

26 June 2009

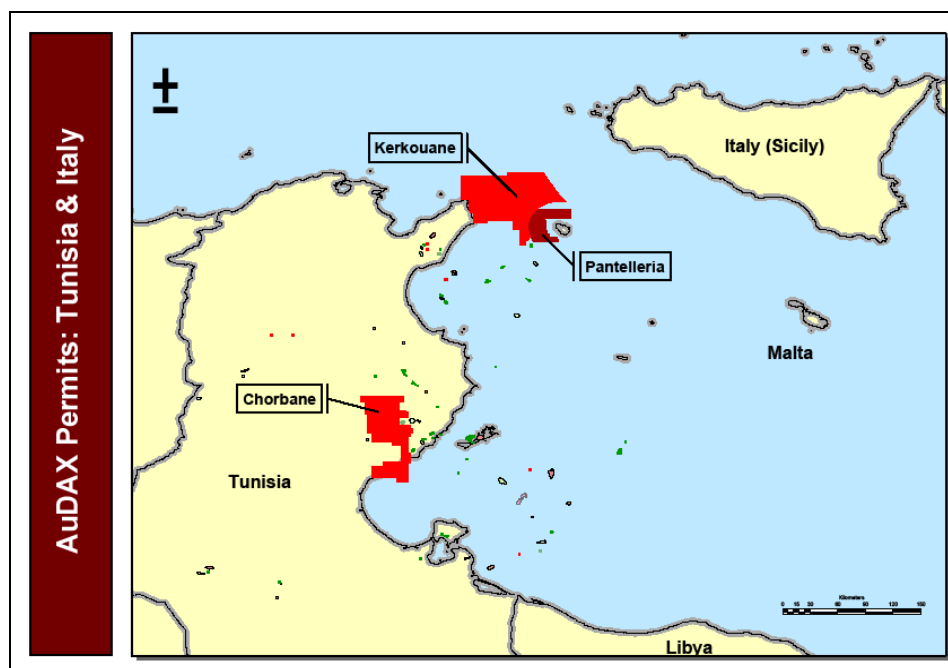
Dear Shareholders

The Directors wish to inform you about recent exploration activities:

- **MoU was signed with PGS Overseas AS on the Sicily Channel Permits in the Mediterranean Sea and AuDAX is currently negotiating the farm in agreement**
- **New Zealand Oil & Gas joined AuDAX operated AMI (study and bidding group) for Romania**
- **AuDAX farmed out 40% interest in Sicily Channel Permits in the Mediterranean Sea and executed Joint Venture Agreements with WEH**
- **AuDAX received approval from ETAP (Enterprise Tunisienne D'Activites Petrolieres) for bidders list of a semisubmersible drilling rig**
- **Preparation of tender for semisubmersible drilling rig commenced**
- **Drilling engineering for Sambuca exploration well ongoing**
- **Chorbane permit farm out activities commenced and farm in negotiations with several interested parties are ongoing**
- **Romanian Government makes Petrom and Romgas relinquishment areas public. AuDAX is pleased to announce that it has focused the past AMI work mainly on these areas and is therefore technically well prepared for the expected upcoming bidding rounds.**

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Tunisian permit – Kerkouane



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

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

Farm out and corporate activities continued during the period and have led to the following results:

1. AuDAX signed a Memorandum of Understanding with PGS Overseas AS, Norway for participation in exploration of the offshore permit G.R15.PU (Pantelleria) within Italian waters and the contiguous offshore permit Kerkouane in Tunisian waters. PGS is the industry leader in marine seismic technology. The understanding is that PGS will pay 30% of a significant future exploration program in exchange for earning a 15% interest. The farm in agreement is currently being negotiated at an advanced stage.
2. On 1st of April 2009 AuDAX entered into an agreement with World Energy Research, a private investment company to farm out 40% of the Sambuca prospect area located in the two contiguous offshore Exploration Permits, G.R15.PU and Kerkouane. World Energy Research will earn a 40% interest in the Sambuca prospect by paying 100% of the expected drilling cost of US\$23 million.
3. On the 12th of May the respective Joint Venture Agreements were signed.
4. On the 18th of May AuDAX received approval from ETAP (Enterprise Tunisienne D'Activites Petrolieres) for bidders list of a semisubmersible drilling rig.

Exploration work within the Pantelleria and Kerkouane Permits has identified a number of prospects and leads, the most prospective being Sambuca, a drill-ready prospect extending from Pantelleria west into the adjacent Kerkouane Permit across the Italian-Tunisian maritime border. Sambuca appears to be one of the largest undrilled structures in the Mediterranean Sea with a total P50 unrisks recoverable resource potential of 270 million barrels of oil equivalent.

Whilst this structure is one of the standout exploration prospects in the Sicily Channel AuDAX continues maturing the remaining prospect inventory with the aim to confirm additional drilling targets. That includes a gas condensate field which has the potential to become a producing asset following successful appraisal drilling.

Based on the currently mapped prospects only, the total P50 unrisks recoverable resource could exceed one billion barrels of oil equivalent in the permits.

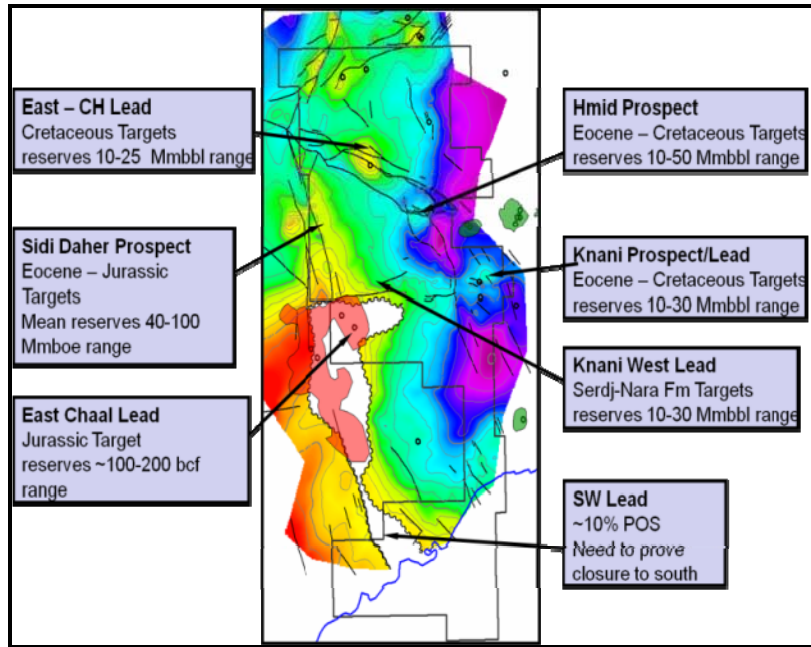
The forward work commitment for the Kerkouane permit requires completing the tendering process for an offshore rig and receiving environmental approvals for offshore drilling. A successful JOCM (Joint Operating Committee Meeting) was held in Tunis with ETAP where ADX presented the technical work undertaken and the forward work program and budget.

Tunisian permit – Chorbane

AuDAX holds 100% of the rights of this low to moderate risk onshore permit and is currently finalizing the PSC (Production Sharing Contract).

Farm out activities are ongoing and AuDAX is currently in advanced discussions with several interested parties.

Chorbane block contains a number of prospects. Technical work is underway to mature them and select the best for drilling. Although the initial reason to obtain the block was to get access to low cost low to medium risk onshore oil with excellent upside potential, the recent positive developments in the Tunisian gas market have further increased the value of Chorbane, because it also contains a number of large gas prospects. Chorbane is located very close to existing infrastructure and gas prices in Tunisia are linked to the oil price.



Chorbane Leads & Prospects

Although technical work has not yet been completed, two gas prospects stand out at the moment: The Sidi Daher prospect with additional shallow oil potential and the East Chaal lead.

East Chaal could be an extension of the neighbouring Candax Energy gas field which according to a Ryder Scott reserves review contains contingent resources of 854 Bcf (source: Candax Energy website). The Sidi Daher oil prospect contains a larger deeper Jurassic gas target with mean recoverable prospective resources of 350 bcf. ADX regional reservoir quality studies have shown that Sidi Daher sits in a very favourable location with regard to the Jurassic gas reservoir quality.

Italian permit – G.R15.PU

AuDAX has a 100% interest in the Italian permit G.R15.PU, located offshore the island of Pantelleria southwest of Sicily. This block is contiguous with the Tunisian Kerkouane Permit. A suspension was granted by the Italian authorities on the 2nd July 2008.

Previous exploration work has identified a number of prospects and leads, the most prospective with the largest resource potential is the mature Sambuca prospect with P50 un-risked recoverable resources of 270 mmbbl and upside (P10) close to a billion barrels. Sambuca is located across the maritime border between Italy and Kerkouane and is discussed in more detail in the previous Kerkouane section.

Romania AMI

In May 2009 the Romanian government through NAMR has started the process of relinquishment of Petrom and Romgas acreage. The relinquished exploration acreage has been made public and AuDAX is very pleased to report that since the start of the AMI it has focused mostly on areas which will become available for bidding in the near future.

New Zealand Oil & Gas (NZOG) has joined the AuDAX operated AMI for Romania with a 33.33% interest. NZOG is a diversified upstream energy company with production, development and exploration in New Zealand and a market capitalisation of approximately \$NZ 500 million.

With NZOG and Nexus Energy as partners backing the AMI, AuDAX is in a very strong position to successfully bid for highly prospective Romanian exploration and development acreage in the upcoming large and historically unique relinquishment of Petrom (controlled by OMV of Austria) and Romgaz licenses. Petrom and Romgaz are currently the largest license holders and oil & gas producers in Romania.

Since the AMI commenced work in late 2007, AuDAX has completed regional prospectivity studies, compiled a large database and has identified the most promising areas within the various relinquishment areas, which are expected to be in excess of 25,000 sqkm of prime exploration and development acreage within the European Community. Recently AuDAX has commenced to evaluate production and development assets which are for sale.

Australia - PEL 182 Cooper Basin

AuDAX has a 49.9% interest in the permit. 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 suspension was granted by PIRSA (Department of Primary Industries and Resources of South Australia) on 23 September until 1 March 2009.

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. A new prospect inventory based on AuDAX work has been generated together with related technical reports. AuDAX has also selected seismic lines for special reprocessing.

PIRSA approved a variation to the work programme of the South Australian onshore Cooper Basin petroleum exploration licence (PEL) 182.

The new work program not only reflects the cost efficient and focused approach to exploration and appraisal activities of the license since AuDAX took over operator ship, but also a significant reduction in financial exposure.

The program is designed to firm up a number of oil and gas prospects which AuDAX has identified since it undertook a thorough reinterpretation of the existing database to drill ready status. To that end permit years 2 and 3 have been combined to allow sufficient time for the acquisition of prospect oriented 2D seismic data and reprocessing of existing data.

The Joint Venture has already drilled four Exploration wells, one of which, Vanessa, was a gas condensate discovery. The well flowed gas at a combined rate of 8 mmscf/d but with high observed skin. This indicates that the potential well flow rate is significantly higher.

Another well Emily-1, recovered oil on DST and remains an attractive opportunity for an up dip well. The new work program is also designed to clarify the reserves potential of this prospective oil field.

Corporate

Technical offices have been established in Vienna to support the Company's main exploration efforts in Europe and North Africa and therefore the Company moved its Perth headquarters to a smaller, less costly office at 610 Murray St, West Perth.

AuDAX completed a Share Purchase Plan to existing shareholders in February raising \$204,500, a placement to sophisticated investors in April raising \$880,000 and in June a placement to institutional investors which raised \$1.1m.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wolfgang Zimmer', written in a cursive style.

WOLFGANG ZIMMER
Managing Director