



3 May 2017

Dear Shareholder

ADX Energy Ltd

NON-RENOUCEABLE ENTITLEMENT ISSUE - ELIGIBILITY

AUSTRALIA

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On 1 May 2017, ADX Energy Ltd (**ADX** or the **Company**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of ADX (**New Shares**) via a non-renounceable entitlement issue on the basis of one (1) New Share for every five (5) shares held by shareholders registered at 5.00 pm (AWST) on 10 May 2017 (**Record Date**) at an issue price of \$0.013 per New Share to raise approximately \$2.4 million (**Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 1 May 2017.

The lead manager to the offer is QA Capital Pty Limited. For information relating to the fee payable to the lead manager please refer to the Company's Prospectus.

The funds raised are intended to be used to fund exploration and appraisal expenditure at the Company's Nilde, Dougga and Parta projects and the Company's working capital.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. Assuming all entitlements are accepted, following completion of the Offer, the Company will have issued approximately 185,803,488 New Shares resulting in total fully paid ordinary shares on issue of approximately 1,114,820,924.

A Shareholder who has a registered address outside Australia, New Zealand and the British Virgin Islands (**Ineligible Shareholder**) on the Record Date will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and the British Virgin Islands compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

For further information on the Offer you should contact ADX's Company Secretary on +61 8 9381 4266 or consult your professional adviser. Alternatively, potential investors for the Shortfall Offer can contact Tony Bonello at QA Capital Pty Limited on +61 2 9231 5673.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Ian Tchacos', written over a light grey horizontal line.

Ian Tchacos
Executive Chairman