

ADX Energy Ltd – Investor Update

Summary of Recent Company Activities

Date: 19 February 2021



A European focussed energy producer (ASX:ADX)



DISCLAIMER STATEMENT (1)



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Persons compiling information about Hydrocarbons. Pursuant to the requirements of the ASX Listing Rule 5.31, the unaudited technical and reserves information contained in this release has been prepared under the supervision of Mr Paul Fink. Mr Fink is Technical Director of ADX Energy Limited, 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 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).

ERC Equipoise Pte Ltd (ERCE) has conducted an independent audit of the **Gaiselberg & Zistersdorf Oil Fields** developed Reserves and consented to the inclusion of information specified as ERCE audited values in this release. ERCE is an independent London and Singapore based consultancy specialising in geoscience evaluation, engineering and economic assessment. The CPR has been prepared in accordance with the June 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System (PRMS) as the standard for classification and reporting.



DISCLAIMER STATEMENT (2)

PRMS Reserves Classifications used in this Report

Developed Reserves are quantities expected to be recovered from existing wells and facilities.

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Developed Non-Producing Reserves include shut-in and behind-pipe reserves with minor costs to access.

Undeveloped Reserves are quantities expected to be recovered through future significant investments.

A. **Proved Reserves (1P)** are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

B. **Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. **Possible Reserves** are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside of the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project.

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.

1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the P90 (90% probability), P50, and P10, respectively, for individual opportunities. Totals are by arithmetic summation as recommended under PRMS guidelines. This results in a conservative low case total and optimistic high case total.

Prospective Resources: those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further explorations appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. “Low” means a conservative estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 90% probability (P90) that the quantity actually recovered will equal or exceed the best estimate. “Best” means a best estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 50% probability (P50) that the quantity actually recovered will equal or exceed the best estimate. “High” means an optimistic estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 10% probability (P10) that the quantity actually recovered will equal or exceed the best estimate.



CORPORATE OVERVIEW



A European focussed energy producer (**ASX:ADX**)

Financial information

Share price (18 February 2021)	A\$0.010
Number of shares	2,465 m
Number of Options (excl. SPP options)	330m
Market capitalisation	A\$24.7 m
Cash (31 Dec 2020)	A\$2.3 m
plus SPP Proceeds (gross) (Jan 2021)	A\$3.0 m
Loan Notes (unsecured) & Austrian Loans (31 Dec 2020)	A\$4.8 m
Minority Interest in Subsidiary (31 Dec 2020)	A\$ 8.8 m
Enterprise value	A\$33.0 m

Company overview

- **Corporate Headquarters** in Perth Western Australia
- **Operations & technical teams** in Austria
- **Focus** on production & rapid cashflow growth - fast track appraisal & development close to infrastructure.
- **Asset positions** in **Austria** onshore, **Romania** onshore and **Italian** offshore.
- **Operate** all assets. Only 3rd production operator in Austria. 2nd Exploration Operator
- **Decarbonisation and sustainability** opportunities in Austria – H₂ storage, geothermal and CO₂ (CCS)

Directors

Ian Tchacos (Executive Chairman)

- Located Perth; petroleum engineer; production operations, commercial, corporate and management experience. (35 years)

Paul Fink (Technical Director / CEO)

- Located Vienna; geophysicist; new ventures, exploration, production and management experience (30 Years)

Andrew Childs (Non-Executive Director)

- Located Perth; geoscientist; exploration, HR and corporate experience (35 years)

Edouard Etienvre (Non-Executive Director)

- Located London; finance executive; debt market, new ventures, commercial and management experience (15 years)

Over 150 years of relevant oil and gas experience

Company Secretaries (joint)

Peter Ironside and Amanda Sparks – extensive finance and corporate experience

ADX Vienna MD - Alan Reingruber – extensive engineering, government relations and operations experience



Production, development, appraisal and exploration assets

Gaiselberg & Zistersdorf Oil Fields

(Operated, 100% equity)
Vienna Basin, Austria

- Stable, long lived cash flow and excellent facilities position with reserves and resource upside
- Efficient operations and low unit operating cost
- Hydrogen and CO₂ storage potential

Upper Austria Appraisal & Exploration Licenses

(Operated, 100% equity)
Mollasse Basin, Austria

- Licenses determined based on 3D Data Base acquired from RAG
- Drill ready, low risk oil and gas appraisal & exploration portfolio
- Access secured to proximal processing and export infrastructure.
- Proven geothermal potential coincident with hydrocarbons
- Potential production acquisitions.

Ilecea Mare Production License & Parta Exploration license

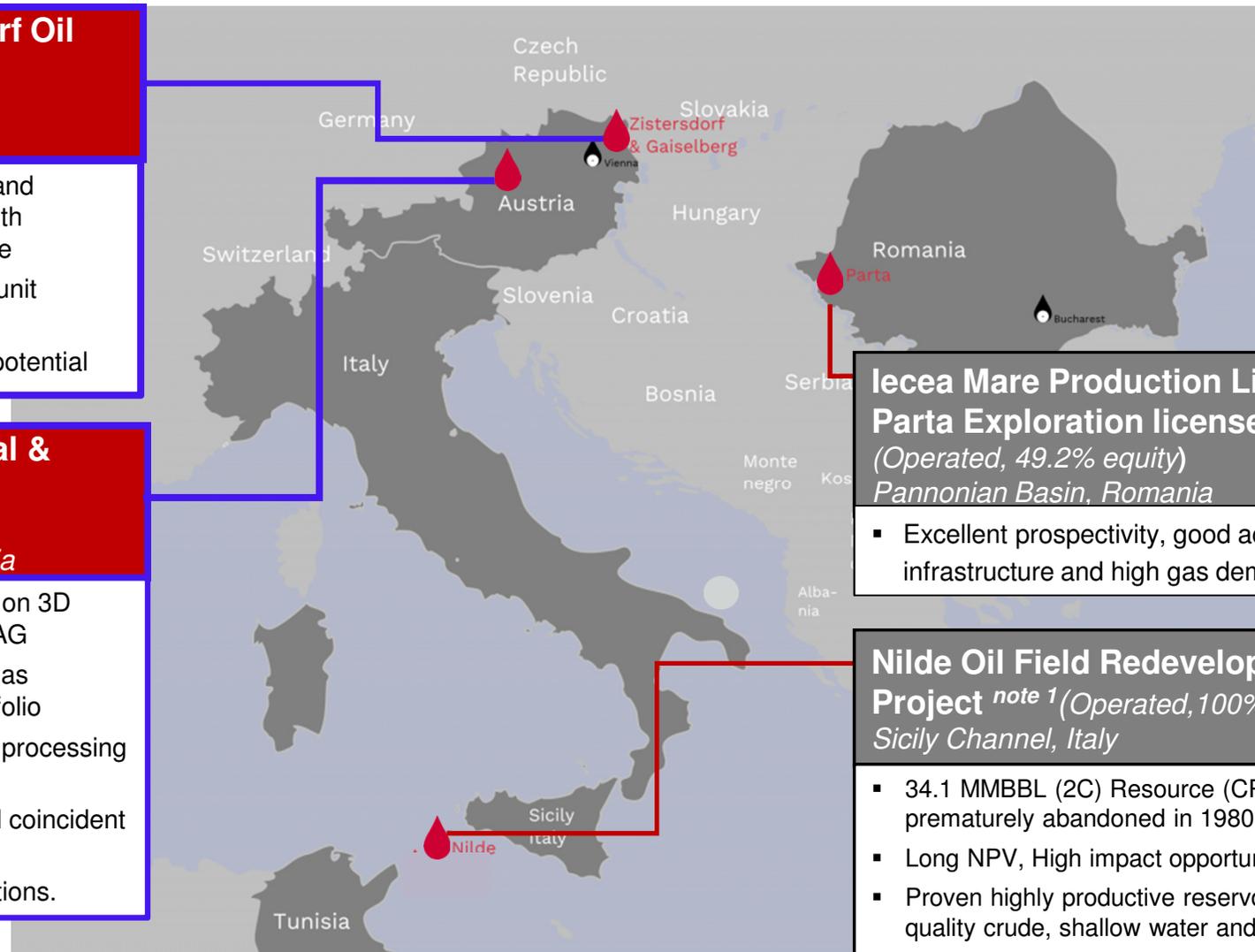
(Operated, 49.2% equity)
Pannonian Basin, Romania

- Excellent prospectivity, good access to infrastructure and high gas demand

Nilde Oil Field Redevelopment Project ^{note 1} (Operated, 100% equity)

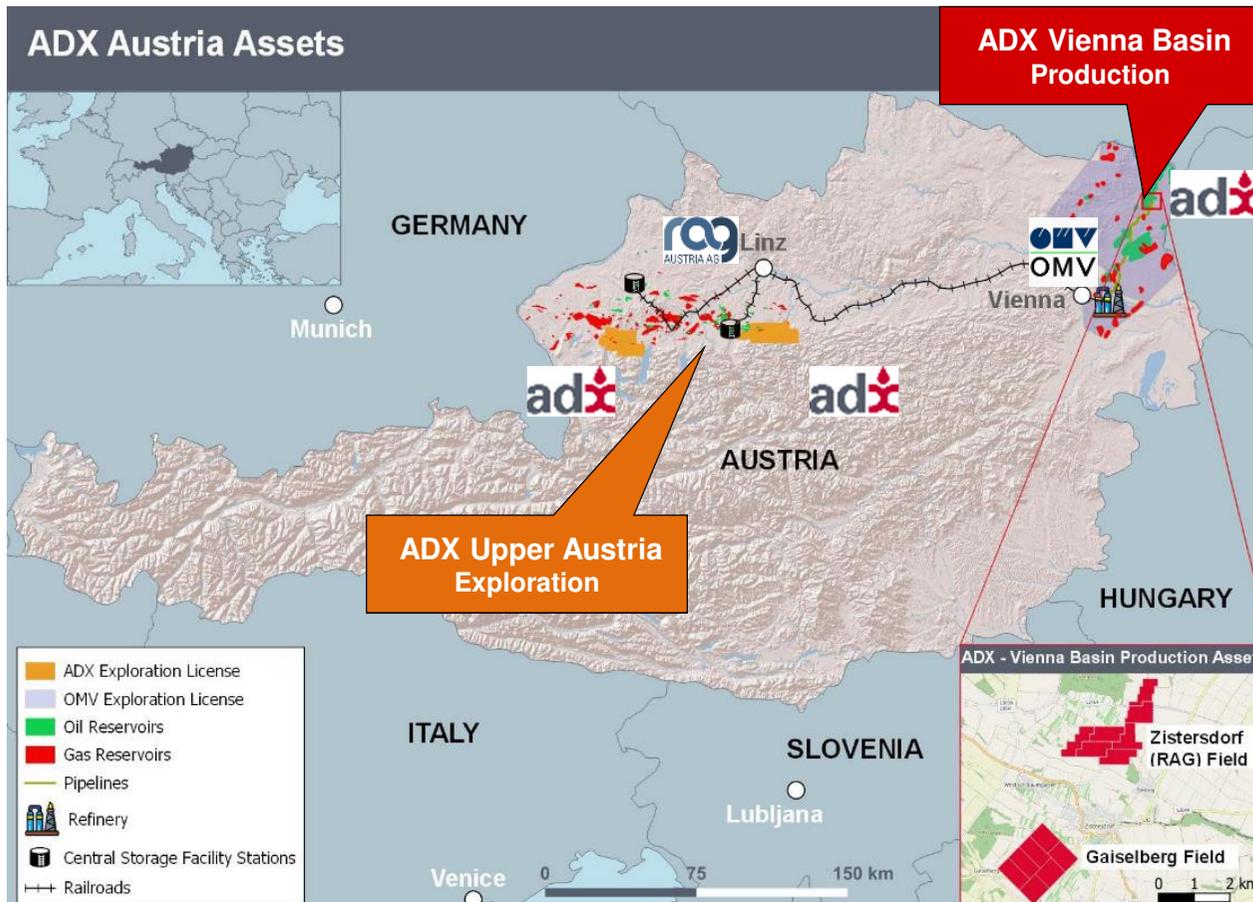
Sicily Channel, Italy

- 34.1 MMBBL (2C) Resource (CPR) prematurely abandoned in 1980's
- Long NPV, High impact opportunity
- Proven highly productive reservoirs, high quality crude, shallow water and drill depths.
- Operations Moratorium till Q4 2021



Note 1: Contingent Resources Reporting Date for Nilde 29/3/2018

AUSTRIA IS A RARE BREAK THROUGH OPPORTUNITY



ASSET POSITION

- 100% equity in oil production asset in *Vienna Basin*
- H₂ and CO₂ storage potential
- 100% equity in appraisal, exploration, gas storage and geothermal acreage in *Upper Austria*
- Assets managed and operated by ADX local team
- Production and exploration growth opportunities.

COUNTRY FUNDAMENTALS

- Excellent infrastructure for oil and gas processing and export – central European gas hub and 230,000 BPD refinery.
- High value received for oil and gas.
- Stable, predictable legal and licensing system
- Favorable fiscal terms
- Government support for hydrocarbons and transition projects to renewable technologies.

UNIQUE COMPETITIVE POSITION

- Break into 75 year two Company duopoly.
- World Class Oil Province ~1 billion barrels oil and 2.7 Tcf gas
- ADX now only the 3rd Production & 2nd Exploration operator in country – privileged position



SUMMARY of RECENT HIGHLIGHTS

Progress has been made on multiple fronts

Vienna Basin Oil Fields

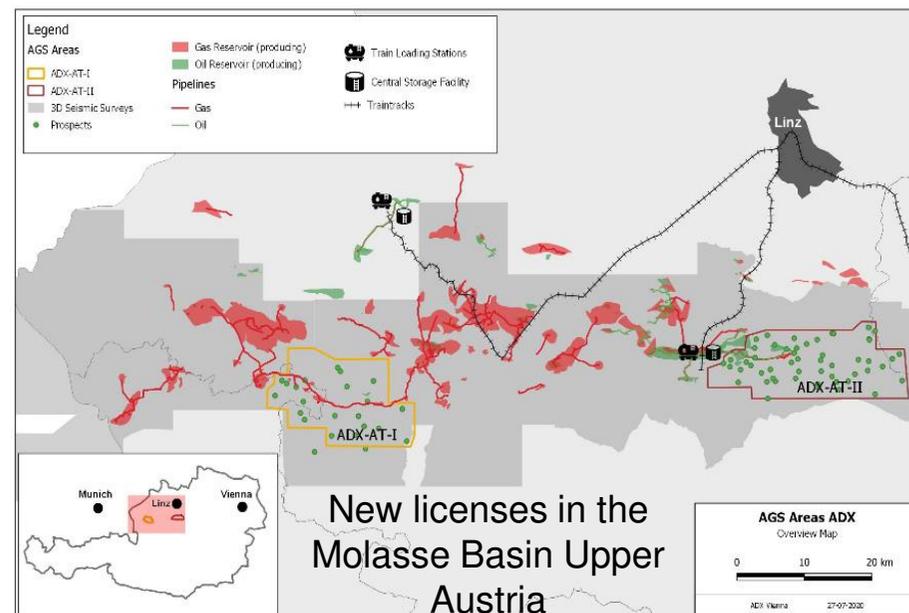
- Pump replacements and workover production enhancement program in progress
- Infill and appraisal drilling opportunity assessment ongoing
- Hydrogen storage feasibility studies commenced

Upper Austria Appraisal & Exploration

- New exploration license awarded
- Agreements to access infrastructure
- Commenced farmout program

Funding

- Recent placement and SPP was over subscribed by over 250%
- Increased shareholder interest resulting in increased share price **(+70%)** and trading volumes **(+1100%)** since the beginning of December 2020

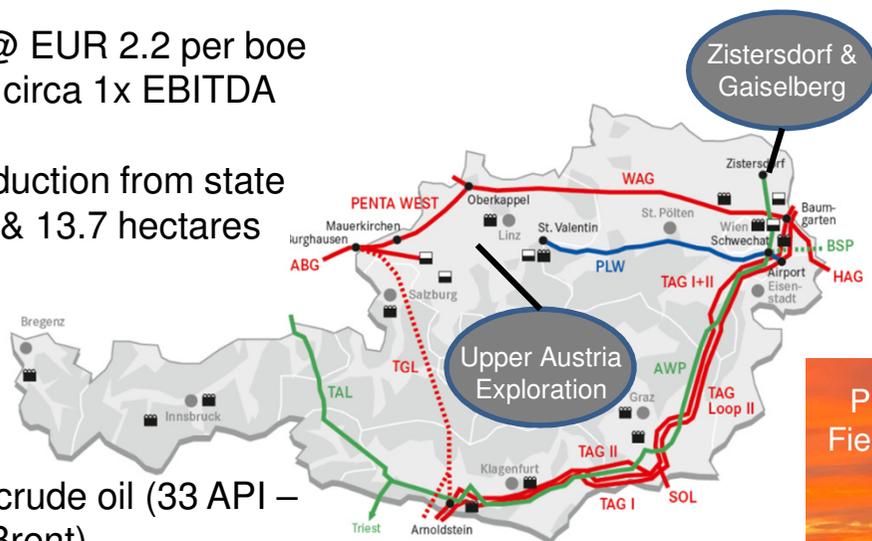


ZISTERSDORF FIELDS (Vienna Basin) - Asset Summary

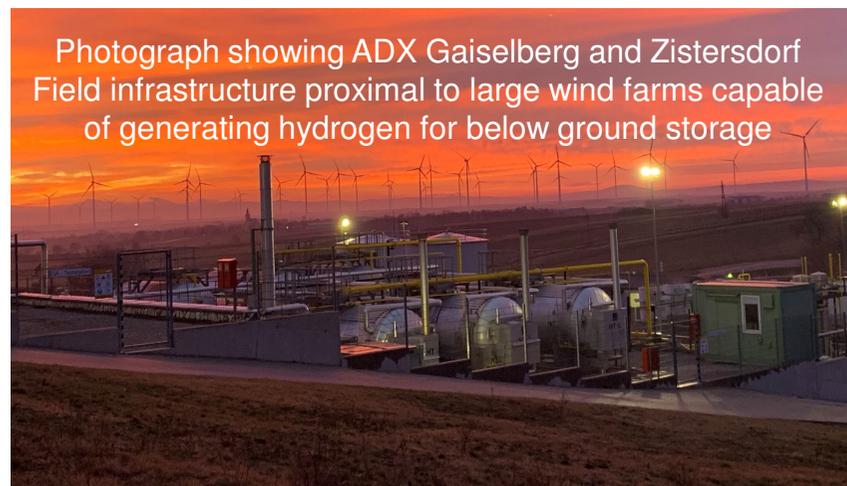


- 100% Equity purchased from RAG Austria AG (RAG) in December 2019
- Acquisition price @ EUR 2.2 per boe of 2P reserve and circa 1x EBITDA
- Low emission production from state of the art facilities & 13.7 hectares agricultural land.
- High value sweet crude oil (33 API – 7.9% discount to Brent)
- 300 boepd stable production, with low decline
- Large appraisal potential in Flysch proven oil & gas reservoirs

MAP OF AUSTRIAN OIL & GAS INFRASTRUCTURE



Current Austrian production of circa 25,000 bopd



Multilayer reservoir
Producing since 1935

0.9 million Barrels 2P developed reserves

Large Appraisal from Flysch reservoirs

34 wells, 20 producers, 14 injectors

4,000 BOEPD production capacity

Pipeline to Schwechat refinery Vienna

VIENNA BASIN OIL FIELDS – *Recent Progress (1)*

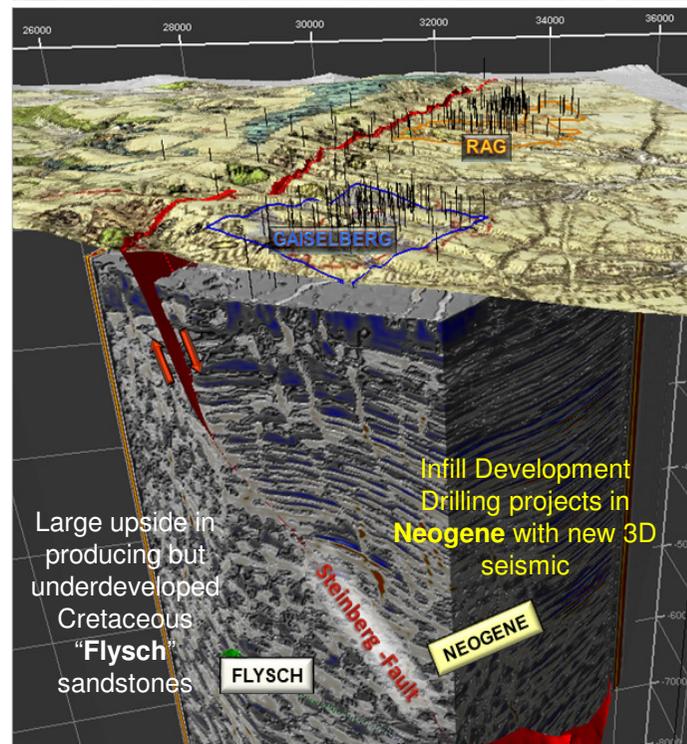


Well work over program

- Down hole pump restoration work - *failures due to unprecedented flooding event in early October causing pump failures in 5 production wells*
- Perforate behind pipe reserves and install sand control measures in underperforming wells affected by sand production.
- *Enhance production and revenue from existing wells with rising oil price*

Undeveloped reserves and appraisal drilling

- Field geotechnical and engineering review utilising recently acquired and reprocessed 3D seismic
- Infill drilling potential identified for future drilling to enhance Gaiselberg and Zistersdorf reserves.
- Appraisal drilling potential mapped for largely undeveloped Flysch reservoir
- *Identify undeveloped reserves and contingent resources potential for future drilling*



MOLASSE BASIN (Upper Austria) – *Exploration Summary*



Extensive 3D Seismic Data Base



Predictable licensing system and operational access

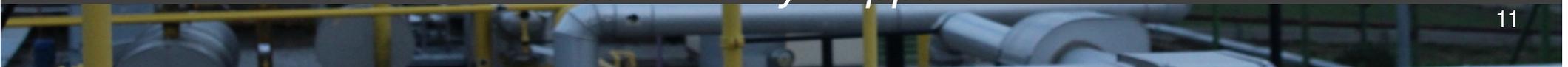


Excellent oil and gas infrastructure Access



Strong community support

“Drill ready prospect portfolio with infrastructure access, ministry and community support”



UPPER AUSTRIA EXPLORATION – *Recent Progress (1)*

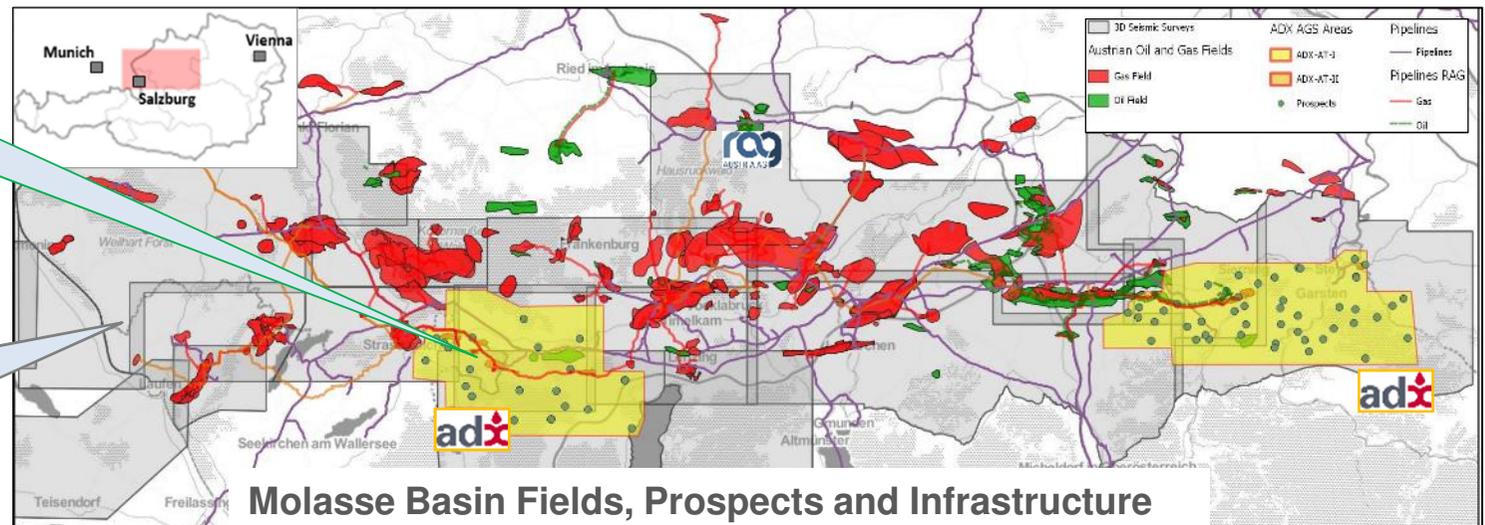


Upper Austria License Award

- Concession agreements for exploration, production and gas storage in Upper Austria (Upper Austria AGS) signed on the 8th of January 2021 (*ASX Release 10 January 2021*)
- Result of over 18 months of technical work, commercial discussions and relationship building
 - The execution of a data trade agreement with RAG Exploration & Production GmbH in July 2019 providing access to high-quality 3D seismic and well data in Upper Austria (“Data Set”) with a replacement value of EUR 90 million,
 - Utilising the Data Set to high grade an area of 450 km² (“AGS area”) that includes 10 drill ready prospects
 - Demonstration of financial and technical capability to Austrian regulators and negotiation of the concession agreement.

Green Dots: 81 Leads, Prospects & Appraisal Projects on modern 3D

Grey Areas: 3,650 km² 3D Seismic in prolific “Molasse” foreland basin



Molasse Basin Fields, Prospects and Infrastructure

Historical exploration success ratio of 48%, **several** independent play types

Balanced portfolio - low risk appraisal to high impact “**company maker**” prospects,

3D Seismic covered, drill sites partly ready

Proven geothermal sweet spot area and hydrogen storage possibilities

Infrastructure access contract with RAG being finalized



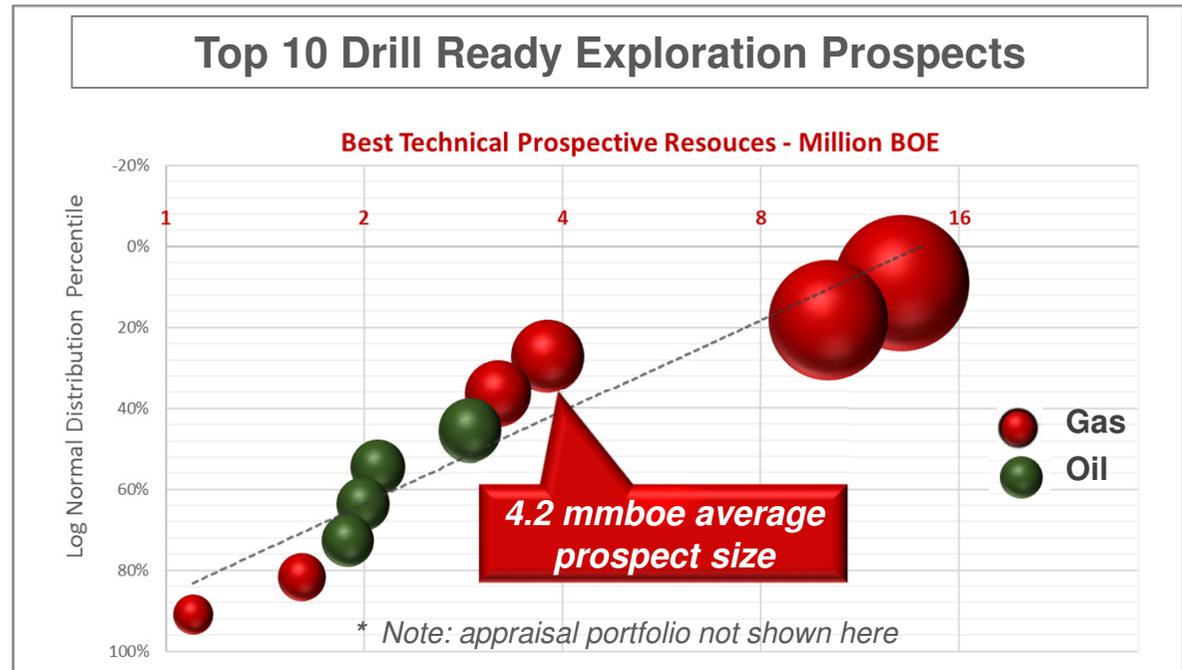
UPPER AUSTRIA EXPLORATION – Recent Progress (2)



Drilling portfolio and farmout progress

- Acreage contains appraisal and on trend exploration opportunities proximal to the central RAG oil facilities.
- A new structural concept mapped on 3D seismic resulted in improved understanding of RAG oilfields extending into the ADX licenses. Good quality Eocene sandstone reservoirs around 1700+ meters drilling depth.
- Three excellent appraisal prospects are extensions of producing RAG oil fields : *low risk, low cost; proven high productivity (up to 1000 bopd/well)*

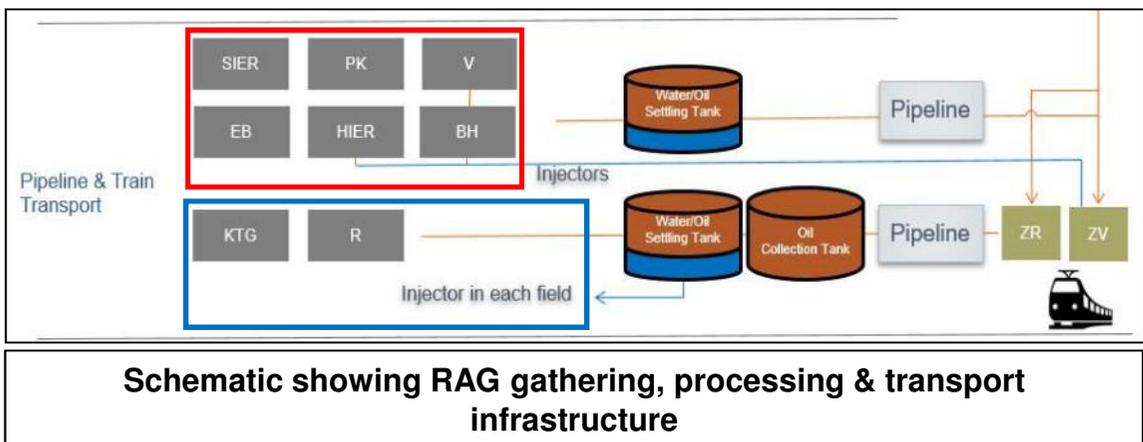
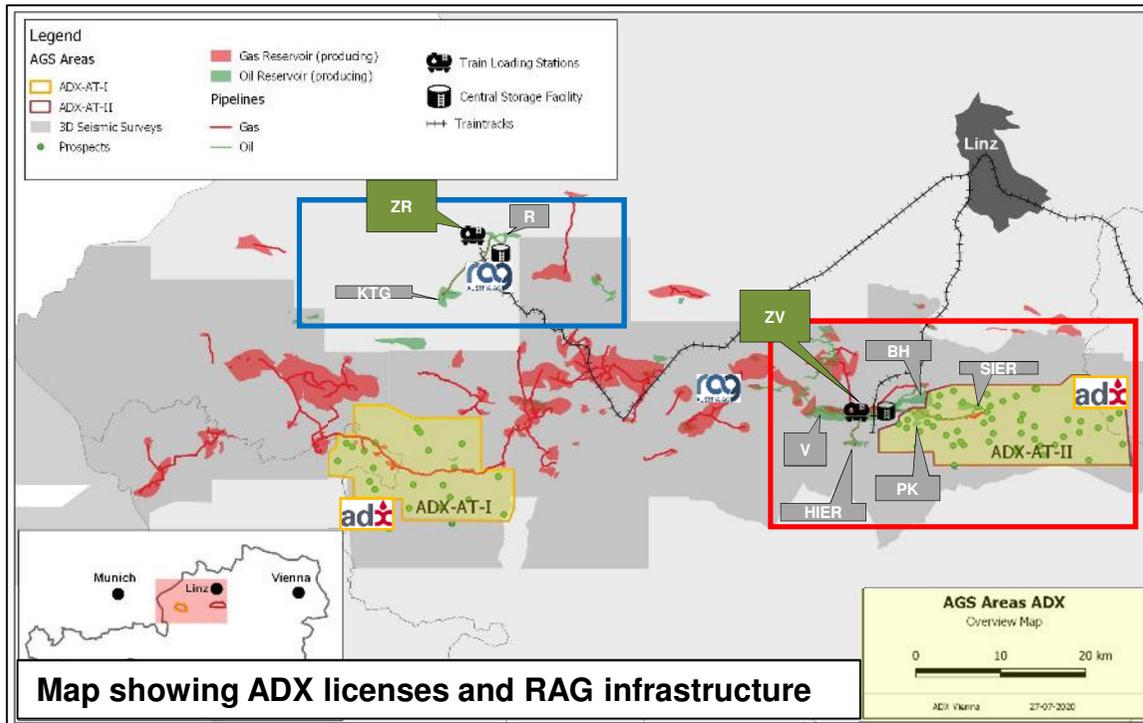
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Key Asset Attributes

<p>Excellent reservoir productivity (1000 bopd); shallow (< 1000m) to moderate (< 3000m) drill depths</p>	<p>42 mmboe Best <small>Note</small> Technical Resources for 10 matured Exploration prospects</p>
<p>Balanced oil & gas mix with very large gas upside</p>	<p>Average prospect risk in line with historical success rate of 48%</p>

UPPER AUSTRIA EXPLORATION – Recent Progress (3)



Access and Tariff Agreements

- Agreement with RAG E&P provides attractive commercial terms for the access of future ADX oil and gas production. *Refer ASX 23/12/20*
- The agreement provides economic certainty for development of hydrocarbons discovered and appraised in the licenses.
- Appraisal and on trend exploration opportunities proximal to the RAG central oil facilities.
- New Oil discoveries in the Eastern ADX AT – II License can be directly tied into existing facilities (*red box*) and piped to ZV (Voitsdorf Central Production facility).
- New Oil discoveries in gas dominated Western ADX AT – II can be trucked to near-by oil field facilities and then piped to ZR (Ried Central Production facility, *blue box*)

Access to infrastructure and favourable offtake terms ensure very low economic field size threshold



NEXT STEPS FOR AUSTRIAN EXPANSION

1) *Gaiselberg & Zistersdorf Asset Enhancement*

- Enhance production through work over program
- Pursue behind pipe potential with increasing oil price
- New infill reserves and appraisal opportunities using new reprocessed 3D data set.
- Pursue Hydrogen storage pre feasibility studies

Leverage asset position – life extension & value development

2) *Upper Austria Appraisal & Exploration Program*

- Drill ready appraisal & exploration prospect inventory
- Finalise drilling candidates and initiate immediate licensing for drilling
- Incorporate geothermal exploration into program
- Pursue farmout discussions with a view to drilling Q3 2021

Positioned for activity - finalise farm-outs and plan drilling

3) *Production asset opportunities*

- Well placed in terms of knowledge and skills
- Highly complimentary opportunities available
- Operating credentials will be important.

Achieve critical mass and acceleration of growth

4) *Source new funding for growth*

- Farmouts for exploration
- Acquisition finance for production assets
- New equity sources in European markets

Access new sources of funding and investor support

ADX production and management personnel at Gaiselberg & Zistersdorf



Gaiselberg & Zistersdorf Infrastructure





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