

ASX Release  
29 January 2009

## **Quarterly Exploration Activities Report**

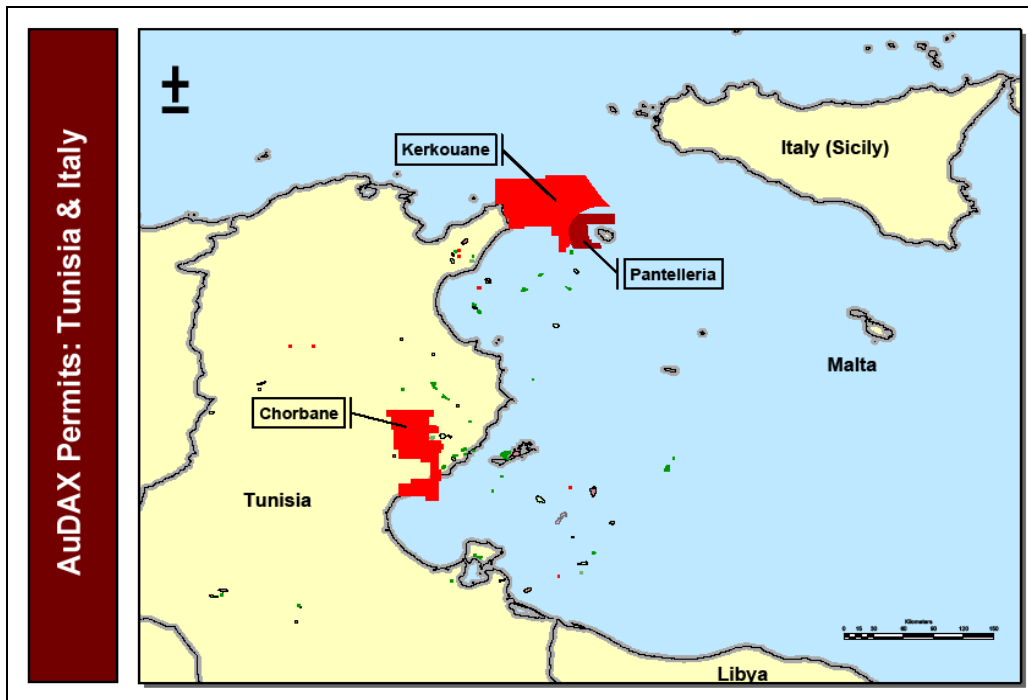
The Directors wish to report the following activities during the quarter ended 31<sup>st</sup> December 2008.

- **Completion of acquisition of Italian G.R15.PU Permit on 29 October 2008**
- **Completion of tender documentation for Sicily Channel prospects (Kerkouane and Pantelleria permits)**
- **Kerkouane Seismic Tender completed**
- **Sicily Channel Farm out activities continued**
- **Chorbane now at 100% equity after Kairiki withdrawal**
- **Ongoing Perenco drilling on a structure which extends into Chorbane license (as per AuDAX mapping) could lead to first oil discovery on block**
- **Proposed Candax re-drill of the Chaal gas condensate field which extends into Chorbane permit may add reserves and open up deep gas condensate potential.**

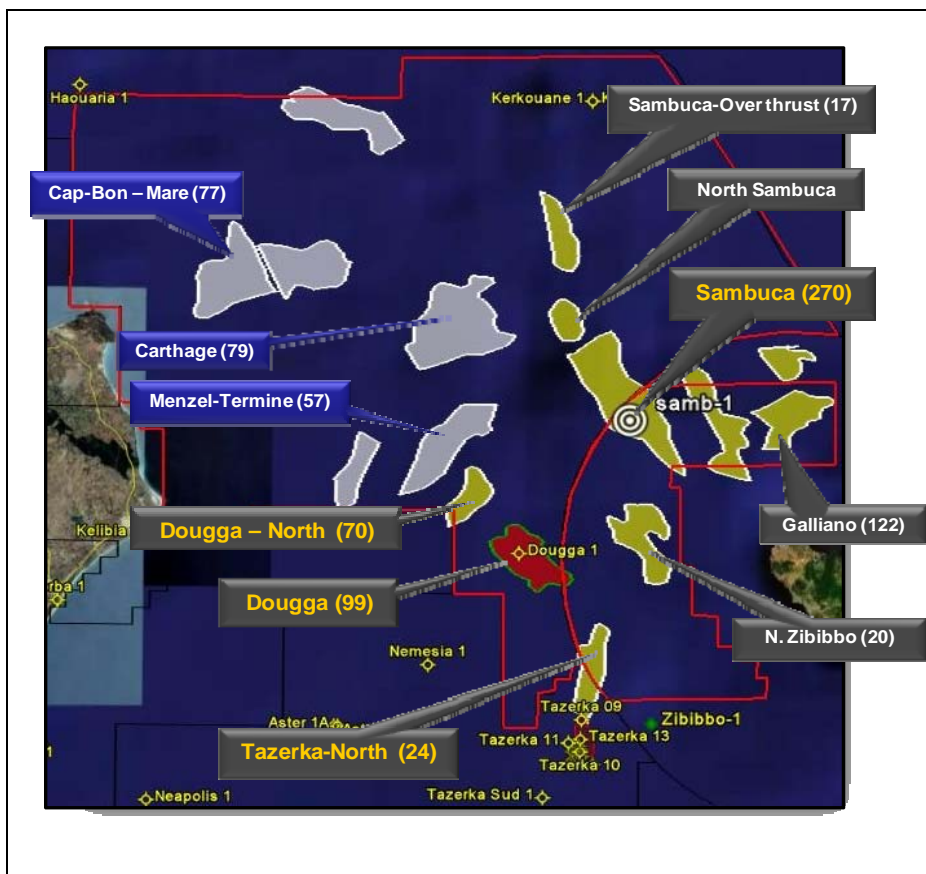
### **Tunisian permit - Kerkouane**

As previously reported, AuDAX Resources Ltd (ASX:ADX) through its wholly owned subsidiary Alpine Oil & Gas Pty Ltd completed the acquisition from Stratic Energy Corporation ("Stratic"), a Canadian oil and gas company, to acquire Stratic's 100% interest in the Kerkouane permit located offshore northeast Tunisia. In addition, AuDAX signed a Sales and Purchase agreement for a 30% interest in the permit with Kairiki Energy Limited ("Kairiki") (ASX:KIK).

The Permit has a two (2) year exploration period to 22 February 2010. Acquisition of 400km 2D seismic and spudding of one well is required in the two year period. AuDAX is the contractor under the permit and operates on behalf of Enterprise Tunisienne d'Activités Pétrolières ("ETAP").



*AuDAX licenses in Italy and Tunisia (Pantelleria + Kerkouane = “Sicily Channel”)*



*Sicily Channel Prospects with P50 un-risked recoverable resources in mmboe*

AuDAX has identified a large number of prospects and leads in the permit and confirmed a gas condensate field appraisal project. The total P50 un-risked recoverable resource potential in the permit could exceed one billion barrels of oil equivalent.

Preparing for drilling of one of the two leading prospects – i.e. Sambuca and Dougga (appraisal of a gas condensate discovery), AuDAX has completed the drilling tender documentation with a drilling management consultant and has continued active discussions with other operator's active offshore Tunisia with regard to a shared drilling program to significantly reduce costs. Due to the current bearish global market situation a drilling cost reduction can be expected.

On behalf of and together with two other operators active in offshore Tunisia AuDAX has undertaken a 2D seismic acquisition tendering process. Currently acquisition planning is ongoing.

Farm out activities continued during the period.

### **Tunisian permit – Chorbane**

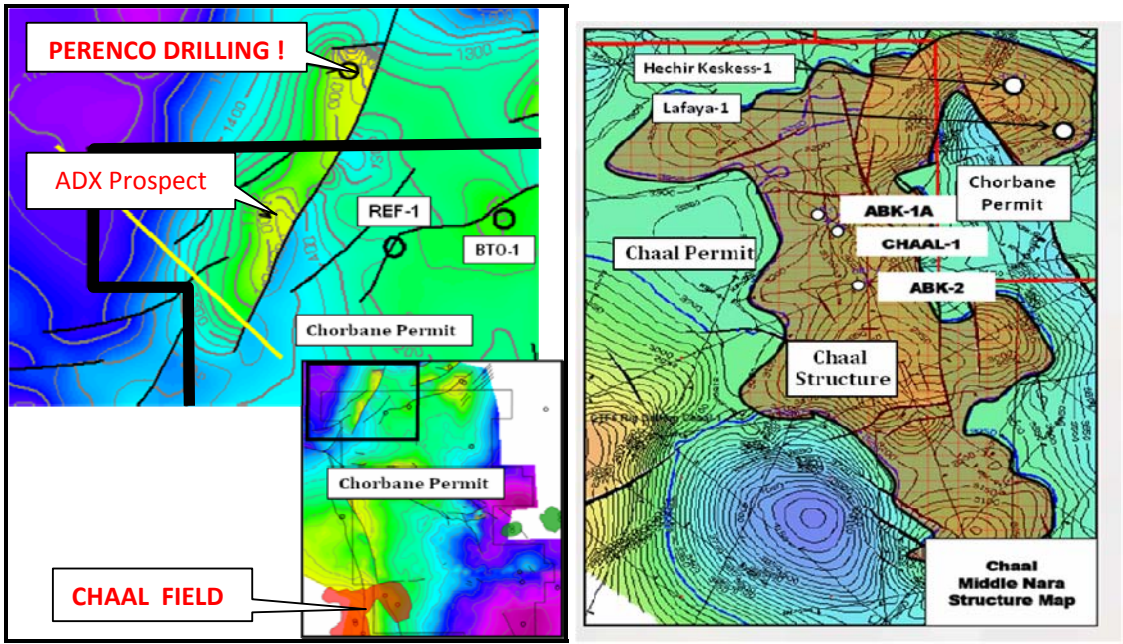
As reported previously, in November 2007, AuDAX and Kairiki entered into a conditional purchase agreement with Stratic to acquire a 100% interest in the Chorbane permit located onshore in southeast Tunisia for US\$1 million. AuDAX and Kairiki were supposed to each hold a 50% interest in the permit. Completion of the transaction is conditional on approval by the relevant Government authorities.

Kairiki, on November 3, 2008, informed the Tunisian authorities and AuDAX that they will not complete the proposed acquisition of the Chorbane Permit from Stratic Energy Corporation. AuDAX formally requested that the Tunisian authorities assign Kairiki's interest, right, and obligations to its wholly owned subsidiary, Alpine Oil & Gas Pty Ltd. The request has been approved in principle and will be official with the finalization and signing of the Production Sharing Contract which is expected in the near future. Assumption of Kairiki's 50% interest fits AuDAX's corporate strategy of acquiring controlling interests in low to moderate risk prospects with moderate onshore drilling costs that have significant upside.

Two recent developments are of significant interest to the Chorbane Permit prospectivity. The first is the identification of a Cretaceous prospect in the northwest portion of the permit (Figure 1) that extends northward into the adjoining Takrouna permit. The structure has two separate culminations and Perenco Tunisia Co. is currently drilling the northern high (Mechertate SE-1). The planned TD is 2100 meters with the Upper Cretaceous Abiod Formation as the primary objective and the Bireno, Zebbag and Serdj Formations as secondary targets.

The second development is the proposed redrill of the Candax Chaal 1 well to test the deliverability of the Jurassic Lower and Middle Nara Formation which reported a gas bearing interval of 450 meter gross with a 90 meters net reservoir interval. The structure extends into the southwest portion of the Chorbane Permit. Two wells drilled on the structure however both terminated before reaching the perspective Lower and Middle Nara gas bearing interval of the Chaal 1 well. The Lafaya TDed in the Lower Cretaceous and the Henchir Keskes-1 penetrated only 18 meters of the Upper Nara Formation (Figure 2). Analysis of the gas from

the Chaal 1 well confirmed high quality gas/condensate having a CO<sub>2</sub> content of 0.4% with no H<sub>2</sub>S present. The Chaal discovery proves a Jurassic source for the area and that high quality gas/condensate exists at considerable depth (Well TDed at 4600 meters) and upgrades the potential of the deep potential of the Chorbane Permit.



Farm out activity is ongoing and AuDAX is currently in advanced discussions with interested parties.

### Tunisian AMI

The previously announced Area of Mutual Interest (“AMI”) agreement between AuDAX, Kairiki and Nexus Energy Ltd continued to seek new opportunities in Tunisia.

In November Kairiki has informed the partners that it does not wish to continue to participate in the AMI.

The new interests in the AMI are:

Tunisian AMI Interest	
AuDAX Resources Ltd	50%
Nexus Energy Limited	50%

During the quarter AuDAX has refined the regional prospectivity review for Tunisia. The AMI will now start to look for entry opportunities in the most prospective areas.

### **Italian permit – G.R15.PU**

In January 2008, AuDAX entered into a conditional Purchase Agreement with Stratic to acquire a 100% interest in the Italian permit G.R15.PU, located offshore the island of Pantelleria southwest of Sicily for US\$1 million. This block is contiguous with the Tunisian Kerkouane Permit where the acquisition closed on 31 July 2008.

The request for transfer of the title for G.R15.PU from Stratic to AuDAX was approved on 9 July 2008 by the Italian authorities.

A new subsidiary, AuDAX Energy Srl was incorporated in Italy as the operating affiliate of AuDAX Resources Ltd.

Currently the license is under suspension until the start of drilling operations. A suspension was granted by the Italian authorities on the 2<sup>nd</sup> July 2008.

On 29<sup>th</sup> of October 2008, AuDAX completed the acquisition of the offshore Exploration permit. Previous exploration work has identified a number of prospects and leads, the most prospective with the largest resource potential being the mature Sambuca prospect with P50 un-risked recoverable resources of 270 mmboe and upside (P10) close to a billion barrels.

AuDAX has completed the drilling tender documentation and has started discussions with other operators in the area with regard to a shared drilling program to significantly reduce costs.

### **Romania AMI**

AuDAX had a free carried interest in a Joint Study and Bidding Agreement between AuDAX, Kairiki and Nexus Energy to investigate and apply for projects in Romania and a 33 1/3% participating interest in an AMI with Kairiki and Nexus to investigate and acquire oil and gas projects in Romania until 30 of September 2008.

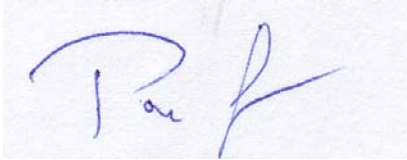
The 9<sup>th</sup> Bidding Round for a number of oil & gas field rejuvenations was announced on 16 October. AuDAX and its AMI partners have entered Romania for the purpose of the large 10<sup>th</sup> Round exploration license but during the quarter have completed an evaluation of the 9<sup>th</sup> Round fields, including seismic, wireline and geological data. The AMI decided not to bid for any of the fields but has further enhanced its database and understanding of Romanian prospectivity in preparation for bid round 10.

### **Australia - PEL 182 Cooper Basin**

AuDAX has a 49.9% interest in the permit. Suspension was granted on 23 September. Since AuDAX has taken over operatorship of the PEL 182 permit in the Cooper Basin it has refocused the exploration activity and the corresponding work program. AuDAX has undertaken a review of existing technical and commercial work. A new interpretation of the seismic data and a review of the Vanessa gas discovery were presented to PIRSA (Department of Primary Industries and Resources of South Australia). Subsequently a suspension was granted on 23 September. The suspension for the current license year 2 is until 1 March 2009 during which time seismic data reinterpretation and preparation for further 2D seismic acquisition is ongoing.

During the quarter AuDAX completed a detailed in house interpretation, reviewed the existing oil prospects, identified further prospects on trend with the Vanessa gas discovery and consequently identified the most promising areas for further seismic data acquisition.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Paul Fink', is written on a light-colored background.

PAUL FINK  
Technical Director