Activities Report
Period Ending 31 December 2012

Highlights

- **Parta Permit, Onshore Romania – Government Ratification**

  The Romanian Government has ratified the concession agreement for the ADX license EX 10 – Parta. ADX (operator) has started to prepare for the Q1 2013 3D and 2D seismic acquisition campaign. Acquisition operations are expected to commence in February 2013.

- **Chorbane License, Onshore Tunisia: Focus on proven oil trend and farmouts**

  Following the renewal of the exploration period for three years to the 12th July 2015 by the Tunisian Authorities (Comité Consultatif des Hydrocarbures), ADX has further matured medium to low risk prospects within the proven oil & gas fairway in the eastern part of the license, which will be the focus of further seismic activity in 2013.

  An agreement to farm out a 10% participating interest to Gulfsands Petroleum plc (“Gulfsands”) was reached. Gulfsands will also take over operatorship in this permit. An additional farm out agreement was executed with TSX-V listed Rift Basin International and is still subject to several conditions.
Offshore Tunisia & Italy – Kerkouane – Pantelleria Permit; d364 C.R-.AX permit (all ADX operated)

ADX is the operator and holds a 60% interest

During the period ADX continued to mature the Geostreamer 3D seismic covered Dougga-West oil exploration prospect. Dougga West has now advanced to the number one exploration drilling candidate for the anticipated 2013-2014 drilling campaign for a number of reasons, which include its:

- large size (230mmbls mean recoverable prospective resources, with an upside of 600mmbls)
- relatively shallow target depth of the high productivity Birsa sandstone reservoir

Onshore Tunisia – Chorbane Permit

ADX is the operator and holds a 40% interest

Following the completion of farmouts – subject to a number of conditions – ADX will hold a 15% non-operated interest.

In line with the strategy to focus on onshore Romania, Central Europe and the offshore Sicily Channel, ADX has started to reduce its position in Chorbane through farmouts. A 10% participating interest has been farmed out to Gulfsands Petroleum plc. Under the terms of the farm out ADX will receive a cash payment of US$100,000 and funding of up to US$600,000 for its share of a planned US$2 million seismic programme to be carried out on the Chorbane permit. Gulfsands will also become operator of the permit.

Several other companies have approached ADX for a share of Chorbane during the quarter. A farm-out agreement, subject to a number of conditions which remain to be fulfilled has been signed with Rift Basin International (TSX-V symbol “RIF”).
Upon paying the following past cost contributions to Alpine, Rift Basin International will earn an undivided 15% working interest in the Permit:

- US$100,000 upon signing of the LOI
- US$ 200,000 on or within 10 days after the receipt by Alpine of approval from ETAP for the Acquisition;
- A further US$ 700,000 upon the earlier of January 31, 2013 and applicable government approval for the Acquisition; and
- a further US$ 300,000 within 10 days of a request by Alpine to Rift Basin International in accordance with the work program and budget issued under the Joint Operating Agreement for the Permit that relates to such seismic acquisition.

ADX and its JV partners intend to acquire the seismic in 2013 and drill the next well latest by 2014. The current license term is valid until July 2015 and carries only one well as the obligatory commitment. Should the above described deals all be completed successfully, ADX will be fully funded for the entire program.

**Romania: Parta Concession – Pannonian Basin**

*ADX is the operator and holds a 50% interest in the awarded block*

During the quarter the Romanian Government has ratified the concession agreement for ADX’s EX 10 - Parta license ("Parta Permit") in Romania. The committed work program for the Parta Permit requires the acquisition of 2D and 3D seismic and the drilling of two exploration wells. ADX holds 50% of the license and is the operator.

In anticipation of the Romanian government ratification, ADX had already tendered, negotiated and awarded a seismic acquisition contract. The seismic survey layout and design was finalized and preparations for the acquisition and obtaining of necessary permits such as environmental permits started in December 2012. The acquisition will commence in February 2013 and take approximately three months time. Due to the excellent prospectivity for oil and gas identified on
vintage seismic data and analysis of past drilling results, ADX and its partner RAG will acquire almost twice as much data as required by the commitment. Drilling of the first well is planned to start in late 2013.

Yours faithfully

WOLFGANG ZIMMER
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