to a combination of shallower water depths predominantly less than 100 meters and an attractive fiscal regime in offshore Italy.

On the **Tunisian** side of the foothill belt trend (Kerkouane permit) ADX also holds a 100% operated interest. A two year’s license extension has been agreed with the Tunisian authorities and final ratification was received on 27 July 2014.

Now that ADX holds a 100% operated interest across its entire Sicily Channel license portfolio, ADX has started a renewed farmout campaign. The 2 year extension period received should allow for the opportunity to acquire additional 3D seismic and add significant value to the prospect portfolio in this very prospective area which in the past has suffered from poor prospect imaging and confidence due to inadequate quality 2D seismic vintage data.

Detailed seismic mapping of the Geostreamer 3D in the greater area of the Dougga gas condensate discovery has revealed the potential for additional stacked carbonate reservoir section updip of the Dougga # 1 discovery well. This new interpretation has led to an additional volume of prospective resource for the gas condensate field over and above the existing contingent resources reported previously which will be targeted by a future Dougga appraisal well. The detailed reservoir work also identified two large potential “sweet spots” where excellent reservoir quality is prognosed and high productivity potential can be expected.

The combination of the previously announced contingent resource (C) and the new prospective (PR) resource is now as follows:

<i>DOUGGA CONTINGENT + PROSPECTIVE RESOURCES</i>	1C+LOW	2C+BEST	3C+HIGH
Total Oil Equivalent [mmboe]	127	220	333
Liquids: Condensate & LPG [mmbbls]	66	116	176
Sales Gas [bcf]	325	570	862
% Increase (C + PR Addition) / C	44%	27%	24%

Refer to ADX Energy Ltd (**ASX:ADX**) announcement on 4 November 2014.

Following the parliamentary and presidential elections in Tunisia during October and November 2014 respectively which resulted in a secular government, ADX has re-engaged in discussions regarding fiscal terms for the Dougga Gas Condensate appraisal project.

Engineering studies on alternative development concepts for the Dougga gas condensate field commenced at the end of 2014.

ADX ENERGY LTD
OPERATIONS REPORT

While it is difficult to predict capital markets in the medium term we remain positive about Tunisia as an investment destination, the country's continued political transformation and in particular our ability to engage with the relevant authorities to develop our asset base and overcome any operational challenges.

Farmout discussions in relation to the Dougga gas condensate discovery and the Dougga West oil prospect have continued with a number of parties. Whilst two parties which were at advanced stages of their review process have declined in late 2014, several new financially capable companies have commenced their reviews. We will inform shareholders as soon as a binding offer has been received.

Romania

Parta Permit (EX-10) – Onshore Romania

ADX is the Operator and holds a 50% Interest

Prospect generation work completed, with three drill ready targets. Seismic permitting and preparation for additional 2D and 3D seismic acquisition ongoing.

The evaluation of the permit and preparation for additional seismic acquisition has been progressed. The main focus was on permitting the 3D area adjacent to the seismic data already acquired in late 2013. Based on 2D seismic data acquired to date and recent geological and geophysical work, ADX has upgraded three exploration prospects to ready to drill status. To achieve the planned seismic program ADX has continued its permitting activities throughout the year. In certain areas this process was very slow, or even obstructed by illegal landowner activities. ADX has in turn commenced legal proceedings in order to ensure access for seismic operations in accordance with Romanian petroleum law. As a consequence of delays which were out of ADX control, ADX will apply in early 2015 for an extension of the current exploration period to be able to complete its seismic and drilling programs.

Farmout discussions in relation to a number of drillable prospects have continued with several parties.

Robust prospect economics in the Parta permit are supported by shallow target depths (800 to 2,000 meters), low drilling costs (less than US\$2million per well), availability of infrastructure, attractive fiscal terms and the proximity to European markets. These conditions would result in relatively modest discoveries of oil or gas delivering excellent returns on investment, even at significantly reduced oil prices. As more modern 2D and 3D seismic data becomes available it is expected that further prospects are likely to emerge in this highly prospective area.

Legal proceedings to recover payment of US\$ 1.5 million from Gulfsands

On 15 August 2014 the Tunisian Authorities (Comité Consultatif des Hydrocarbures) approved the transfer of all of AOG's (ADX's wholly owned subsidiary, Alpine Oil and Gas Pty Ltd) remaining interest in the Chorbane permit, onshore Tunisia to Gulfsands Petroleum Plc. All conditions precedent to completion under the Settlement Agreement with Gulfsands Petroleum Plc announced on 23 December 2013 were met and completion of the sale was due on 26 August 2014.

At that time Gulfsands failed to fulfil its obligation to complete and pay the purchase price of US\$ 1.5 million. Furthermore Gulfsands never communicated any legitimate justification for failing to meet its contractual obligations.

The Board of ADX resolved to take the necessary legal recourse required to recover these funds and had instructed its legal advisors to initiate recovery proceedings.

On 29 September 2014 Alpine Oil and Gas Pty Ltd ('AOG') commenced proceedings against Gulfsands in the English High Court to recover the purchase price.

The Board of ADX was always of the opinion that there was no legitimate basis for Gulfsands' failure to pay the outstanding US\$ 1.5 million and, following an application issued by AOG on 15 December 2014, a summary judgment hearing was listed for 9 February 2015 to determine whether Gulfsands should be ordered to pay the US\$1.5 million without further delay. ADX and Gulfsands reached an agreement end January 2014 whereby the outstanding debt was paid by end February 2014.

ADX ENERGY LTD
OPERATIONS REPORT

New Ventures Activities

ADX continued throughout the year to screen exploration, appraisal and development opportunities on a regular basis in Eastern Europe, the Caspian area and the Mediterranean basins.

ADX has reviewed the offshore Montenegro bid round and both the offshore and onshore bid round in Croatia and decided not to participate.

The Company continues to seek new opportunities for portfolio growth as well as synergistic corporate opportunities that offer cash flow and increased materiality.

Organisational Structure

ADX continued to maintain small offices in Vienna, Tunis and Bucharest predominantly manned by part time local employees or consultants in addition to its headquarters in Perth for reasons of operational efficiency and to take advantage of the opportunities available in Eastern Europe and the Mediterranean areas.

Outlook 2015

The Company plans to move forward with its programs on the exceptional opportunities in Tunisia and Romania:

- Prepare for the drilling of the Dougga West oil prospect and appraisal of the Dougga gas condensate discovery offshore Tunisia,
- Continue fiscal relaxation discussions for Dougga with the Tunisian government,
- Complete seismic operations and in parallel complete preparations for drilling in the highly prospective Parta permit, onshore Romania,
- Complete discussions with interested parties for a farmin and commence study and bidding group work for the next bidding round in Romania,
- Participate in the next bidding round in Romania, and
- Complete geological and geophysical work on the new Italian Sicily channel licence.

ADX ENERGY LTD
DIRECTORS' REPORT

Your Directors present their report for the year ended 31 December 2014.

DIRECTORS

The names and particulars of the Directors of the Company in office during the financial year and up to the date of this report were as follows. Directors were in office for the entire year unless otherwise stated.



Ian Tchacos

B.Eng (Mech.)

Non Executive Chairman (appointed 2 March 2010)

Mr Tchacos is a Petroleum Engineer with over 25 years international experience in corporate development and strategy, mergers and acquisitions, petroleum exploration, development and production operations, commercial negotiation, oil and gas marketing and energy finance. He has a proven management track record in a range of international oil company environments.

As Managing Director of Nexus Energy he was responsible for this company's development from an onshore micro cap explorer to an ASX top 200 offshore producer and operator.

Other directorships of listed companies in the last three years: Xstate Resources Limited (current), Riedel Resources Limited (current) and Australian Oil Company Limited (until 1/5/2013).



Wolfgang Zimmer

PhD - Geology and Petrology

Executive Managing Director (Appointed 10 December 2007)

Dr Wolfgang Zimmer has 34 years experience in the oil and gas industry. He received a PhD from the University of Vienna in Geology and Petrology. His career began with Mobil Oil in Austria where he worked in Europe and the USA in the E&P industry. In 1991 he joined OMV and fulfilled a variety of senior management roles for the next 15 years. He established OMV's Exploration and Production business in Australia and New Zealand and was its Managing Director for five years. Dr Zimmer has significant experience in North Africa having been the director of OMV's onshore and offshore production operations in Tunisia. In 2006 he joined Grove Energy, a Canadian and UK listed oil and gas explorer. During his time as CEO Grove was successfully merged with another TSX listed exploration company in 2007.

Other directorships of listed companies in the last three years: Riedel Resources Limited (until 30/6/2012).



Paul Fink

MSc (Geophysics)

Non-Executive Director (Appointed 25 February 2008)

Mr Paul Fink is based in Vienna and has over 20 years of petroleum exploration and production industry experience in technical and management positions. Mr Fink is a graduate from the Mining University of Leoben, Austria. He started his career as a processing geophysicist and then worked predominantly on international exploration and development projects and assignments in Austria, Libya, Bulgaria, UK, Australia and finally in Pakistan as Exploration and Reservoir Manager for OMV. In 2005 he started his own petroleum consultancy business working on projects in Romania and as acting Vice President (Exploration) for Focus Energy, leading their highly successful exploration campaign in India.

Other directorships of listed companies in the last three years: Nil.

ADX ENERGY LTD
DIRECTORS' REPORT



Andrew Childs

BSc (Geology and Zoology)

Non Executive Director (appointed 11 November 2009)

Mr Childs is Chairman of Australian Oil Company Ltd, Managing Director of Petroleum Ventures Pty Ltd and Non-Executive Director of Riedel Resources Limited. He is also Principal of Resource Recruitment and Managing Director of International Recruitment Services Pty Ltd.

Other directorships of listed companies in the last three years: Australian Oil Company Limited (current), Riedel Resources Limited (current) and Xstate Resources Ltd (until 12/11/2013).

COMPANY SECRETARY

Peter Ironside B.Com, CA

Mr Ironside has a Bachelor of Commerce Degree and is a Chartered Accountant and business consultant with over 28 years experience in the exploration and mining industry. Mr Ironside has a significant level of accounting, financial compliance and corporate governance experience including corporate initiatives and capital raisings. Mr Ironside has been a Director and/or Company Secretary of several ASX listed companies including Integra Mining Limited and Extract Resources Limited (before \$2.18Bn takeover) and is currently a non-executive director of Zamanco Minerals Limited and Stavely Minerals Limited.



MEETINGS OF DIRECTORS

During the financial year, 4 meetings of directors were held. The number of meetings attended by each director during the year is as follows:

Name of Director	Meeting Held	Meetings Attended
I Tchacos	4	4
W Zimmer	4	4
P Fink	4	4
A Childs	4	3

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name of Director	Number of Shares	Number of Options at 4 cents Expiry 15/2/2016
I Tchacos	5,526,095	2,000,000
W Zimmer	12,089,374	6,000,000
P Fink	3,706,666	5,000,000
A Childs	13,931,980	2,000,000

ADX ENERGY LTD
DIRECTORS' REPORT

DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated by the laws of the countries in which ADX has operations. The Company has a policy to either meet or where possible, exceed its environmental obligations. No environmental breaches have been notified by any governmental agency as at the date of this report.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

CORPORATE INFORMATION

Corporate Structure

ADX Energy Ltd is a limited liability company that is incorporated and domiciled in Australia. ADX Energy Ltd has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

ADX Energy Ltd	-	parent entity
Alpine Oil & Gas Pty Ltd	-	100% owned Australian controlled entity
ADX Energy GmbH	-	100% owned Austrian controlled entity
AuDAX Energy Srl	-	100% owned Italian controlled entity
ADX Energy Panonia Srl	-	100% owned Romanian controlled entity
Bull Petroleum Pty Ltd	-	100% owned Australian controlled entity

Principal Activity

The principal activities of the Group during the year were oil and gas exploration. There were no significant changes in the nature of the principal activities during the year.

Operations review

Refer to the Operations Review preceding this report.

Summary of Financial Position, Asset Transactions and Corporate Activities

A summary of key financial indicators for the Group, with prior year comparison, is set out in the following table:

	Consolidated 31 December 2014	Consolidated 31 December 2013
	\$	\$
Cash and cash equivalents held at year end	707,167	1,702,778
Net profit/(loss) for the year after tax	612,905	(6,603,974)
Included in loss for the year:		
Net gain from sale of permit / farmouts	1,694,063	897,515
Exploration impairment	-	(4,647,690)
Impairment of investment in associate	-	(609,167)
Share of loss in associate	-	(1,452,425)
Basic profit/(loss) per share from continuing operations	0.11 cents	(1.33) cents
Net cash (used in) operating activities	(697,692)	(722,199)
Net cash (used in) investing activities	(1,258,193)	(889,594)
Net cash from financing activities	938,855	958,800

ADX ENERGY LTD
DIRECTORS' REPORT

During the year:

- A successful placement in October 2013 of 83.3 million shares at an issue price of 0.9 cents per share raising gross proceeds of \$750,000. This was followed by a Share Placement Plan of 27.78 million shares at an issue price of 0.9 cents per share raising gross proceeds of \$250,000.
- On 23 December 2013, ADX announced that it had reached an agreement whereby Gulfsands Petroleum plc ("Gulfsands") withdraws from the Kerkouane permit offshore Tunisia and ADX transfers its entire remaining 30% participating interest in its Chorbane exploration permit onshore Tunisia to Gulfsands. Under the terms of the agreement ADX received a cash payment of US\$250,000 in January 2014 after execution of this agreement and US\$1,500,000 after receipt of the required government approvals and other conditions. Final funds were received in February 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the Operations Report and Financial Summary in this report.

FUTURE DEVELOPMENTS

The Company intends to continue its exploration programme on its existing permits, and to acquire further suitable permits for exploration and development. Additional comments on likely developments are included in the Operations Report.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Issue Price of Shares	Exercise Date
Unlisted Options	20,500,000	4 cents	Between 18/02/2014 and 15/02/2016

No option holder has any right under the options to participate in any other share issue of the Company or any other related entity.

No share options were exercised by employees or Key Management Personnel during the year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group.

ADX ENERGY LTD
DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

A. INTRODUCTION

This report details the nature and amount of remuneration for each Director and Executive of ADX Energy Ltd. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the Corporations Act 2001.

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise).

For the purposes of this report the term "Executive" includes those key management personnel who are not directors.

Directors

The following persons were Directors of ADX Energy Ltd during the financial year:

Ian Tchacos	-	Non-Executive Chairman
Wolfgang Zimmer	-	Managing Director
Paul Fink	-	Non-Executive Director
Andrew Childs	-	Non-Executive Director

Other Key Management Personnel (employees and consultants)

Peter Ironside	-	Company Secretary
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There were no other persons that fulfilled the role of a key management person.

Remuneration Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered efficient for ADX. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web. The Board has adopted the following policies for Directors' and executives' remuneration.

B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives;
- link Executive rewards to shareholder value; and
- establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-Executive directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations

ADX ENERGY LTD
DIRECTORS' REPORT

Act as at the time of the Director's retirement or termination. Non-executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with ASX listing rules. The option incentive portion is targeted to add to shareholder value by having a strike price considerably greater than the market price at the time of granting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-executive Directors when undertaking the annual review process.

Executive Director Remuneration

Objective

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward Executives for company, and individual performance;
- ensure continued availability of experienced and effective management; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and a long term incentive portion as considered appropriate.

Fixed Remuneration - Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, and relevant comparative remuneration in the market. As noted above, the Board may engage an external consultant to provide independent advice.

Fixed Remuneration - Structure

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay — Long Term Incentives - Objective

The objective of long term incentives is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Variable Pay — Long Term Incentives – Structure

Long term incentives granted to Executives are delivered in the form of options. The option incentives granted are aimed to motivate Executives to pursue the long term growth and success of the Company within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Director options are granted at the discretion of the Board and approved by shareholders. Other key management employees may be granted options under ADX's employee incentive scheme. Performance hurdles are not attached to vesting periods; however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

During 2014 there were no performance related payments made.

ADX ENERGY LTD
DIRECTORS' REPORT

C. SERVICE AGREEMENTS

On appointment to the board, all non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the executive directors and the other key management personnel are also formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below.

Name	Term of agreement	Base annual salary inclusive of superannuation at 31/12/14	Termination benefit
I Tchacos – Chairman – Directors Fee	Commencing 2 March 2010 and continues whilst a director	\$50,000	None
I Tchacos – Chairman - Consultancy	No current agreement		
W Zimmer – Managing Director – Directors Fee	Commencing 23 August 2010 and continues whilst a director	\$44,000	None
W Zimmer – Managing Director – Consultancy	Term of 3 years commencing 1 February 2013	\$318,000	*
W Zimmer – Managing Director – Consultancy Vienna	Continues whilst a director of ADX's Vienna subsidiary	Euro 500 per month (A\$745)	None
P Fink – Non-executive Director - Consultancy	Term of 1 year commencing 1 September 2014	\$1,650 per day (reducing after 110 days)	*
P Fink – Non-executive Director – Directors Fee	Commencing 9 September 2010 and continues whilst a director	\$30,000	None
A Childs – Non-executive Director	Commencing 1 May 2010 and continues whilst a director	\$40,000	None
P Ironside – Company Secretary	Ongoing	\$36,000	None

* Termination benefits are payable on early termination as follows:

Event	Notice period	Payment in lieu of notice
Termination for serious misconduct	None	None
Employee initiated termination	3 months	3 months
Termination due to specified events	1 month	1 month
ADX initiated termination – W Zimmer	3 months plus 9 months payable	12 months
ADX initiated termination – P Fink	3 months	110 days less days paid for year

ADX ENERGY LTD
DIRECTORS' REPORT

D. DETAILS OF REMUNERATION

Remuneration of Key Management Personnel

Details of the remuneration of each Director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

2014	Cash salary, directors fees and consulting fees \$	Post Employment	Total Cash \$	Share Based	Total including share based payments \$	Remuneration consisting of options during the year %
		Superannuation \$		Options ⁽¹⁾ \$		
Directors						
I Tchacos	52,247	4,300	56,547	9,767	66,314	14.7%
W Zimmer	371,222	-	371,222	29,301	400,523	7.3%
P Fink	279,479	-	279,479	24,417	303,896	8.0%
A Childs	36,697	3,440	40,137	9,767	49,904	19.6%
Other KMP						
P Ironside	36,000	-	36,000	9,767	45,767	21.3%
TOTAL 2014	775,645	7,740	783,385	83,019	866,404	

2013						
Directors						
I Tchacos	52,903	4,186	57,089	-	57,089	-
W Zimmer	362,672	-	362,672	-	362,672	-
P Fink	293,153	-	293,153	-	293,153	-
A Childs	36,697	3,349	40,046	-	40,046	-
Other KMP						
P Ironside	36,000	-	36,000	-	36,000	-
TOTAL 2013	781,425	7,535	788,960	-	788,960	

⁽¹⁾ Share based payments – options. These represent the amount expensed in the year for options granted in the current year and/or in prior years.

There were no performance related payments made during the year. Performance hurdles are not attached to remuneration options; however the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

ADX ENERGY LTD
DIRECTORS' REPORT

E. SHARE-BASED COMPENSATION

The following options were granted as equity compensation benefits to Directors and other Key Management Personnel during the year. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at various exercise prices with various expiry dates.

2014	Terms and Conditions of Each Grant						
	Number of Granted Options for Year that Vested During Year	Granted Number	Grant Date	Value per Option at Grant Date \$	Exercise Price \$	First Exercise Date	Last Exercise Date
Directors							
I Tchacos	2,000,000	2,000,000	21-2-2014	0.00488	0.04	21-2-2014	15-2-2016
W Zimmer	6,000,000	6,000,000	21-2-2014	0.00488	0.04	21-2-2014	15-2-2016
P Fink	5,000,000	5,000,000	21-2-2014	0.00488	0.04	21-2-2014	15-2-2016
A Childs	2,000,000	2,000,000	21-2-2014	0.00488	0.04	21-2-2014	15-2-2016
Other Key Management Personnel							
P Ironside	2,000,000	2,000,000	21-2-2014	0.00488	0.04	21-2-2014	15-2-2016
TOTAL	17,000,000	17,000,000					

The Black-Scholes Option Pricing Model was used to value the options issued as share-based payments. Refer to note 19 'Share based payments' in the notes to the financial statements for variables used in the models.

There were no options granted as equity compensation benefits to Directors and other Key Management Personnel during the prior year.

During the year, no key management personnel options lapsed (2013: 500,000), and nil (2013: nil) were forfeited upon resignation.

Shares issued to Key Management Personnel on exercise of compensation options

During the year to 31 December 2014, there were no compensation options exercised by Directors or other Key Management Personnel (2013: nil).

ADX ENERGY LTD
DIRECTORS' REPORT

F. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

(a) Option holdings of Key Management Personnel

Year ended 31 Dec 2014	Balance at beginning of the year	Granted as remuneration	Options exercised	Options expired	Change due to appointment/ (resignation)	Balance at end of the year	Not exercisable	Exercisable
Directors								
I Tchacos	-	2,000,000	-	-	-	2,000,000	-	2,000,000
W Zimmer	-	6,000,000	-	-	-	6,000,000	-	6,000,000
P Fink	-	5,000,000	-	-	-	5,000,000	-	5,000,000
A Childs	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Other KMP								
P Ironside	-	2,000,000	-	-	-	2,000,000	-	2,000,000
	-	17,000,000	-	-	-	17,000,000	-	17,000,000
Year ended 31 Dec 2013								
Directors								
I Tchacos	-	-	-	-	-	-	-	-
W Zimmer	-	-	-	-	-	-	-	-
P Fink	-	-	-	-	-	-	-	-
A Childs	-	-	-	-	-	-	-	-
Other KMP								
P Ironside	500,000	-	-	(500,000)	-	-	-	-
	500,000	-	-	(500,000)	-	-	-	-

ADX ENERGY LTD
DIRECTORS' REPORT

F. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

(b) Shareholdings of Key Management Personnel

	Balance at beginning of the year	Options exercised	Granted as remuneration	Net change other	Change due to appointment / (resignation)	Balance at end of the year
Year ended 31 Dec 2014						
Directors						
I Tchacos	3,859,429	-	-	1,666,666	-	5,526,095
W Zimmer	10,322,708	-	-	1,766,666	-	12,089,374
P Fink	2,040,000	-	-	1,666,666	-	3,706,666
A Childs	11,920,869	-	-	2,011,111	-	13,931,980
Other KMP						
P Ironside	7,282,598	-	-	-	-	7,282,598
	35,425,604	-	-	7,111,109	-	42,536,713
Year ended 31 Dec 2013						
Directors						
I Tchacos	3,859,429	-	-	-	-	3,859,429
W Zimmer	10,322,708	-	-	-	-	10,322,708
P Fink	2,040,000	-	-	-	-	2,040,000
A Childs	11,920,869	-	-	-	-	11,920,869
Other KMP						
P Ironside	7,282,598	-	-	-	-	7,282,598
	35,425,604	-	-	-	-	35,425,604

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arms-length.

G. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with key management personnel during the year (2013: none).

No loans or advances to/from key management personnel were outstanding at year end.

H. USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged by ADX during the year.

End of Remuneration Report.

ADX ENERGY LTD
DIRECTORS' REPORT

SUBSEQUENT EVENTS

On 20 December 2013, ADX signed a settlement agreement with Gulfsands Petroleum Plc ("Gulfsands"). Under this agreement, Gulfsands withdraws from the Kerkouane Permit offshore Tunisia and ADX transfers its entire remaining non-operated 30% participating interest in its onshore Chorbane exploration permit to Gulfsands for a cash consideration of USD 1.75M. The first instalment of the cash consideration, being USD 250,000 was received by ADX in January 2014. Completion of the sale fell due on 26 August 2014, but Gulfsands failed to pay the purchase price of USD 1.5 million. ADX commenced court proceedings.

On 3 February 2015, ADX and Gulfsands signed a new settlement agreement concerning the settlement of all claims and liabilities between them. Gulfsands agreed to pay ADX US\$1.5 million and ADX agreed to provide certain additional documentation by the end of February 2015. As a result of the settlement, the proceedings before the English High Court were discontinued. All other terms of the settlement remain confidential.

In accordance with this settlement agreement, GPX completed the payment of the first US\$1.25 million tranche to ADX on 10 February 2015. The remainder was received on 27 February 2015.

There are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of ADX Energy Ltd support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in this annual report.

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

Auditors' independence - section 307C

The following is a copy of a letter received from the Company's auditors:

"Dear Sirs,
In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:
i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2014 financial statements; and
ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan (Lead auditor)
Rothsay Chartered Accountants"

There were no non-audit services provided during the financial year.

Signed in accordance with a resolution of the Directors.



Wolfgang Zimmer
Managing Director

Dated this 30th day of March 2015

ADX ENERGY LTD

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices that were in place for the financial year. These corporate governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

BOARD OF DIRECTORS

The Board operates in accordance with the broad principles set out in its charter, which is available from the corporate governance information section of the Company website at www.adxenergy.com.au.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Strategy** - Providing strategic guidance to the Group, including contributing to the development of and approving the corporate strategy;
2. **Financial performance** - Approving budgets, monitoring management and financial performance;
3. **Financial reporting and audits** - Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditors;
4. **Leadership selection and performance** - Appointment, performance assessment and removal of the Managing Director. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** - Management of the remuneration and reward systems and structures for Executive management and staff;
6. **Risk management** - Ensuring that appropriate risk management systems and internal controls are in place; and
7. **Relationships with the exchanges, regulators and continuous disclosure** - Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders.

The Board has delegated to management responsibility for:

- Strategies - Assisting in developing and implementing corporate strategies and making recommendations where necessary;
- Leadership selection and performance - Appointing management where applicable and setting terms of appointment and evaluating performance;
- Budgets - Developing the annual budget and managing day-to-day operations within budget;
- Risk Management - Maintaining risk management frameworks; and
- Communication - Keeping the Board and market informed of material events.

COMPOSITION OF THE BOARD

The names, skills, experiences and period of office of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.

ADX ENERGY LTD

CORPORATE GOVERNANCE STATEMENT

- The Chairperson should ideally be independent, but in any case be Non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chairperson and Managing Director should not be held by the same individual.
- All Non-executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has four Directors, with only Mr Ian Tchacos and Mr Andrew Childs as independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The Board has accepted the following definition of an independent Director:

"An independent Director is a Director who is not a member of management (a Non-executive Director) and who:

- is not a substantial shareholder of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an Executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another group member;
- is not a significant consultant, supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

ADX considers a significant consultant, supplier or customer to be material if the total of their annual invoices amounts to more than 5% of the Company's total expenditure in that category.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairperson, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

NOMINATION COMMITTEE / APPOINTMENT OF NEW DIRECTORS

Because of the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

ADX ENERGY LTD
CORPORATE GOVERNANCE STATEMENT

TERM OF OFFICE

Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

PERFORMANCE OF DIRECTORS AND MANAGING DIRECTOR

The performance of all Directors, the Board as a whole and the Managing Director is reviewed annually.

The Board meets once a year with the specific purpose of conducting a review of its composition and performance. This review includes:

- Determining the appropriate balance of skills and experience required to suit the Company's current and future strategies;
- Comparing the requirements above against the skills and experience of current Directors and Executives;
- Assessing the independence of each Director;
- Measuring the contribution and performance of each Director;
- Assessing any education requirements or opportunities; and
- Recommending any changes to Board procedures, Committees or the Board composition.

A review was undertaken in February 2015.

PERFORMANCE OF SENIOR EXECUTIVES

The Board meets at least annually to review the performance of senior Executives, considerations include the following:

- The performance of the senior Executive in supplying the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
- Feedback from other senior Executives; and
- Any particular concerns regarding the senior Executive.

ADX currently has no senior executives.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company and Group are set out in the related parties note in the financial statements.

DIVERSITY

ADX recognises its talented and diverse workforce as a key competitive advantage, and is committed to workplace diversity. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

ADX's Diversity Policy defines the initiatives which assist ADX with maintaining and improving the diversity of its workforce. In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. The aim is to achieve these objectives over the next 2 to 3 years as positions become vacant and appropriately skilled candidates are available:

ADX ENERGY LTD

CORPORATE GOVERNANCE STATEMENT

Proportion of Women

	Actual	Objective
Organisation as a whole	36%	50%
Executive Management Team	Nil	25%
Board	Nil	25%

REMUNERATION

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Link Executive rewards to shareholder value; and
- Establish appropriate performance hurdles in relation to variable Executive remuneration.

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and Executives in the current year is included in the remuneration report, which is contained within the Report of the Directors.

There are no schemes for retirement benefits for Non-executive Directors, other than superannuation.

BOARD REMUNERATION COMMITTEE

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered efficient for ADX. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and payments are provided to shareholders in the remuneration report in the Directors Report and on the web.

RISK OVERSIGHT AND MANAGEMENT

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

A summary of the risks recognised by the Board can be found in the corporate governance information section of the Company website at www.adxenergy.com.au.

Considerable importance is placed on maintaining a strong control environment. The Board actively promotes a culture of quality and integrity.

Control procedures cover management accounting, financial reporting, compliance and other risk management issues.

The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Quarterly, the Financial Controller (or equivalent) and the Managing Director are required to state in writing to the Board that in all material respects:

ADX ENERGY LTD

CORPORATE GOVERNANCE STATEMENT

Declaration required under s295A of the Corporations Act 2001 -

- the financial records of the Group for the financial year have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view; and
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied.

Additional declaration required as part of corporate governance -

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

These declarations were received for the December 2014 financial year.

AUDIT COMMITTEE

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate for ADX. In addition to management's accountability, the Board assures integrity of the financial statements by:

- (a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;
- (b) monitoring compliance of the accounting records and procedures, in conjunction with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, Australian Stock Exchange Limited ("ASX") and Australian Taxation Office;
- (c) ensuring that management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;
- (d) reviewing audit reports and management letters to ensure prompt action is taken by the Company's management; and
- (e) when required, nominating the external auditor and at least annually reviewing the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

CODE OF CONDUCT

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

The Code of Conduct embraces the values of:

- Integrity
- Excellence
- Commercial Discipline

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

ADX ENERGY LTD

CORPORATE GOVERNANCE STATEMENT

TRADING IN ADX SECURITIES BY DIRECTORS, OFFICERS AND EMPLOYEES

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares.

Directors, officers, consultants, management and other employees are prohibited from trading in the Company's shares, options and other securities if they are in possession of price-sensitive information.

The Company's Security Trading Policy is provided to each new employee as part of their induction training. ADX personnel must receive written approval prior to any dealing in ADX securities.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

MARKET DISCLOSURE POLICIES

The Board has a Market Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director is responsible for ensuring that all employees are familiar with and comply with the policy.

ADX is committed to:

- (a) ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- (b) complying with the general and continuous disclosure principles contained in the Australian Stock Exchange Limited ("ASX") Listing Rules and the Corporations Act 2001; and
- (c) ensuring that all market participants have equal opportunities to receive externally available information issued by ADX.

COMMUNICATION WITH SHAREHOLDERS

The Company places significant importance on effective communication with shareholders.

Information is communicated to shareholders through the distribution of the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's web site and through the Chairman's address at the annual general meeting.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email, facsimile or post.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

COMPANY WEBSITE

ADX has made available details of all its corporate governance principles, which can be found in the corporate governance information section of the Company website at www.adxenergy.com.au.

ADX ENERGY LTD
DIRECTORS' DECLARATION

1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2014.

This declaration is signed in accordance with a resolution of the Board of Directors.



Wolfgang Zimmer
Managing Director

Dated this 30th day of March 2015

ADX ENERGY LTD

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated	
		Year ended 31 Dec 2014	Year ended 31 Dec 2013
		\$	\$
Revenue and Income			
Interest revenue	2(a)	14,440	38,814
Gain on sale of permit / farm-outs	2(a)	1,694,063	897,515
Other income	2(a)	1,103	14,350
		<u>1,709,606</u>	<u>950,679</u>
Expenses			
Administration and corporate expenses, net of recoveries from exploration projects	2(b)	919,783	837,380
Exploration expensed		147,206	-
Impairment of capitalised exploration and evaluation	9	-	4,647,690
Impairment of investment in associate	10	-	609,167
Share of loss from associate	10	-	1,452,425
Total expenses		<u>1,066,989</u>	<u>7,546,662</u>
Profit/(loss) before income tax		642,617	(6,595,983)
Income tax expense	3	(29,712)	(7,991)
Profit/(loss) after income tax attributable to members of ADX Energy Ltd		612,905	(6,603,974)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		641,366	1,700,787
Income tax relating to items of other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the year, net of tax		641,366	1,700,787
Total comprehensive profit/(loss) for the year		1,254,271	(4,903,187)
		Cents Per Share	Cents Per Share
Basic earnings/(loss) per share	4	0.11	(1.33)
Diluted earnings/(loss) per share	4	0.11	n/a

ADX ENERGY LTD

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	Consolidated	
		31 December 2014 \$	31 December 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	707,167	1,702,778
Trade and other receivables	6	2,144,191	522,955
Other financial assets at fair value	7	-	2,343
Total Current Assets		2,851,358	2,228,076
Non-Current Assets			
Receivables	6	15,932	19,670
Property, plant and equipment	8	78,665	147,425
Deferred exploration expenditure	9	6,429,226	4,602,609
Investment in associate	10	17,355	-
Total Non-Current Assets		6,541,178	4,769,704
Total Assets		9,392,536	6,997,780
LIABILITIES			
Current Liabilities			
Trade and other payables	11	664,727	551,504
Provisions	12	8,395	20,099
Total Current Liabilities		673,122	571,603
Total Liabilities		673,122	571,603
Net Assets		8,719,414	6,426,177
Equity			
Issued capital	13	64,161,036	63,222,181
Reserves	14	6,011,042	5,269,565
Accumulated losses		(61,452,664)	(62,065,569)
Total Equity		8,719,414	6,426,177

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ADX ENERGY LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 January 2013	62,263,381	3,571,139	(55,461,595)	10,372,925
Profit/(loss) for the year	-	-	(6,603,974)	(6,603,974)
Other comprehensive income/(loss)	-	1,700,787	-	1,700,787
Total comprehensive loss for the year, net of tax	-	1,700,787	(6,603,974)	(4,903,187)
Transactions with owners in their capacity as owners:				
Issue of share capital	1,020,000	-	-	1,020,000
Cost of issue of share capital	(61,200)	-	-	(61,200)
Share based payments	-	(2,361)	-	(2,361)
	958,800	(2,361)	-	956,439
As at 31 December 2013	63,222,181	5,269,565	(62,065,569)	6,426,177
At 1 January 2014	63,222,181	5,269,565	(62,065,569)	6,426,177
Profit/(loss) for the year	-	-	612,905	612,905
Other comprehensive income/(loss)	-	641,366	-	641,366
Total comprehensive loss for the year, net of tax	-	641,366	612,905	1,254,271
Transactions with owners in their capacity as owners:				
Issue of share capital	1,000,000	-	-	1,000,000
Cost of issue of share capital	(61,145)	-	-	(61,145)
Share based payments	-	100,111	-	100,111
	938,855	100,111	-	1,038,966
As at 31 December 2014	64,161,036	6,011,042	(61,452,664)	8,719,414

ADX ENERGY LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

		Consolidated	
		Year ended 31 Dec 2014	Year ended 31 Dec 2013
Note	\$	\$	\$
Cash flows from operating activities			
		296,372	58,039
		(978,791)	(811,060)
		14,440	38,813
		(29,713)	(7,991)
		<u>(697,692)</u>	<u>(722,199)</u>
5(i)			
Cash flows from investing activities			
		-	12,220
		-	(28,086)
		(108,000)	-
		273,450	964,937
		(91,729)	(67,423)
		(1,333,302)	(2,172,345)
		23,964	17,103
		(1,374,000)	(1,429,000)
		1,366,389	1,813,000
		(17,355)	-
		2,390	-
		<u>(1,258,193)</u>	<u>(889,594)</u>
Cash flows from financing activities			
		1,000,000	1,020,000
		(61,145)	(61,200)
		<u>938,855</u>	<u>958,800</u>
Net increase/(decrease) in cash and cash equivalents held			
		(1,017,030)	(652,993)
		21,419	275,233
		1,702,778	2,080,538
		<u>707,167</u>	<u>1,702,778</u>
5			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis with the exception of listed equity securities held for trading which have been measured at fair value.

The financial report is presented in Australian dollars, which is the group's presentation currency.

Functional and presentation currency

The functional currency of the parent entity is United States dollars. ADX has identified the US dollar as its functional currency for the following reasons:

- The majority of ADX's activities are supporting its subsidiaries and their joint operations, primarily denominated in US dollars;
- A significant portion of ADX's assets (cash) are denominated in US dollars; and
- US dollars are the primary global currency used in the oil industry.

The presentation currency of the Group is Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(c) Adoption of new and revised standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 January 2014.

New and amended standards adopted by the Group

The Group has adopted all new and amended Australian Accounting Standards and AASB Interpretations effective as of 1 January 2014, including:

- AASB 2001-4 Amendments to AASB 124 Key Management Disclosures
This Standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.
- Interpretation 21 Levies
This Interpretation confirms that a liability to pay a levy is only recognized when the activity that triggers the payment occurs.
- AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets
This Standard amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of the impaired asset is based on the fair value less costs of disposal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting year. The Group's assessment of the impact of these new standards and interpretations that may have an impact on the Group is set out below:

AASB 9 Financial Instruments (effective from 1 January 2015)

AASB 9 includes requirements for the classification and measurement of financial assets. There is no material impact for ADX.

AASB 2014-3 Amendments to AASB 11 Accounting for Acquisitions of Interests in Joint Operations (effective from 1 January 2016)

This Standard provides guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. There is no material impact for ADX.

(d) **Significant accounting estimates and judgments**

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration assets

The Group's accounting policy for exploration expenditure is set out at Note 1(n). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

(i) *Impairment of assets*

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) *Share-based payment transactions*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

(iii) *Commitments - Exploration*

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of ADX Energy Ltd (“Company” or “Parent Entity”) and its subsidiaries as at 30 December each year (the Group). Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are prepared for the same period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

(f) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange, adjusted for any conditions imposed on those shares. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(g) Foreign currency translation

The presentation currency of ADX Energy Ltd Group is Australian Dollars. The functional currency of ADX Energy Ltd and its subsidiaries is United States Dollars, except for ADX Energy GmbH and AuDAX Energy srl whose functional currencies are euros.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date.

As at the reporting date the assets and liabilities of the subsidiaries are translated into the presentation currency of ADX Energy Ltd at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the year.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Foreign currency translation - continued

The exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

(h) Interest in a jointly controlled operation

Interests in jointly controlled assets are reported in the financial statements by including the consolidated entity's share of assets employed in the Joint Operations, the share of liabilities incurred in relation to the Joint Operations and the share of any expenses and revenues in relation to the Joint Operations in their respective categories.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(j) Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

(k) Inventories

Consumables and spares are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

(l) Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

(m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment – 2 to 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) **Exploration and evaluation expenditure**

Costs related to the acquisition of properties that contain resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing. Accumulated costs in relation to an abandoned area are written off to the income statement in the period in which the decision to abandon the area is made.

The Directors review the carrying value of each area of interest as at the balance date and any exploration expenditure which no longer satisfies the above policy is written off.

Once an area of interest enters the development phase, all capitalised acquisition, exploration and evaluation expenditures will be transferred to mineral development or oil and gas properties, as appropriate.

(o) **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(p) **Investments and other financial assets**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(p) **Investments and other financial assets - continued**

(i) *Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit or loss. The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(q) **Investment in associate**

The Group's investment in its associate is accounted for under the equity method of accounting in the consolidated financial statements. This is an entity in which the Group has significant influence and which is not a subsidiary.

The financial year of the associate is the same as the Group. Both use consistent accounting policies and financial information of the same reporting date has been used by the Group in applying the equity method.

Under the equity method, the investment in the associate is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

(r) **Intangible assets**

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(s) **Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(u) **Employee leave benefits**

(i) *Wages, salaries and, annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave and expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(v) **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(x) **Share-based payment transactions**

Equity settled transactions:

The Group provides benefits to executive directors, employees and consultants of the Group in the form of share-based payments, whereby those individuals render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with these individuals is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of ADX Energy Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (the vesting date).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(x) **Share-based payment transactions - continued**

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the grant date fair value of the award;
- (ii) the extent to which the vesting period has expired; and
- (iii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest taking into account such factors as the likelihood of non-market performance conditions being met.

This opinion is formed based on the best available information at balance date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If an equity-settled award is forfeited, any expense previously recognised for the award is reversed. However, if a new award is substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(y) **Income tax**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(y) Income tax - continued

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(z) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(aa) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(ab) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(ab) Segment reporting - continued

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the Financial Statements.

	Note	Consolidated	
		Year Ended 31 Dec 2014	Year Ended 31 Dec 2013
		\$	\$
NOTE 2 – REVENUE AND EXPENSES			
(a) Revenue and Income			
Revenue			
Interest revenue		14,440	38,814
Income			
Net gain on farm-outs (i)		1,694,063	897,515
Other		1,103	14,350
		<u>1,709,606</u>	<u>950,679</u>
(i) Net gains on farmouts relate to:			
Gain on farm-out of Romanian Parta permit		-	853,927
Gain on sale/farm-out of Chorbane permit		2,125,070	111,011
Costs for Chorbane sale		(431,007)	(67,423)
		<u>1,694,063</u>	<u>897,515</u>
(b) Expenses			
Administration and corporate expenses include:			
Depreciation		75,527	83,461
Net foreign exchange losses/(gains)		68,923	176,732
Operating lease rental expense		108,883	150,548
Share based payments / (net reversals)	19	100,111	(2,361)
Other administration and corporate expenses, net of recoveries		566,339	429,000
		<u>919,783</u>	<u>837,380</u>

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated	
Year Ended 31 Dec 2014	Year Ended 31 Dec 2013
\$	\$

NOTE 3 - INCOME TAX EXPENSE

(a) Income Tax Expense

The reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows:

Profit/(loss) for period	642,617	(6,595,983)
Prima facie income tax (benefit) @ 30%	192,785	(1,978,795)
Tax effect of non-deductible items	62,914	2,209,623
Prior year tax loss now utilised	(163,392)	(22,595)
Deferred tax assets not brought to account	(62,595)	(200,242)
Income tax attributable to operating result	29,712	7,991

(b) Deferred tax assets not recognised relate to the following:

Tax losses	9,111,736	8,510,594
Other Timing Differences	1,115	1,532
	9,112,851	8,512,126

These deferred tax assets have not been brought to account as it is not probable that tax profits will be available against which deductible temporary differences can be utilised.

(c) Franking Credits

The franking account balance at year end was \$nil (2013: \$nil).

(d) Tax Consolidation Legislation

ADX Energy Ltd and its 100% owned Australian subsidiaries have not formed a tax consolidated group.

Consolidated	
Year Ended 31 Dec 2014	Year Ended 31 Dec 2013

NOTE 4 - EARNINGS PER SHARE

	Cents	Cents
Basic earnings/(loss) per share	0.11	(1.33)
Diluted earnings/(loss) per share	0.11	n/a
	\$	\$
Profit/(loss) attributable to ordinary equity holders of the Company used in calculating:		
- basic earnings per share	612,905	(6,603,974)
- diluted earnings per share	634,772	n/a

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	Year Ended 31 Dec 2014	Year Ended 31 Dec 2013
NOTE 4 - EARNINGS PER SHARE - continued		
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	656,478,273	496,545,257
Adjustment for calculation of diluted earnings per share		
- options and performance shares	20,500,000	-
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	<u>676,978,273</u>	<u>496,545,257</u>

For 2013, diluted earnings per share was not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

	\$	\$
NOTE 5 - CASH AND CASH EQUIVALENTS		

Cash at bank and on hand	<u>707,167</u>	<u>1,702,778</u>
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(i) Reconciliation of loss for the period to net cash flows used in operating activities

Profit/(loss) after income tax	612,905	(6,603,974)
Non-Cash Items:		
Depreciation	75,527	83,461
Loss on disposal of plant and equipment	-	(12,220)
Foreign exchange losses/(gains)	68,923	176,732
Share-based payments expensed - options	100,111	(2,361)
Impairment of exploration assets	-	4,647,690
Impairment of investment in associate	-	609,167
Loss from associate	-	1,452,425
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,803,759)	(148,886)
Gain on sale of permit/farmout – investing activities	(181,721)	(897,515)
Increase/(decrease) in payables	442,026	(36,620)
Increase in provisions	(11,704)	9,902
Net cash flows used in operating activities	<u>(697,692)</u>	<u>(722,199)</u>

(ii) Non-Cash Financing and Investing Activities

There were no non-cash financing and investing activities (2013: none).

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
NOTE 6 – TRADE AND OTHER RECEIVABLES		
Current		
Funds due from Gulfsands re Chorbane sale (refer note 23)	1,838,967	-
Share of cash held by joint operations	25,857	170,708
Cash on deposit - security bonds	5,167	25,394
GST/VAT refundable	88,073	140,141
Receivables from joint operations	78,499	95,942
Prepayments	103,215	86,148
Other	4,413	4,622
Total current receivables	<u>2,144,191</u>	<u>522,955</u>
Non-Current		
Cash on deposit - security bonds	<u>15,931</u>	<u>19,670</u>

Fair Value and Risk Exposures:

- (i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- (ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- (iii) Details regarding interest rate risk exposure are disclosed in note 22.
- (iv) Other receivables generally have repayments between 30 and 90 days.

Receivables do not contain past due or impaired assets as at 31 December 2014 (2013: none).

**NOTE 7 - OTHER CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH
PROFIT AND LOSS**

Current

Listed equity securities held for trading	-	2,343
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The fair value of listed securities has been determined by reference to published price quotations in an active market.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles- at cost	16,009	14,717
Less: Accumulated depreciation	(5,070)	(1,717)
	<u>10,939</u>	<u>13,000</u>
Plant and equipment - at cost	407,718	402,617
Less: Accumulated depreciation	(339,992)	(268,192)
	<u>67,726</u>	<u>134,425</u>
Total property, plant and equipment	<u>78,665</u>	<u>147,425</u>
<i>Reconciliation of property, plant and equipment:</i>		
Motor Vehicle		
Carrying amount at beginning of year	13,000	13,003
Additions	-	14,717
Disposals	-	(11,734)
Depreciation	(3,214)	(1,691)
Currency translation differences	1,153	(1,295)
Carrying amount at end of year	<u>10,939</u>	<u>13,000</u>
Plant and Equipment		
Carrying amount at beginning of year	134,425	177,516
Additions	-	13,369
Depreciation	(72,313)	(81,770)
Currency translation differences	5,614	25,310
Carrying amount at end of year	<u>67,726</u>	<u>134,425</u>

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
NOTE 9 - DEFERRED EXPLORATION EXPENDITURE		
Deferred exploration costs brought forward	4,602,609	6,125,323
Capitalised expenditure incurred during the year	1,422,403	2,160,237
Expenditure written off during the year	-	(4,647,690)
Currency translation differences	404,214	964,739
Deferred exploration costs carried forward	<u>6,429,226</u>	<u>4,602,609</u>

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

Impairment

Exploration and evaluation expenditure written off during 31 December 2013 related to the Kerkouane prospect area \$4,509,516 to reduce the carrying value to represent a sale value and new operations exploration of \$138,174 to be reduced to nil.

The Board assesses impairment of all exploration expenditure at each reporting date by evaluating the conditions specific to the Company and to the particular asset that may lead to impairment. These include if substantive expenditure has been incurred on exploration and evaluation of resources and this has not led to the discovery of commercial viable quantities of resources or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

NOTE 10 – INVESTMENT IN ASSOCIATE

Investment in associate	-	-
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The investment in associate represents ADX's 18% (2013: 23.1%) interest (26.765 million shares) in Riedel Resources Limited (ASX: RIE). Riedel is a listed Australian mineral exploration company. The fair value based on the closing ASX share price for Riedel at 31 December was \$267,647 (2013: \$350,000). The investment is held as a passive investment and is measured using the equity method.

Reconciliation of investment in associate:

Carrying amount at beginning of year	-	1,790,220
Purchase of additional shares	17,355	-
Share of losses in associate	-	(1,452,425)
Impairment of investment in associate	-	(609,167)
Currency translation differences	-	271,372
Net carrying value	<u>17,355</u>	<u>-</u>

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
NOTE 10 – INVESTMENT IN ASSOCIATE - continued		
The following table illustrates summarised information of the investment in Riedel Resources Limited.		
Share of associate's balance sheet as at year end:		
Current assets	101,179	51,737
Non-current assets	426,140	1,108,241
Current liabilities	(76,136)	(94,147)
Non-current liabilities	-	-
Net assets	451,183	1,065,831
Share of associate's revenue and loss:		
Revenue	9,517	10,058
Loss before income tax	(98,008)	(2,016,795)
Unrecognised share of loss from associate	(98,008)	(564,370)
	-	(1,452,425)
Share of associate's commitments and contingencies		
Share of capital commitments and contingencies	-	-
NOTE 11 – TRADE AND OTHER PAYABLES		
Current		
Trade creditors and accruals	664,727	551,504
Fair Value and Risk Exposures		
(i)	Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.	
(ii)	Trade and other payables are unsecured and usually paid within 60 days of recognition.	
NOTE 12 – PROVISIONS		
Current		
Employee entitlements	8,395	20,099

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$

NOTE 13 – ISSUED CAPITAL

(a) Issued Capital

Ordinary shares fully paid	64,161,036	63,222,181
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(b) Movements in Ordinary Share Capital

Number of Shares	Summary of Movements	Issue Price	\$
485,367,175	Opening balance at 1 January 2013		62,263,381
60,000,000	Placement on 21 October 2013	1.7 cents	1,020,000
	Costs of placement - cash		(61,200)
<u>545,367,175</u>	Closing Balance at 31 December 2013		<u>63,222,181</u>
83,333,333	Placement on 21 October 2014	0.9 cents	750,000
27,777,765	Share Purchase Plan (SPP) on 11 November 2014	0.9 cents	250,000
	Costs of placement and SPP - cash		(61,145)
<u>656,478,273</u>	Closing Balance at 31 December 2014		<u>64,161,036</u>

(c) Options on issue at 31 December 2014

	Number	Issue Price of Shares	Expiry Date
Unlisted Options	<u>20,500,000</u>	4 cents	15/02/2016

During the year:

- (i) 20,500,000 unlisted options were granted as share-based payments (2013: nil);
- (ii) No unlisted options were forfeited (2013: nil);
- (iii) 1,000,000 unlisted options expired (2013: 1,000,000); and
- (iv) No unlisted options were exercised (2013: nil).

(d) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

(e) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
NOTE 14 - RESERVES		
Share-based payments reserve	3,762,458	3,662,347
Option premium reserve	2,915,542	2,915,542
Asset revaluation reserve	250,000	250,000
Foreign currency translation reserve	(916,958)	(1,558,324)
	<u>6,011,042</u>	<u>5,269,565</u>
Share-based payments reserve		
Balance at the beginning of the year	3,662,347	3,664,708
Share-based payments expense / (reversal)	100,111	(2,361)
Balance at the end of the year	<u>3,762,458</u>	<u>3,662,347</u>
<i>Nature and purpose of the reserve:</i>		
The Share-based payments reserve is used to recognise the fair value of options issued but not exercised.		
Option premium reserve		
Option premium reserve	<u>2,915,542</u>	<u>2,915,542</u>
<i>Nature and purpose of the reserve:</i>		
The option premium reserve is used to accumulate proceeds received from the issuing of options.		
Asset revaluation reserve		
Asset revaluation reserve	<u>250,000</u>	<u>250,000</u>
<i>Nature and purpose of the reserve:</i>		
The asset revaluation reserve is used to record increments and decrements in the value of non-current assets. This reserve can only be used to pay dividends in limited circumstances.		
Foreign currency translation reserve		
Balance at the beginning of the year	(1,558,324)	(3,259,111)
Currency translation differences	641,366	1,700,787
Balance at the end of the year	<u>(916,958)</u>	<u>(1,558,324)</u>
<i>Nature and purpose of the reserve:</i>		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.		

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 15 – PARENT ENTITY INFORMATION	Company	
	31 December 2014 \$	31 December 2013 \$
Balance sheet information		
Current assets	747,972	1,688,774
Non-current assets	6,397,776	4,757,372
Current liabilities	(267,643)	(50,747)
Non-current liabilities	-	-
Net Assets	6,878,105	6,395,399
Issued capital	64,161,036	63,222,181
Reserves	8,994,993	8,247,597
Accumulated losses	(66,277,924)	(65,074,379)
	6,878,105	6,395,399
Profit and loss information		
Profit/(loss) for the year	(1,203,545)	(3,915,193)
Comprehensive profit/(loss) for the year	(566,261)	(2,572,726)

Commitments and contingencies

There are no commitments or contingencies, including any guarantees entered into by ADX Energy on behalf of its subsidiaries

Subsidiaries

Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
			31 December 2014	31 December 2013
Alpine Oil & Gas Pty Ltd *	Ordinary	Australia	100%	100%
ADX Energy GmbH*	Ordinary	Austria	100%	100%
AuDAX Energy Srl *	Ordinary	Italy	100%	100%
ADX Energy Panonia Srl *	Ordinary	Romania	100%	100%
Bull Petroleum Pty Ltd *	Ordinary	Australia	100%	100%

* Not audited by Rothsay.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated	
31 December	31 December
2014	2013
\$	\$

NOTE 16 – COMMITMENTS AND CONTINGENCIES

(a) Operating leases (non-cancellable):

Within one year	23,613	35,607
More than one year but not later than five years	-	-
	<u>23,613</u>	<u>35,607</u>

These non-cancellable operating leases are primarily for office premises.

(b) Exploration Commitments and Contingencies for Tunisia, Italy and Romania

In order to maintain current rights of tenure to exploration licenses the Company may be compelled to perform minimum exploration activities to meet requirements specified by the relevant governments. These expenditure commitments may be varied as a result of renegotiations, relinquishments, farm-outs or sales.

Tunisia - Kerkouane Permit

ADX together with Entreprise Tunisienne d'Activités Pétrolières (ETAP) have applied for an extension of the term of the exploration licence over the Kerkouane permit until February 2016. Commitment will be 500km² of 3D seismic and the drilling of one well. ADX holds 100% with farm out processes under way.

Romania - Parta

In December 2012, the Romanian Government ratified the concession agreement for ADX's EX 10 Parta license ("Parta Permit"). The committed work program for the Parta Permit requires the acquisition of 2D and 3D seismic and the drilling of two exploration wells. In September 2012, the seismic contract was signed. Total commitments are estimated at A\$4.487 million (euro 3.5 million) for the 2013/2014/2015 year. ADX's share of this commitment is 50%. To date 90 km of 2D and 35km² of 3D seismic has been acquired.

(c) Conditional commitments to previous partner

In March 2009, ADX entered an agreement with a previous partner to acquire that partners' 30% interest in the Sicily Channel exploration permit, Pantelleria. As consideration, ADX will pay US\$280,000 cash if and when ADX disposes of an interest in that permit.

In August 2011, a Sale and Purchase Agreement was signed with Carnavale Resources Limited ("CAV") to buy back a 20% interest in the Lambouka Prospect Area in the Kerkouane Permit. In the event that production is derived from a development of the Lambouka-1 well discovery, ADX will additionally pay two production payments of US\$1 million each, after 6 and 12 months continuous production respectively.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 17 - INTERESTS IN JOINT OPERATIONS

	Principal Activities	ADX Group % Interest	
		31 December 2014	31 December 2013
Kerkouane, Lambouka and Remainder – Tunisia	Exploration	100%	100%
Pantelleria – Italy	Exploration	100%	100%
Romania –Parta Block	Exploration	50%	50%

The consolidated entity has classified these as joint arrangements because under the terms of the agreements, all partners share in all the assets employed in the joint arrangement and are liable for all the liabilities of the joint arrangement, according to their participating share.

NOTE 18 – KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Compensation of Key Management Personnel

	Consolidated	
	Year ended 31 Dec 2014	Year ended 31 Dec 2013
	\$	\$
Short-term employment benefits	775,645	781,425
Post-employment benefits	7,740	7,535
Share-based payment	83,019	-
	866,404	788,960

(b) Other transactions and balances with Key Management Personnel

Mr Ian Tchacos and Mr Andrew Childs are directors of ADX's associate, Riedel Resources Limited (Riedel). No transactions were undertaken with Riedel other than sub-leasing office premises at normal commercial rates.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 19 – SHARE-BASED PAYMENTS

(a) Value of share based payments in the financial statements

	Consolidated	
	12 Months to 31 Dec 2014 \$	12 Months to 31 Dec 2013 \$
Expensed in the profit and loss:		
Share-based payments/(reversals) - options	100,111	(2,361)

(b) Summary of share-based payments granted during the year:

Granted to Directors (approved by Shareholders on 13 February 2014):

- 15,000,000 options expiring 15 February 2016, exercisable at 4 cents each.

Granted to employees and consultants:

- 5,500,000 options expiring 15 February 2016, exercisable at 4 cents each.

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	21/02/2014
Number of options	20,500,000
Option exercise price (\$)	0.04
Expected life of options (years)	2
Dividend yield (%)	-
Expected volatility (%)	105
Risk-free interest rate (%)	5.35
Underlying share price (\$)	0.015
Value of Option (\$)	0.0049

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

There were no options granted in the 2013 year.

(c) Weighted average fair value

The weighted average fair value of share based payment options granted during the year was \$0.0049 (2013: nil).

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 19 – SHARE-BASED PAYMENTS - continued

(d) Weighted average exercise price

The following table shows the number and weighted average exercise price (“WAEP”) of share options granted as share based payments.

	12 Months to 31 Dec 2014 Number	12 Months to 31 Dec 2014 WAEP \$	12 Months to 31 Dec 2013 Number	12 Months to 31 Dec 2013 WAEP \$
Outstanding at the beginning of year	1,000,000	0.25	3,000,000	0.252
Granted during the year	20,500,000	0.04	-	-
Forfeited during the year	-	-	(1,000,000)	0.25
Exercised during the year	-	-	-	-
Expired during the year	(1,000,000)	0.25	(1,000,000)	0.30
Outstanding at the end of the year	20,500,000	0.04	1,000,000	0.25
Exercisable at year end	20,500,000	0.04	1,000,000	0.25

The weighted average share price for options exercised during the year was nil (2013: nil).

(e) Range of exercise price

The range of exercise price for options granted as share based payments outstanding at the end of the year was \$0.04 (2013: \$0.25).

(f) Weighted average remaining contractual life

The weighted average remaining contractual life of share based payment options that were outstanding as at 31 December 2014 was 1.125 years (2013: 0.17 years).

Consolidated	
Year Ended 31 Dec 2014	Year Ended 31 Dec 2013
\$	\$

NOTE 20 - AUDITORS' REMUNERATION

Amount received or due and receivable by the auditor for:

Auditing the financial statements, including audit review - current year audits	31,000	33,500
Other services	-	-
Total remuneration of auditors	31,000	33,500

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTE 21 – SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the exploration type. Discrete financial information about each of these operating businesses is reported to the Board on at least a quarterly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of activity type and phase of operations, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Reportable Operating Segments Identified

For management purposes, the Group has organised its operating segments into two reportable segments as follows:

- Minerals Exploration and Evaluation Segment: This segment includes assets and activities that are associated with mineral exploration (investment in associate Riedel).
- Oil and Gas Exploration and Evaluation Segment: This segment includes assets and activities that are associated with oil and gas exploration.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance income) is managed on a group basis and are not allocated to operating segments.

Accounting Policies

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts.

There have been no inter-segment transactions.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

The following items are not allocated to segments as they are not considered part of core operations of any segment and are managed on a Group basis.

- Interest revenue
- Foreign currency gains/(losses)
- Corporate costs

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 21 – SEGMENT INFORMATION - continued

Operating Segments	Minerals	Oil and Gas	Total Operations
	\$	\$	\$
Year ended 31 December 2014			
Revenue and income	-	1,694,063	1,694,063
Total segment revenue			1,694,063
Result			
Segment result	-	1,779,665	1,779,665
Depreciation	-	(25,417)	(25,417)
Share of loss from associate	-	-	-
Impairment of investment in associate	-	-	-
Impairment of deferred exploration	-	-	-
Total Segment result	-	1,754,248	1,754,248
Reconciliation of segment profit after tax to net profit after tax:			
Unallocated revenue and income			15,543
Foreign currency gains/(losses)			(68,923)
Unallocated depreciation			(50,110)
Unallocated expenditure			(1,008,141)
Income tax expense			(29,712)
Net profit after tax			612,905
Assets			
Segment assets	17,355	8,453,719	8,561,074
Reconciliation of segment assets:			
Cash held by parent			656,815
Other			174,647
Total assets			9,392,536
Liabilities			
Segment liabilities	-	441,835	441,835
Reconciliation of segment liabilities:			
Unallocated liabilities			231,287
Total liabilities			673,122
Capital expenditure			
Segment capital expenditure – deferred exploration	-	1,333,302	1,333,302
Segment capital expenditure – plant and equipment	-	-	-
Total Segment capital expenditure	-	1,333,302	1,333,302
Reconciliation of capital expenditure:			
Unallocated additions			-
Total capital expenditure			1,333,302

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 21 – SEGMENT INFORMATION - continued

Operating Segments	Minerals	Oil and Gas	Total Operations
	\$	\$	\$
Year ended 31 December 2013			
Revenue and income	-	897,515	897,515
Total segment revenue			897,515
Result			
Segment result	-	876,102	876,102
Depreciation	-	(36,505)	(36,505)
Share of loss from associate	(1,452,425)	-	(1,452,425)
Impairment of investment in associate	(609,167)	-	(609,167)
Impairment of deferred exploration	-	(4,647,690)	(4,647,690)
Total Segment result	(2,061,592)	(3,808,093)	(5,869,685)
Reconciliation of segment loss after tax to net loss after tax:			
Unallocated revenue and income			53,164
Foreign currency gains/(losses)			(198,810)
Unallocated depreciation			(46,956)
Unallocated expenditure			(533,696)
Income tax expense			(7,991)
Net loss after tax			(6,603,974)
Assets			
Segment assets	-	5,240,188	5,240,188
Reconciliation of segment assets:			
Cash held by parent			1,551,733
Other			205,859
Total assets			6,997,780
Liabilities			
Segment liabilities	-	520,857	520,857
Reconciliation of segment liabilities:			
Unallocated liabilities			50,746
Total liabilities			571,603
Capital expenditure			
Segment capital expenditure – deferred exploration	-	2,172,345	2,172,345
Segment capital expenditure – plant and equipment	-	-	-
Total Segment capital expenditure	-	2,172,345	2,172,345
Reconciliation of capital expenditure:			
Unallocated additions			28,086
Total capital expenditure			2,200,431

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash. The main purpose of this financial instrument is to provide working capital for the Group's operations.

The Group has various other financial instruments such as trade debtors, security bonds and trade creditors, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken, except for share investments which are considered immaterial.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and foreign currency risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

Interest rate risk

At balance date the Group's exposure to market risk for changes in interest rates relates primarily to the Company's cash and bonds. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At balance date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
<i>Financial Assets:</i>		
Cash and cash equivalents – interest bearing	485,039	1,634,331
Trade and other receivables – interest bearing	5,167	25,394
Net exposure	490,206	1,659,725

Sensitivity

At 31 December 2014, if interest rates had increased by 0.5% from the year end variable rates with all other variables held constant, post tax profit and equity for the Group would have been \$8,833 higher (2013: changes of 0.5% \$11,088 higher). The 0.5% (2013: 0.5%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last year.

Liquidity risk

The Group has no significant exposure to liquidity risk as there is effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Company does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Foreign currency risk

As a result of oil and gas exploration operations in Europe being denominated in USD and Euro, the Group's balance sheet can be affected by movements in the USD/A\$ and Euro/USD exchange rates. The Company does not hedge this exposure.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained in Euros and AUD, to meet current operational commitments.

At 31 December 2014, the Group had the following exposures to foreign currencies that are not designated in cash flow hedges:

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
<i>Financial Assets:</i>		
Cash and cash equivalents - non USD	684,192	1,571,521
Trade and other receivables – current – non USD	204,751	190,382
<i>Financial Liabilities:</i>		
Trade and other payables – current – non USD	(657,710)	(356,351)
Net exposure	<u>231,233</u>	<u>1,405,552</u>

Sensitivity

At 31 December 2014, if exchange rates had increased by 12% or decreased by 10% from the year end rates with all other variables held constant, post tax profit and equity for the Group would have been \$21,106 lower / \$25,793 higher (2013: changes of 12% \$148,362 lower/\$188,823 higher).

The 10% (2013: 12%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of actual historical rates, for the Australian dollar to the US dollar and Euro, for the preceding year.

Management believes the balance date risk exposures are representative of the risk exposure inherent in financial instruments.

Commodity price risk

The Group's exposure to price risk is minimal given the Group is still in an exploration phase.

Fair value

Disclosure of fair value measurements by level are as follows:

- Level 1 – the fair value is calculated using quoted prices in active markets
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Fair value - continued

The following table presents the Group's assets and liabilities measured at fair value as well as the methods used to estimate the fair value.

	Year ended 31 December 2014				Year ended 31 December 2013			
	Quoted Market Price (Level 1)	Valuation with Observable Market Data (Level 2)	Valuation with no Observable Market Data (Level 3)	Total	Quoted Market Price (Level 1)	Valuation with Observable Market Data (Level 2)	Valuation with no Observable Market Data (Level 3)	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Consolidated								
Other current financial assets at fair value	-	-	-	-	2,343	-	-	2,343

Transfer Between Categories

There were no transfers between Level 1 and Level 2 during the year.

NOTE 23 - SUBSEQUENT EVENTS

On 20 December 2013, ADX signed a settlement agreement with Gulfsands Petroleum Plc ("Gulfsands"). Under this agreement, Gulfsands withdraws from the Kerkouane Permit offshore Tunisia and ADX transfers its entire remaining non-operated 30% participating interest in its onshore Chorbane exploration permit to Gulfsands for a cash consideration of USD 1.75M. The first instalment of the cash consideration, being USD 250,000 was received by ADX in January 2014. Completion of the sale fell due on 26 August 2014, but Gulfsands failed to pay the purchase price of USD 1.5 million. ADX commenced court proceedings.

On 3 February 2015, ADX and Gulfsands signed a new settlement agreement concerning the settlement of all claims and liabilities between them. Gulfsands agreed to pay ADX US\$1.5 million and ADX agreed to provide certain additional documentation by the end of February 2015. As a result of the settlement, the proceedings before the English High Court were discontinued. All other terms of the settlement remain confidential.

In accordance with this settlement agreement, GPX completed the payment of the first US\$1.25 million tranche to ADX on 10 February 2015. The remainder was received on 27 February 2015.

There are no other matters or circumstances that have arisen since 31 December 2014 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.



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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ADX ENERGY LTD**

Report on the financial report

We have audited the accompanying financial report of ADX Energy Ltd (the Company[™]) which comprises the balance sheet as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flow state for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used in and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.



Chartered Accountants

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ADX ENERGY LTD
INDEPENDENT AUDIT REPORT



Audit opinion

In our opinion the financial report of ADX Energy Ltd is in accordance with the *Corporations Act 2001*, including:

- a) (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of their performance for the period ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the period ended 31 December 2014. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of ADX Energy Ltd for the period ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of ADX Energy Ltd for the year ended 31 December 2014 included on ADX Energy Ltd's website. The company's directors are responsible for the integrity of the website. We have not been engaged to report on the integrity of the website. This auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Rothsay

Graham R Swan
Partner

Dated 30 March 2015



Chartered Accountants

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ADX ENERGY LTD

ADDITIONAL SHAREHOLDER INFORMATION

Information as at 23 March 2015

a) Substantial Shareholders (who have lodged notices with ADX Energy Ltd)

M&G Investment Funds (4), (7)
M&G Investment Management Limited
M&G Limited
M&G Group Limited
M&G Securities Limited
Prudential plc

Hold 87,777,778 ordinary shares representing 13.96% per notice advised 20 October 2014.

b) Shareholder Distribution Schedule

Size of Holding	Number of Shareholders	Number of Ordinary Shares	Percentage of Issued Capital
1 - 1,000	179	88,172	0.01
1,001 - 5,000	511	1,649,399	0.25
5,001 - 10,000	468	3,831,378	0.59
10,001 - 100,000	1,091	43,840,735	6.68
100,000 and over	469	607,068,589	92.47
Total Shareholders	2,718	656,478,273	100.00
Number of shareholders holding less than a marketable parcel	2,292	54,243,246	8.26

(c) Voting Rights

- (i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;
- (ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;
- (iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares until fully paid shall have voting rights pro rata to the amount paid up or credited as paid up on each such share; and
- (iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.

ADX ENERGY LTD

ADDITIONAL SHAREHOLDER INFORMATION

c) Twenty largest shareholders:

Name	Number of Ordinary Shares	% of Issued Capital
1 J P MORGAN NOMINEES AUSTRALIA LIMITED	167,915,412	25.58
2 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	95,760,705	14.59
3 MR TIMOTHY FRANCIS CLIVE MCDONNELL	11,396,631	1.74
4 KENLOW (1982) PTY LTD <SUPER FUND A/C>	9,708,333	1.48
5 RUNYON PTY LTD <SUPER FUND A/C>	8,763,679	1.33
6 MR ANDREW CHILDS	8,340,381	1.27
7 VASSE GROUP LIMITED	8,154,321	1.24
8 MR VICTOR MIASI + MR JOSEPH MIASI <VICTOR MIASI SUPER A/C>	8,111,111	1.24
9 DR PAUL VINCENT GRECH	6,233,930	0.95
10 TALEX INVESTMENTS PTY LTD <A F WYLIE SUPER FUND A/C>	6,200,000	0.94
11 WARROORAH PTY LTD <TCHACOS FUND A/C>	5,392,762	0.82
12 NATIONAL NOMINEES LIMITED <DB A/C>	5,129,079	0.78
13 MR BRIAN WILLIAM COLLINS + MRS MARALYN JOAN COLLINS	5,057,500	0.77
14 BOND STREET CUSTODIANS LIMITED <PNCORK - D00089 A/C>	5,041,961	0.77
15 MR ALISTAIR ROBERTSON CHOMLEY	5,000,000	0.76
16 MR DAVID LESLIE BRIDGEMAN	4,810,640	0.73
17 ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	4,656,514	0.71
18 MRS ELIZABETH MARY CRAWFORD	3,935,053	0.60
19 MR ANGELO MARCO AMATO	3,750,000	0.57
20 MR PAUL FINK	3,706,666	0.56
	<u>377,064,678</u>	<u>57.44</u>
Shares on issue at 23 March 2015	<u>656,478,273</u>	

d) Unlisted Options issued under the Employee Incentive Option Plan

	Number	Issue Price of Shares	Expiry Date
Unlisted Options	<u>2,500,000</u>	4 cents	15/02/2016

e) Other Unlisted Options (excluding employees)

Name	15/2/2016 4 cents
<i>Directors:</i>	
I Tchacos	2,000,000
W Zimmer	6,000,000
P Fink	5,000,000
A Childs	2,000,000
<i>Others:</i>	
P Ironside	2,000,000
A Sparks	1,000,000
	<u>18,000,000</u>

ADX ENERGY LTD
TENEMENT SCHEDULE

Oil AND GAS ASSETS
Europe and North Africa

Project	Permit	ADX Group Interest (%)	Operator
Kerkouane – Tunisia	Kerkouane	100%	ADX
Pantelleria – Italy	G.R15.PU	100%	ADX
Italy	D 364 C.R.-AX	100%	ADX
Romania	EX-10 PARTA	50%	ADX

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