



ADX Energy Ltd

ABN 50 009 058 646

**HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2014**

Directors

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

Company Secretary

Peter Ironside

Registered and Principal Office

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West Perth, Western Australia 6005
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Facsimile: +61 8 9226 5333
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Share Registry

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Solicitors

Freehills
250 St George's Terrace
Perth, Western Australia 6000

Bankers

National Australia Bank
100 St George's Terrace
Perth, Western Australia 6000

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

Stock Exchange Listing

Australian Stock Exchange
2 The Esplanade
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
DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 30 June 2014.

DIRECTORS

The names of Directors of the Company during or since the half-year and up to the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Position
Mr Ian Tchacos	Non-Executive Chairman
Dr Wolfgang Zimmer	Managing Director
Mr Paul Fink	Technical Director
Mr Andrew Childs	Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

Summary of Financial Performance

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

	Consolidated 30 June 2014	Consolidated 30 June 2013
	\$	\$
Net profit/(loss) for the half-year after tax	(314,973)	(3,821,863)
Included in loss for the half-year:		
Revenue from farmouts	267,720	894,165
Exploration impairment	-	(2,848,574)
Impairment of investment in associate	-	(600,000)
Share of loss in associate	-	(855,697)
Share-based payments expense	(101,307)	2,360
Basic profit/(loss) per share (cents) from continuing operations	(0.06) cents	(0.79) cents
Net cash (used in) operating activities	(589,710)	(987,629)
Net cash (used in) investing activities	(408,275)	113,547
Net cash (used in) financing activities	-	-

During the six month period:

- Exploration assets increased by A\$253,185. This was primarily expenditure on the Parta Joint Operation in Romania.
- In January 2014, ADX received the \$250,000 deposit relating to the agreement signed last year on 23 December 2013. Under this agreement 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, expected to be granted by end of 2014. Refer also to the subsequent events note in this report.

Asset Transactions and Corporate Activities

There were no significant asset transactions or corporate activities.

ADX ENERGY LTD
DIRECTORS' REPORT

Operations Review

ONSHORE ROMANIA (ADX operated)

Parta Permit, Western Romania, 50% interest

Following the Q4 2013 seismic acquisition and the excellent results in terms of both data quality and prospectivity, planning and permitting for the Q3 2014 campaign have been progressed in 2014. The new seismic survey will also include a dense 2D, high resolution grid over a prospect identified on the 2013 seismic campaign. This prospect could be the first drilling target in the Parta license. It contains both a shallow gas opportunity as well as an oil discovery opportunity below the gas prospect, which is supported by seismic amplitude anomalies (AVO effect). While 3D seismic is certainly preferable to line up a good size portfolio of drilling targets, the 2D infill seismic over the prospect is acquired with a view towards an early drilling of the first Parta well, possibly in Q1 2015.

In preparation for the next anticipated exploration and field rejuvenation licensing round (Round 11) where it is expected that 36 blocks will be offered, ADX has progressed the evaluation of new opportunities and open exploration areas.

OFFSHORE ITALY AND TUNISIA (ADX operated)

Kerkouane, Pantelleria, d364 C.R.-AX & d363 C.R.-AX permits (all 100% interest)

In Italy ADX succeeded to secure the award of the new offshore exploration permit d 363 C.R.-AX ("Nilde" permit). The awarded permit is on trend with ADX's offshore Tunisian Kerkouane Permit. It contains the ENI operated and abandoned Nilde oil field. With this new additional award ADX has now secured a large exploration area in the proven but underexplored foothill belt area of the Sicily Channel. This area 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, despite several oil and gas discovery on this trend.

In addition to generally excellent prospectivity of the area, the specific newly obtained Italian "Nilde" license block would also allow relatively smaller discoveries to be commercially developed. This is due to a combination of water depths predominantly less than 100 meters and the appropriate fiscal regime in Italy.

On the Tunisian side of the foothill belt trend (Kerkouane license), ADX also holds a 100% operated interest in all permits after the withdrawal of Gulfsands. A two years license extension has been agreed with the Tunisian authorities. Final government ratification is pending.

With a 100% operated interest in its entire Sicily Channel license portfolio (see tenement list below), ADX has started a renewed farmout campaign. The 2 year extension period will allow for the opportunity to acquire additional 3D seismic and hence add significant value to the prospect portfolio in a very prospective area which in the past has suffered from mostly limited quality 2D seismic vintage data.

ONSHORE TUNISIA

Chorbane Permit, (Sale of 30% non operated interest)

Subject to government approvals and Gulfsands meeting its financial obligations under the Settlement Agreement dated 23 December 2013, ADX will transfer its entire remaining 30% participating interest in its Chorbane exploration permit onshore Tunisia to Gulfsands. Under the terms of the agreement ADX has received a cash payment of US\$ 250,000 after execution of the agreement and will be paid a further US\$1,500,000 after receipt of the required government ratification. Refer also to the Subsequent Events note in this report.

NEW VENTURES ACTIVITIES

New opportunities were screened routinely and several projects are in an evaluation phase.

ADX ENERGY LTD
DIRECTORS' REPORT

TENEMENTS LIST

Tenements held at the beginning and the end of the half year reporting period as per below table:

Permit	Percentage held at the beginning of the Quarter	Percentage held at the end of the quarter	Percentage acquired
Offshore Tunisia, Kerkouane, ADX operated	100%	100%	-
Onshore Tunisia, Chorbane, Gulfsands operated	0% (**)	0% (**)	-
Offshore Italy, Pantelleria, ADX operated	100%	100%	-
Offshore Italy, d 364 C.R-AX, ADX operated	100%	100%	-
Offshore Italy, d 363 C.R-AX, ADX operated	0%	100%	100%
Onshore Romania, Parta, ADX operated	50%	50%	-

(**) subject to government approval and Gulfsands meeting its financial obligations under the Settlement Agreement dated 23 December 2013.

ADX Energy holds 18% shares of ASX listed Riedel Resources Limited (<http://www.riedelresources.com.au>).

SUBSEQUENT EVENTS

On 14 August 2014, ADX announced that the Tunisian Authorities (Comité Consultatif des Hydrocarbures) approved a 2 year extension of the Exploration period for the Kerkouane permit offshore Tunisia for two years to 21 February 2016.

On 15 August 2014, ADX announced that that 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 interests in the Chorbane permit, onshore Tunisia to Gulfsands.

Pursuant to the Settlement Agreement with Gulfsands Petroleum Tunisia Limited and Gulfsands Petroleum Plc, announced on 23 December 2013, completion of the Chorbane Assignment was conditional upon the issue of this confirmation by the General Department of Energy of the Republic of Tunisia (DGE). This Condition Precedent was satisfied on 11 August 2014. As all conditions are now met Gulfsands is obliged within ten London business days to complete and pay US\$ 1.5 million to ADX.

Gulfsands has asserted that the transaction has completed and further that as ADX has among other things not supplied all data and information to it in accordance with the Settlement Agreement, it will not be making the payment under the Settlement Agreement. ADX believes that completion has not occurred and cannot occur until the final consideration payment is made. ADX is extremely surprised by this communication and awaits particulars as it is firmly of the belief that it has fully and timely discharged all of its obligations under the Settlement Agreement. ADX will investigate Gulfsands assertion and advise the likely course of action in due course.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

ADX ENERGY LTD
DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

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

“Lead auditor’s independence declaration under Section 307C of the Corporations Act 2001

To: The Directors of ADX Energy Ltd

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:

- no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 30 June 2014 financial statements; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan
Lead Auditor
Rothsay Chartered Accountants”

This report is made in accordance with a resolution of the directors.



Wolfgang Zimmer
Managing Director
PERTH, 21 August 2014

ADX ENERGY LTD
INDEPENDENT REVIEW REPORT



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Independent Review Report to the Members of ADX Energy Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for ADX Energy Ltd for the half-year ended 30 June 2014.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 30 June 2014 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of ADX Energy Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of ADX Energy Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 30 June 2014 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads 'Rothsay'.

Rothsay

A handwritten signature in blue ink that reads 'G R Swan'.

Graham R Swan
Partner

Dated 21 August 2014



Chartered Accountants

ADX ENERGY LTD
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of ADX Energy Ltd, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - 1) giving a true and fair view of the financial position as at 30 June 2014 and the performance for the half-year ended on that date of the consolidated entity; and
 - 2) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Wolfgang Zimmer
Managing Director

PERTH, 21 August 2014

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Note	Half-year ended 30 June 2014 \$	Half-year ended 30 June 2013 \$
Continuing Operations			
Revenue and Income			
Interest Revenue		9,943	23,387
Other revenue		267,720	894,165
		<u>277,663</u>	<u>917,552</u>
Expenses			
Administration and corporate expenses, net of recoveries from exploration projects	3	452,677	432,683
Exploration expensed		110,175	-
Exploration impairment	5	-	2,848,574
Impairment of investment in associate		-	600,000
Share of loss from associate		-	855,697
		<u>562,852</u>	<u>4,736,954</u>
Loss before income tax		(285,189)	(3,819,402)
Income tax expense		(29,784)	(2,461)
Net loss for the half-year		<u>(314,973)</u>	<u>(3,821,863)</u>
Other Comprehensive Income/(Loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(360,877)	998,873
Income tax relating to items of other comprehensive income/(loss)		-	-
		<u>(360,877)</u>	<u>998,873</u>
Other comprehensive income/(loss) for the period, net of tax		(360,877)	998,873
Total comprehensive income/(loss) for the period		<u>(675,850)</u>	<u>(2,822,990)</u>
		Cents Per Share	Cents Per Share
Basic loss per share	2	(0.06)	(0.79)

ADX ENERGY LTD
CONSOLIDATED
BALANCE SHEET
AS AT 30 JUNE 2014

	Note	As at 30 June 2014 \$	As at 31 Dec 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		664,753	1,702,778
Trade and other receivables		391,549	522,955
Other financial assets at fair value		2,203	2,343
Total Current Assets		1,058,505	2,228,076
Non-Current Assets			
Receivables		15,464	19,670
Property, plant and equipment		104,915	147,425
Deferred exploration expenditure	5	4,855,794	4,602,609
Investment in associate		-	-
Total Non-Current Assets		4,976,173	4,769,704
Total Assets		6,034,678	6,997,780
LIABILITIES			
Current Liabilities			
Trade and other payables		163,707	551,504
Provisions		20,532	20,099
Total Current Liabilities		184,239	571,603
Total Liabilities		184,239	571,603
Net Assets		5,850,439	6,426,177
EQUITY			
Contributed equity	6	63,222,181	63,222,181
Reserves		5,008,800	5,269,565
Accumulated losses		(62,380,542)	(62,065,569)
Total Equity		5,850,439	6,426,177

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 January 2013	62,263,381	3,571,139	(55,461,595)	10,372,925
Loss for the half-year	-	-	(3,821,863)	(3,821,863)
Exchange differences on translation of foreign operations	-	998,873	-	998,873
Total comprehensive loss for the period, net of tax	-	998,873	(3,821,863)	(2,822,990)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	-	-	-	-
Share based payments	-	(2,360)	-	(2,360)
	-	(2,360)	-	(2,360)
At 30 June 2013	62,263,381	4,567,652	(59,283,458)	7,547,575
At 1 January 2014	63,222,181	5,269,565	(62,065,569)	6,426,177
Loss for the half-year	-	-	(314,973)	(314,973)
Exchange differences on translation of foreign operations	-	(360,877)	-	(360,877)
Total comprehensive loss for the period, net of tax	-	(360,877)	(314,973)	(675,850)
Transactions with owners in their capacity as owners:				
Issue of share capital, net of transaction costs	-	-	-	-
Share based payments	-	100,112	-	100,112
	-	100,112	-	100,112
At 30 June 2014	63,222,181	5,008,800	(62,380,542)	5,850,439

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

CONSOLIDATED	Half-year ended 30 June 2014 \$	Half-year ended 30 June 2013 \$
Cash Flows from Operating Activities		
Receipts in the ordinary course of activities	30,062	20,966
Payments to suppliers and employees	(599,931)	(1,031,982)
Interest received	9,943	23,387
Income tax paid	(29,784)	-
Net Operating Cash Flows	(589,710)	(987,629)
Cash Flows from Investing Activities		
Proceeds from sale of plant and equipment	-	11,725
Payments for plant and equipment	(1,571)	(20,431)
Payments for capitalised exploration expenditure	(531,655)	(1,121,092)
Proceeds from farmouts	273,450	833,940
Costs associated with farmouts	(72,933)	-
Repayment of deposit	(108,090)	-
Payments made on behalf of joint venture partners	(692,179)	(562,299)
Repayments from joint ventures	724,703	971,704
Net Investing Cash Flows	(408,275)	113,547
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	-
Payment of share issue costs	-	-
Net Financing Cash Flows	-	-
Net Increase/(Decrease) In Cash and Cash Equivalents	(997,985)	(874,082)
Cash and Cash Equivalents at beginning of half- year	1,702,778	2,080,538
Effect of foreign exchange rates	(40,040)	329,836
Cash and Cash Equivalents at End of Half-Year	664,753	1,536,292

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

1. Basis of Preparation of Half-Year Financial Statements

This general purpose consolidated financial report for the half-year ended 30 June 2014 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

ADX Energy Ltd is a company limited by shares, domiciled and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange.

The Group is a for profit entity and is primarily involved in hydrocarbon exploration, evaluation, and development.

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report for the year ended 31 December 2013 and any public announcements made by ADX Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial statements have been prepared in accordance with the historical cost basis.

The half year consolidated financial statements comprise the financial statements of ADX Energy Ltd and its subsidiaries ("Group") as at 30 June 2014.

Going Concern

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

The ability of the Company to continue as a going concern is dependent on the success of capital fundraising, farmouts of projects or other financing opportunities. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should fundraising, farmouts or any alternative financing opportunities be unsuccessful, the Company may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

1. Basis of Preparation of Half-Year Financial Statements - continued

Adoption of New or Revised Standards

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

All new and amended Accounting Standards and Interpretations effective from 1 January 2014 have been adopted, including:

- AASB 1053 Application of Tiers of Australian Accounting Standards

This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards
- Tier 2: Australian Accounting Standards -Reduced Disclosure Requirements

The adoption of AASB 1053 had no effect on ADX as it falls into Tier 1 category and continues with full disclosure.

- AASB 2011-4 Amendments to Australian Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124)

This amendment removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. None of these disclosure requirements are applicable to the half-year financial report.

- AASB 2012-3 Amendments to Australian Standards Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The adoption of AASB 2012-3 had no effect on the financial position or performance of the Group.

- Interpretation 21 Levies

This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation. The adoption of Interpretation 21 had no effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

2. Earnings Per Share

The Company's potential ordinary shares, being its options granted, have been excluded in the determination of diluted earnings per share as they are considered to be anti-dilutive for the periods presented.

	Consolidated	
	6 Months to 30 June 2014	6 Months to 30 June 2013
	\$	\$
3. Expenses		
Administration and corporate expenses include:		
Depreciation	33,968	30,844
Share based payments/(reversal) – options	101,307	(2,360)
	135,275	28,484

4. Non-Cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period (six months to 30 June 2013: none).

	Consolidated	
	30 June 2014	31 December 2013
	\$	\$
5. Deferred Exploration Expenditure		
Deferred exploration and evaluation costs brought forward	4,602,609	6,125,323
Capitalised expenditure incurred during the year	528,569	2,160,237
Expenditure written off during the year	-	(4,647,690)
Currency translation differences	(275,384)	964,739
Deferred exploration and evaluation costs carried forward	4,855,794	4,602,609

6. Contributed Equity

		6 Months to 30 June 2014
Number of Shares	Summary of Movements	\$
545,367,175	Opening balance 1 January 2014	63,222,181
-	Issued during the six months	-
545,367,175	Closing Balance at 30 June 2014	63,222,181

ADX ENERGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

7. Share Based Payments

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

	Consolidated	
	6 Months to 30 June 2014	6 Months to 30 June 2013
	\$	\$
Expensed/(reversals) in the profit and loss:		
Share-based payments – options	101,307	(2,360)

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

6 Months to 30 June 2014

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:

	24/02/2014
Grant date	
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

6 Months to 30 June 2013

No options granted

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.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

8. Commitments and Contingencies

Since the last annual reporting date, there have been no material changes of any commitments or contingent liabilities.

9. Subsequent Events

On 14 August 2014, ADX announced that the Tunisian Authorities (Comité Consultatif des Hydrocarbures) approved a 2 year extension of the Exploration period for the Kerkouane permit offshore Tunisia for two years to 21 February 2016.

On 15 August 2014, ADX announced that that 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 interests in the Chorbane permit, onshore Tunisia to Gulfsands.

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No other matter or circumstance has arisen since 30 June 2014 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.