

17th August 2010

Lambouka-1 Well - Operations Update #6

Activities during past week

The 13 3/8" casing was successfully run and cemented at 1,469 meters MD. The riser seal assembly and the BOP (blow out preventer) was pressure tested and a FIT/LOT (formation integrity leak off test) was performed prior to drilling the 12 ¼" hole section. The drilling of the 12 ¼" hole section has been faster than predicted. This section of the well has been deviated to intersect the deeper Abiod formation target at a crestal location.

As at 0600 hrs Tunisian local time (GMT +1) on the 17th of August the rig was drilling ahead at 2,024 meters MD in the Ain Grab formation. The Ain Grab is a regional seismic marker which has been encountered very close to prognosis providing confidence in the structural interpretation for the deeper Abiod primary target.

Weekly Operations Forecast:

Forecast operations during the coming week are as follows:

- Drill 12-1/4" hole to planned TD
- Set and cement 9 5/8" casing
- Displace to FORMIX mud system*
- Drill out casing & perform FIT/ LOT
- Commence drilling 8 ½" hole section

*Note:

The change to a different mud system is undertaken in order to ensure that the primary Lambouka-1 reservoir target (the Abiod carbonate reservoir) is drilled most efficiently and with minimum drilling induced reservoir damage. This is expected to maximize the productivity of the Abiod in a success case. For a success case the Abiod formation is expected to contain condensate rich gas with the potential (for the P50 case) to contain 370 bcf of sales gas and approximately 80 mmbbls of liquids (based on the condensate gas ratio encountered at the Dougga gas discovery). The upside potential (the P10 case) is 244 mmboe (condensate + gas).

ADX Energy Ltd

AUSTRALIA

Suite 6, Level 2
11 Ventnor Ave, West Perth
Western Australia 6005
PO Box 913 West Perth
Western Australia 6872

T +61 (08) 9226 2822

F +61 (08) 9226 5333

E admin@adxenergy.com.au

ABN 50 009 058 646

AUSTRIA

Kundratstrasse 6/2/1
A 1100 Vienna, Austria

T +43 (0) 1 641 0189

F +43 (0) 1 641 0189 20

www.adxenergy.com.au



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

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

Notes:

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

For further details please contact:

Wolfgang Zimmer

Managing Director

+43 (0) 676 358 1214

www.adxenergy.com.au

Ian Tchacos

Chairman

+61(08)9226 2822

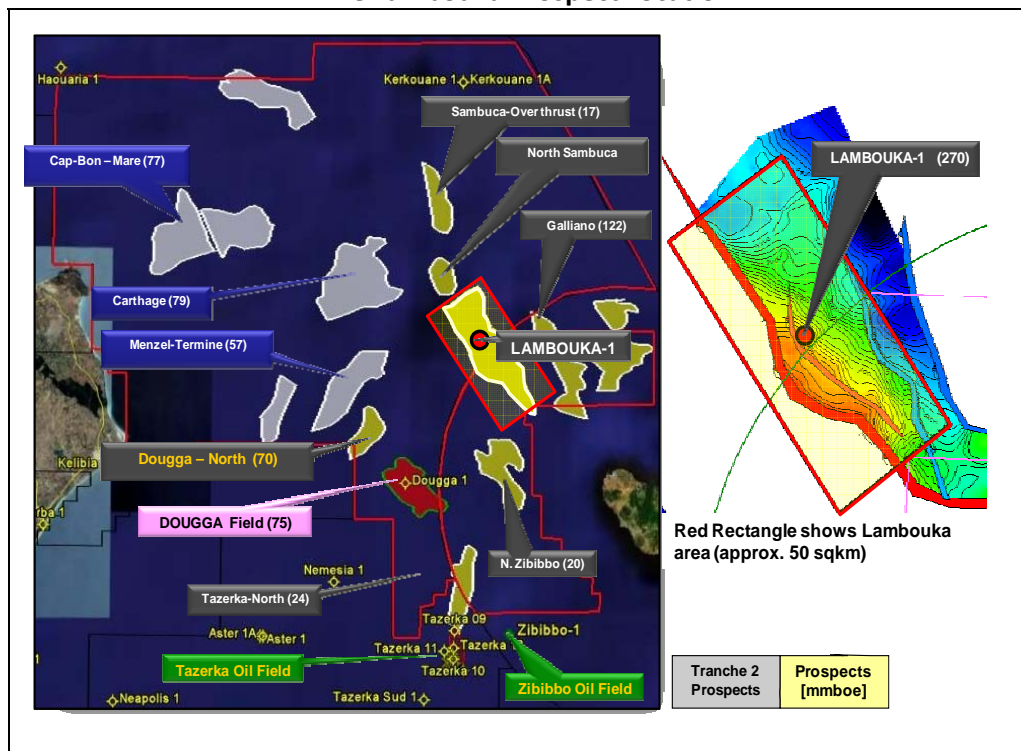
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Lambouka Prospect Summary

The Lambouka prospect is located in the ADX operated Kerkouane permit offshore Tunisia. The Lambouka-1 drilling location is approximately 160km North East of Tunis in the Sicily channel. Lambouka is a large 70 square kilometre area tilted horst block which contains three potentially hydrocarbon bearing reservoirs. The goal is to drill a safe well to a total depth of 3,000 meters and to fully evaluate the three potential hydrocarbon formation objectives for the well. All three objectives are proven and producing reservoirs in the Sicily Channel and adjacent the Gulf of Hammamet. The nearest offset well is the Dougga- 1 gas condensate discovery in the Kerkouane permit located approximately 22 km SSW of Lambouka-1.

In the event of a discovery it is predicted that the first and shallowest reservoir (Birsa sandstone) could contain oil, whereas the final and deepest reservoir (Abiod carbonate reservoir) would most likely contain gas condensate, analogous to the nearby Dougga gas condensate discovery.

The Lambouka Prospect Location



Kerkouane & Pantelleria block map showing leads & prospects and the rectangular shaped Lambouka Prospect area (approx. 150 sqkm). The insert map shows a depth structure map of Lambouka at Birsa oil reservoir level and the Lambouka area.

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Lambouka straddles two licences (the Kerkouane Permit in Tunisia and the Pantelleria License in Italy) as well as the border between Tunisia and Italy. The participants in the “Lambouka Prospect Area” which is a limited area defined over the Lambouka prospect within both the Kerkouane and Pantelleria are the same in the subset of both licenses.

Lambouka is one of the largest undrilled prospects in the Mediterranean. By bringing together the Kerkouane and Pantelleria licenses under one operator, ADX has been able for the first time to map the entire structure. This is the likely reason that Lambouka has remained undrilled until now.

The prospect was originally mapped on 2D seismic then recently reconfirmed and remapped on a new 3D seismic data set. The new state of the art 3D seismic was acquired in March 2010 and a “fast-track processing cube” was completed on the 2 May 2010. The 3D data set was used to select the final drilling location for the Lambouka-1 well.

While a commercial oil discovery will likely result in an independent oil development, it is likely that a gas condensate discovery would be developed in conjunction with Dougga. Dougga has been independently assessed to contain a mean resource of 177 Bcf of sales gas, 28.4 mmbbls of condensate and 9.4 mmbbls of LPG.