

14 July 2011

ADX: Sidi Dhaher preparation update

ADX Energy Ltd (**ASX:ADX**) is pleased to announce that the Rig-up operations are nearing completion and inspection of rig and equipment has commenced.

Once the inspection is completed to ADX's satisfaction and the rig is operational, ADX will be in a position to accept the rig and related equipment and then commence drilling the Sidi Dhaher exploration well.

Current temperatures at well site are 51 deg C.

The Sidi Dhaher prospect is located in the 2,428km² large Chorbane Exploration Permit onshore central Tunisia near the port city of Sfax. It is surrounded by several producing oil fields and extensive oil and gas infrastructure. Photos of the rig-up operations are attached to this ASX release.

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

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

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

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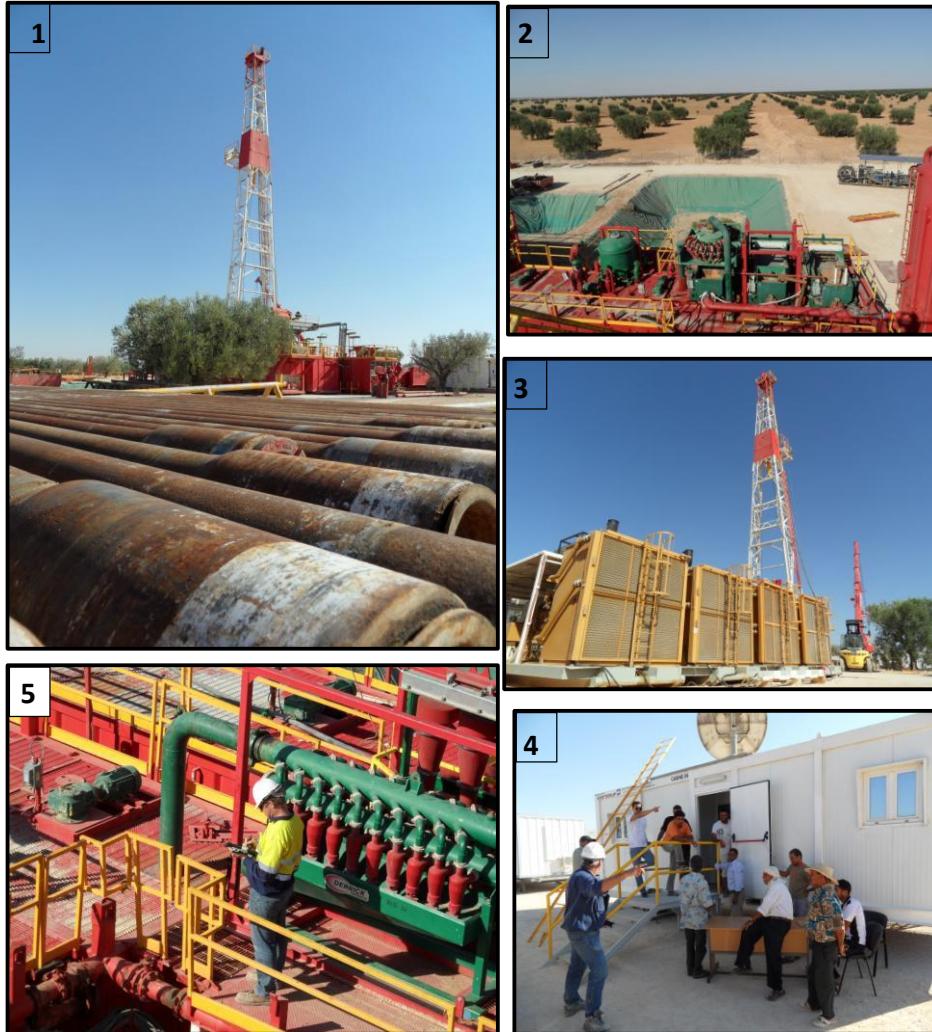
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1. Challenger Rig 37 on Sidi Dhaher Location, drill pipes in foreground.
2. View from rig floor, desander and degasser units in foreground, green geotextile covered mud pits in mid ground, olive tree plantation in background.
3. Radiators for cooling diesel engines in foreground, background shows rig.
4. Local community members waiting in front of medical unit container for a medical check.
5. Rig inspector standing on top of mud tank, next to desander unit on his right.