

ASX Release
31 July 2008

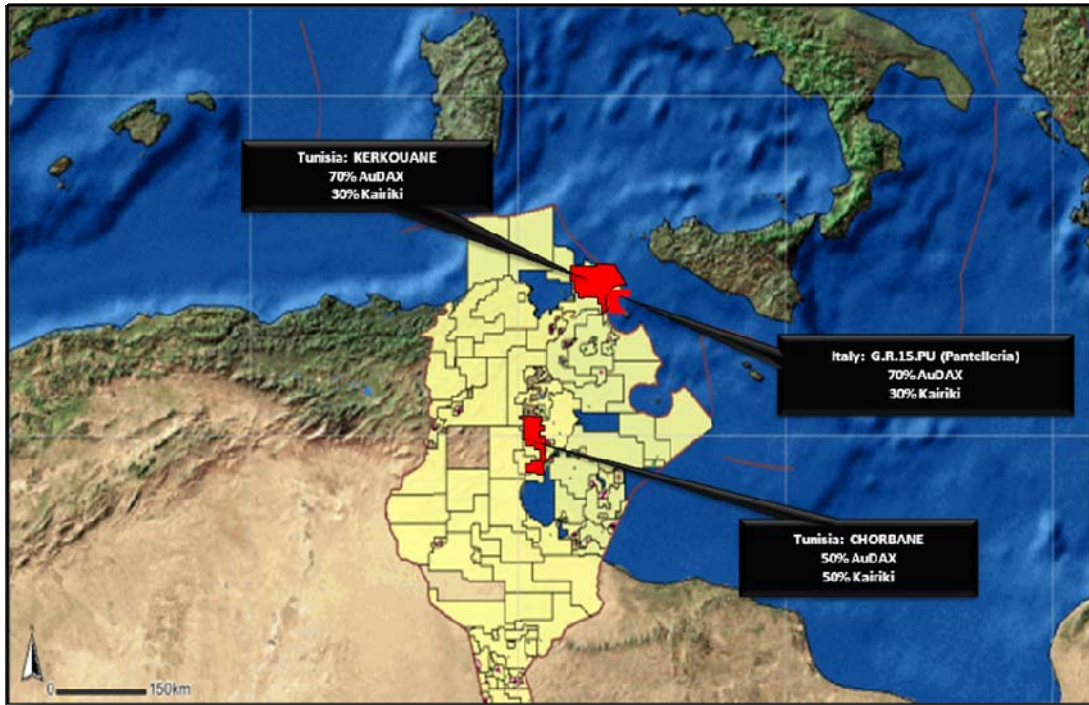
Exploration Activities Report

The Directors wish to report the following activities during the quarter ended 30th June 2008.

- **Completion of acquisition of Tunisian Kerkouane Permit in July**
- **Acquisition of Italian Pantelleria Permit nears Completion**
- **AuDAX to operate PEL 182 Cooper Basin Permit**

Tunisian permit - Kerkouane

As previously reported today, AuDAX Resources Ltd (ASX:ADX) through its wholly owned subsidiary AuDAX Oil and Gas Pty Ltd (formerly 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 sold a 30% interest in the permit to Kairiki Energy Limited (“Kairiki”) (ASX:KIK).



Offshore Tunisian and Italian permit map

Since receiving the data in November 2007, 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. AuDAX has recently engaged a drilling management consultant to prepare for a high impact exploration and appraisal drilling campaign next year and continues to evaluate the remaining prospects and leads inventory.

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.

Included in the Kerkouane permit is the Dougga gas condensate discovery that was made by Shell in 1981 which lies immediately northwest of the abandoned Tazerka oilfield, also discovered by Shell in the early 1980s.

AuDAX is the contractor under the permit and operates on behalf of Enterprise Tunisienne d'Activités Pétrolières ("ETAP") and Kairiki.

Tunisian permit – Chorbane

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 Tunisian for US\$1 million. AuDAX and Kairiki will each hold a 50% interest in the permit.

Completion of the transaction is conditional on approval by the relevant Government authorities and is expected to occur during the third quarter of 2008.

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.

The interests in the AMI are:

	Tunisian AMI Interest
AuDAX Resources Ltd	33.33%
Kairiki Energy Limited	33.33%
Nexus Energy Limited	33.33%

Italian permit – GR.15.PU

In January 2008, AuDAX entered into a conditional Purchase Agreement with Stratic to acquire a 100% interest in the Italian permit GR.15.PU, located offshore the island of Pantelleria southwest of Sicily for US\$1 million. Completion of the transaction is conditional on approval by the relevant Government authorities and is expected to occur during the third quarter of 2008. The request for transfer of the title for GR.15.PU from Stratic to AuDAX was submitted to the Ministero dello Sviluppo Economico on 16 March. Approval was received on 9 July 2008.

During this quarter, AuDAX executed a sale and purchase agreement for the sale of a 30% interest to Kairiki. Previous exploratory work has identified several leads and prospects. The most promising prospect will be matured by AuDAX to a drill ready status in the next few months. In addition to the technical work, AuDAX will have to complete the required permit administration, receive environmental approvals for offshore drilling and complete the tendering process for an offshore rig. AuDAX has engaged a drilling management consultant to prepare for this high impact exploration and appraisal drilling campaign.

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

Romania

In July 2008, AuDAX and Kairiki elected to terminate the acquisition of the SUD Craiova permit in Romania. AuDAX and Kairiki concluded that their efforts were better focused on pursuing higher potential opportunities in Romania with its AMI partner.

AuDAX has 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. During the quarter, AuDAX’ work as operator of the three party Romanian AMI study reached a high level of maturity with statistically-based regional geological analysis nearing completion.

Going forward, this work combined with seismic driven opportunity identification, forms the basis of regional geological risk analysis and will enable the Romanian AMI to formulate a rigorous 'Bid Round' exploration strategy. Data acquisition is ongoing in the second quarter with a second seismic-based study initiated with a consulting group in Romania.

Australia - Cooper Basin – Change of Operator

AuDAX has taken over operatorship of the PEL 182 permit in the Cooper Basin. AuDAX has a 49.9% interest in the permit. By leveraging off of the expertise of recently appointed directors and staff who have significant experience in exploration and development in the basin in prior roles, AuDAX has undertaken a review of existing technical and commercial work as well as statistical analysis of oil and gas production in the basin and is in the process of developing a technically and commercially sound forward work programme. Initial efforts will focus on existing discoveries as well as new work, including reprocessing and seismic, to enable the identification of drilling targets for future permit year commitments. AuDAX also intends to increase the value of the permit by focussing on the Vanessa gas discovery and oil recovered on test from the Emily well.

Corporate

During the quarter, AuDAX issued 16,500,000 options to Directors and consultants and 5,250,000 options to employees. In addition, 2,000,000 options were exercised.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Roper', with a period at the end.

GARY J ROPER
Chairman