

14th September 2010

Corporate Update – Divestment of Gold, Copper and Nickel Projects

The Directors of ADX Energy Ltd (ASX Code: ADX) are pleased to provide an update in relation to the proposed divestment and Initial Public Offering “IPO” of the Company’s mineral assets portfolio. This strategy is in-line with the previously stated intention of ADX becoming a highly focused energy company while ensuring that the necessary capital is secured to finance the exploration and development of its highly promising gold and base metals tenements.

During the last four months, Company representatives have consulted with numerous parties in the finance and mineral exploration industry with the aim of determining the best way to maximise value from the mineral assets portfolio for ADX shareholders.

This portfolio comprises properties highly prospective for gold, copper and nickel, offering substantial exposure to some of the most prospective exploration regions in Western Australia (see *Figure 1*), including;

- the **Millrose Gold Project** in the Yandal Greenstone Belt, with;
 - Inferred Resources of 4Mt @ 2.4g/t Au for 309,000 oz of gold at 1 g/t cut off
 - significant upside potential to further increase this resource
- the **Marymia Copper-Gold Project** in the Peak Hill district;
 - located about 50km to the northeast of the recently discovered DeGrussa copper-gold discovery by Sandfire Resources Limited
 - covers an entire basement high/greenstone belt and extensions to the Jenkin Fault, both of which are considered key elements in exploration targeting for DeGrussa-type copper-gold deposits.

A summary of the key assets in ADX’s minerals portfolio is attached to this ASX release.

A well funded, well resourced and aggressive exploration strategy is planned to commence immediately upon completion of the IPO.

ADX has appointed Paterson Securities Limited “PSL” to act as Lead Manager to the IPO in a new entity named Riedel Resources Limited “Riedel”. Riedel has been incorporated to acquire all of the mineral assets of the Company by way of a share sale agreement, conditional upon successful application of Riedel for admission to the official list of the Australian Securities Exchange “ASX”. Riedel intends to raise a minimum of \$5 million of new equity capital through its IPO in two parts, a Priority Offer to existing ADX shareholders and a Public Offer.

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



ADX expects to retain a significant interest in Riedel following completion of the IPO, which is expected to be completed in November 2010. An experienced and talented management team is being assembled to coordinate and manage the IPO process and to then lead Riedel into its exploration and development programs.

The final structure, timing and terms and conditions of the offer will be announced after further consultation between PSL, ADX, and Riedel. The Directors of ADX acknowledge that the manner, timing and pricing of the IPO is dependent on market conditions, which may change over time.

Further details regarding the proposed offer, share subscriptions and the availability of a Prospectus will be advised in due course.

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

Competent Persons Statements

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of AI Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Summary of ADX Energy's Mineral Portfolio



Figure 1. Projects Location Map

Highlights

- High order projects in proven mineralised districts of WA, including exposure to the emerging DeGrussa copper-gold trend
- Existing gold resources – with potential for expansion and development
- Mature, drill ready targets—gold, copper-gold and nickel targets on core project areas
- Aggressive exploration proposed after completion of IPO with key exploration milestones identified

Core Projects

Marymia Project- Peak Hill District WA, ADX 90%

Includes two large contiguous exploration licenses which overlie most of the Baumgarten Greenstone Belt, occupying an area of approximately 431km². Existing exploration targets include structurally controlled gold and copper-gold, magmatic nickel-sulphide and base-metals mineralisation.

The region hosts Sandfire Resource's recently discovered DeGrussa – Conductor 1 deposit and Sipa Resource's Thaduna Copper project.

Millrose Project – Wiluna WA, ADX 100%

Includes two tenements located within the Yandal/Millrose Greenstone Belt which have a combined area of 120km². The project contains Inferred Resources of 309,000oz Au and this mineralisation is open at depth and to the southeast along strike for a further 2km.

Exploration programs will test;

- for the presence and depth extent of high grade, structurally-controlled gold lodes
- for strike extensions to the known mineralisation
- existing regional prospects and targets.

Inferred Resource total 4Mt @ 2.4 g/t for 309,000 oz Au, using a 1 g/t cut off. Good potential exists to substantially increase the existing resources.

Mt Webb Project - West Arunta Regio WA, ADX 100%

Includes four tenements which have a combined area of 568km² in the prospective West Arunta region of WA where promising exploration results have been published by companies including. Aurora, BHP, Meteoric, Ashburton and Toro. Fertile granites within this area have the potential to source structurally controlled copper-gold mineralisation analogous to the Tanami region and IOCG (iron-oxide-copper-gold mineralisation analogous to the Ernest Henry, Olympic Dam and Prominent Hill mines.

Work programs will target existing magnetic/gravity anomalies with generative work to define new targets utilising proven exploration techniques in an under-explored area.

Cheritons Project- Southern Cross WA, ADX 100%

The Cheritons Project covers an area of 58.33km², including the southern strike extension of the Redwing gold deposit (Inferred Resource of 1.4 Mt @ 2.4 g/t Au for 108,000 oz Au. Resource estimate was issued by Sons of Gwalia Limited in November, 2000 - St Barbara Limited 90%/ADX 10% free carried). The tenements



have seen minimal past exploration but have the potential to host gold and/or nickel mineralisation in structurally controlled gold and magmatic nickel sulphide deposits.

In summary, the Company's project portfolio holds excellent potential for the further discovery of gold, gold- copper, nickel and basemetals deposits with additional potential from existing joint venture agreements, royalties and free carried interest positions.