



23 March 2017

## ADX ENGAGES TECHNIPFMC TO UNDERTAKE DOUGGA DEVELOPMENT CONCEPT STUDY

**ADX Energy Ltd (ASX:ADX) announces that it has engaged TechnipFMC to undertake a development concept study for the Dougga Gas Condensate discovery, offshore Tunisia.**

TechnipFMC will consider alternative conceptual designs, based on existing, proven technology that can reliably deliver reduced capital and operating costs. The Dougga Gas Condensate discovery is ideally located only 45kms from shore in 330 meters of water, to be developed via a subsea tie back to an onshore gas plant where gas can be processed to remove valuable Condensate and LPG's.

By leveraging the extensive capability and vendor based pricing accuracy of TechnipFMC in subsea developments at this early stage, this work will provide the opportunity to reduce overall development cost for Dougga. The relationship with TechnipFMC is expected to strengthen ADX Energy's case to service and supply companies thereby saving time, resources and cost.

Dougga is potentially a very valuable resource given the high liquids content and the strong demand for gas in Tunisia. Gas utilisation is growing at approximately 4% per annum and Tunisia is now importing approximately 50% of its requirements. Alternative high value gas markets exist in Europe which are also accessible via the Transmed pipeline connecting Tunisia to Italy. ADX has previously reported that Dougga contains an independently assessed most likely (2C) Contingent Resource of 517 BCF of Sales Gas and 91 mmbbls of liquids (condensate and LPG). ADX subsequently announced additional prospective resources up dip from the original Dougga discovery well based on 3D seismic interpretation and mapping.

ADX believes that by demonstrating a compelling technical and commercial case for the development of Dougga, funding can be secured for an appraisal well. A Dougga appraisal well is intended to prove the viability of a development through the demonstration of commercial flow rates and potentially add to the gas and liquids resources based on the substantial 3D seismic defined up dip potential.

***Note.** Sources: Competent persons reports (CPR) by TRACS and ISIS, Development Plan by Genesis. Dougga Gas Condensate Appraisal – Contingent unrisks resources The Tracs CPR from July 2012 estimated a 70% chance of success for a commercial development.*

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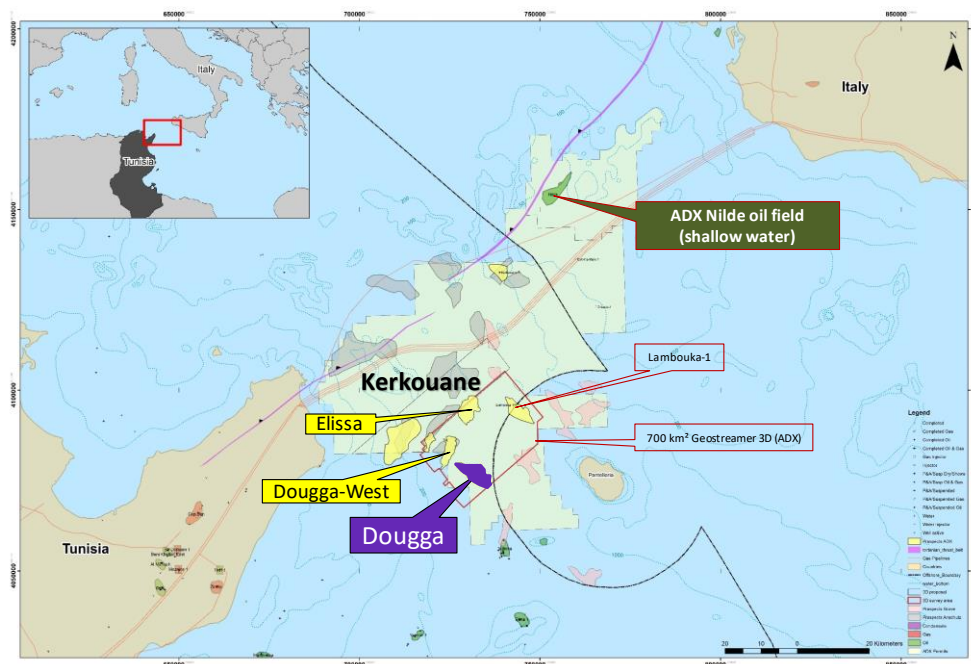
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In addition to the development concept work, ADX will initiate a geological study utilising the high quality 3D seismic over the structure to investigate the potential for improved reservoir quality at the crest of the Dougga structure (up dip from the Dougga discovery well) as well as appraisal drilling planning and design. The intention is to be in a position to attract partners to a well defined appraisal development project during the second half of 2017.



Dougga represents a large, valuable resource project with substantial long term potential that compliments the near term cash flow opportunity provided by ADX’s Nilde Oil Re-development Project located in Italian waters offshore Sicily. The existence of substantial tie in potential with nearby stranded gas condensate discoveries defined on 3D seismic further enhances the strategic potential of a Dougga gas project.

The favourable contractor environment has provided the opportunity to undertake feasibility studies in a cost effective and commercially aligned manner with a leading industry engineering company. It is expected that this approach in the current environment will also deliver significant reductions in project capital costs and operating costs.

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*PERSON COMPILING INFORMATION ABOUT HYDROCARBONS* Pursuant to the requirements of the ASX Listing Rules 5.41 and 5.42, the technical and resource information contained in this presentation has been reviewed by Paul Fink, Technical Director of ADX Energy Ltd. Mr. Fink is a qualified geophysicist with 23 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this presentation and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers)

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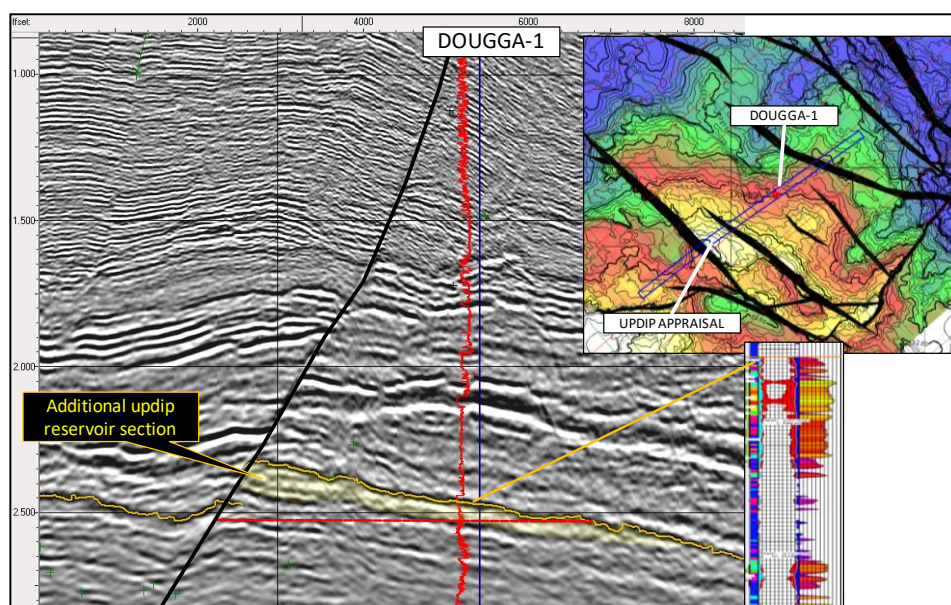
### ***Dougga Gas Condensate Discovery Background***

Shell discovered the Dougga gas field in 1981, a time when gas was of little value and offshore condensate stripping not a readily available technology. The discovery well flowed condensate rich gas from a relatively short mechanically failed well test. The total hydrocarbon column is around 500 meters under a thick regional seal of over 550 meters.

Dougga 1 is located in 328m of water, 45kms east of Cap Bon. Dougga gas is liquids-rich but also contains 18% to 30% CO<sub>2</sub>. Top reservoir (U. Cretaceous Abiod) was encountered at 3103 m total vertical depth subsea. The discovery well is in good proximity to landfall for onshore gas processing and is well positioned to access domestic and export infrastructure. There is a strong demand for gas in Tunisia at internationally attractive pricing. The liquid-rich nature of Dougga gas enhances the commercial potential of any development.

In 2010 ADX acquired a 740 km<sup>2</sup> Dual Sensor 3D seismic survey including the Dougga area. The excellent data quality allowed ADX to confidently define the field's gross rock volume. It also showed that the Dougga-1 well was drilled approximately 300 meters downdip from the crest of the structure.

Since 2011, ADX has concentrated on the exploration potential of the permit in order to maximize the value of its 740 sqkm Geostreamer 3D seismic data set in the large 3100 km<sup>2</sup> Kerkouane block rather than the commercialisation of the Dougga discovery.



**Map and 3D seismic cross section showing Dougga discovery and up dip potential.**

ADX believes an appraisal strategy is more desirable than higher risk exploration. Importantly the commerciality of Dougga can be significantly enhanced through substantial cost savings associated with a revised basis of design utilising subsea wells tied back to an onshore liquids removal and gas processing facility.

Excellent 3D seismic data quality has allowed ADX to confidently define the field’s gross rock volume. It has also showed that the Dougga-1 well which encountered a 500m gas column was drilled approximately 300 meters down dip from the crest of the structure. The ADX mapping of the field (excluding the up dip potential) was independently assessed TRACS/AGR resulting in the contingent resources estimated tabulated below.

<b>Contingent Resources Estimates</b>	<b>1C</b>	<b>2C</b>	<b>3C</b>
<b>Total Oil Equivalent [mmboe]</b>	<b>88</b>	<b>173</b>	<b>268</b>
Liquids: Condensate & LPG [mmbls]	47	91	142
Sales Gas [bcf]	264	517	804

*CONTINGENT RESOURCES & DEFINITIONS* Refer to ASX announcement by ADX dated 26/9/2012. ADX confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. All resource figures quoted in this presentation are third party verified. Contingent Resources: those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.