

# ASX RELEASE

29 July 2021

## Activities Report For Quarter Ended 30 June 2021

### HIGHLIGHTS FOR QUARTER INCLUDE

#### Production

##### Vienna Basin Fields - Austria

- 🔥 **Oil and Gas Production Rates** increase by 33% (averaging 348 BOEPD for quarter)
- 🔥 **Sales Revenues** increase by 51% (EUR 1,613,228 for quarter)
- 🔥 **New Oil Hedging Contracts** resulting in an increase of 60% in hedged oil price (new contracts will average USD 68.87 per barrel from July 1 2021)
- 🔥 **Internal Reserves Review** undertaken in preparation for an Independent Assessment
- 🔥 **Well Workover Planning Preparations** commenced for Q3 2021 program

#### Exploration

##### Upper Austria AGS Licenses

- 🔥 **Preparations for drilling Anshof-1 well** in Q4 2021
- 🔥 **Acreage expansion discussions underway** with licensing Authorities

##### Iecea Mare Production and Parta Exploration License – Romania

- 🔥 **Parta Exploration License** extension secured for 18 months

#### Renewable Energy Projects - Austria

- 🔥 **Vienna Basin Hydrogen Project** initiated discussions with local green power producers
- 🔥 **Geothermal Pilot Project** preparations under a Letter of Intent with Siemens Energy

#### Finance and Corporate

- 🔥 **Placement and share purchase plan options** expired on 15 June 2021. Proceeds from the exercise of these options during the quarter was A\$ 1,063,936
- 🔥 **Initiation of research** by Auctus Advisors LLP

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## PLANNED ACTIVITIES QUARTER 3, 2021

### Vienna Basin Production – Austria

- 🔴 *Zistersdorf and Gaiselberg Fields* - Commence workover program and complete Independent Reserves Review

### Exploration

- 🔴 *Upper Austria AGS Licences* - Preparation for drilling Anshof-1 well, commence formal farmout program and finalise acreage expansion

### Renewable Energy Projects - Austria

- 🔴 *Vienna Basin H<sub>2</sub> Storage Project* – Selection of green power provider and partners for pilot project
- 🔴 *Geothermal Pilot Project* – finalise test well selection and if technically suitable commence project

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## OPERATIONS REPORT Production Activities

### ZISTERSDORF AND GAISELBERG PRODUCTION ASSETS – Vienna Basin, Austria

**ADX is operator and holds a 100% interest in the production.**

#### Production Operations

Field production rate averaged 348 BOEPD, a 33 % increase over the previous quarter due to well restoration work to fix pump failures from a flooding event in Q4 2020 and the perforation of a producing well to access a previously not produced oil zone (behind pipe reserves).

The additional production accessed from an existing well demonstrates potential for behind pipe reserve additions from not previously produced layers with in the multilayer Zistersdorf and Gaiselberg fields. A program of technical studies has been undertaken with a view to identifying further opportunities for production and reserves increases.

Average Brent reference oil pricing continued to strengthen during the quarter averaging in excess of USD 68 per barrel (up 13% compared to the previous quarter). Gas prices also continued to strengthen with a 19% increase compared to the previous quarter.

**Table 1 - Quarterly Production Summary**

	April	May	June	Current Qtr Total	Past Qtr Total	%age Change
Crude Oil Sold (Barrels)	10,630	9,832	8,759	29,220	21,647	35%
Gas Sold (M <sup>3</sup> )	131,230	134,140	132,268	397,638	343,310	16%
<b>Total Oil Equivalent (BOE)</b>	11,430	10,649	9,565	<b>31,643</b>	<b>23,738</b>	<b>33%</b>
<b>Avg Production Rate (BOEPD)</b>	<b>381</b>	<b>344</b>	<b>319</b>	<b>348</b>	<b>261</b>	<b>33%</b>

#### Field Revenues and Product Pricing

Field revenues increased in line with the 33% increase production and increased hydrocarbon pricing compared to the previous quarter. Brent oil price increased 13% and gas sales price increased 19% during the quarter. The resulting increase in sales revenue during the quarter was approximately 51% increase from EUR 1,068,762 in the March 2021 quarter to EUR 1,613,228 in the June 2021 quarter (refer table 3 below). Hedging losses of EUR 234,949 were incurred during the quarter due to approximately 60% of production being hedged at approximately USD 43.00 per barrel during April and 30% of production being hedged at approximately USD 44.00 per barrel during May and June. As of 1 July 2021, approximately 70% of the proven (1P) production will be hedged at an average price of USD 68.87 per barrel (refer to Oil Price Hedging Strategy below).

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**Table 2 - Quarterly Sales Price Summary**

	April	May	June	Current Qtr Total	Past Qtr Total	%age Change
Avg Oil Pricing (US\$ / BBL)	\$ 64.70	\$ 68.75	\$ 73.04	\$ 68.83	\$ 60.90	13%
Avg Gas Price (Euro / MWh)	€ 16.19	€ 18.93	€ 22.94	€ 19.36	€ 16.30	19%

**Table 3 - Quarterly Sales & Hedging Revenue Summary**

	April	May	June	Current Qtr Total	Past Qtr Total	%age Change
Oil Revenue (Euro)	€ 525,878	€ 509,850	€ 486,738	€ 1,522,466	€ 1,010,689	51%
Gas Revenue (Euro)	€ 25,677	€ 30,261	€ 34,823	€ 90,761	€ 58,072	56%
<b>Total Sales Revenue (Euro)</b>	<b>€ 551,556</b>	<b>€ 540,110</b>	<b>€ 521,562</b>	<b>€ 1,613,228</b>	<b>€ 1,068,762</b>	<b>51%</b>
Hedging Revenue (Euro) "Swap Contracts"	-€ 106,963	-€ 58,693	-€ 69,292	-€ 234,949	-€ 274,449	-14%
<b>Total Revenue (Euro)</b>	<b>€ 444,592</b>	<b>€ 481,417</b>	<b>€ 452,269</b>	<b>€ 1,378,278</b>	<b>€ 742,273</b>	<b>86%</b>
<b>Total Revenue (A\$)</b>	<b>\$ 713,288</b>	<b>\$ 772,368</b>	<b>\$ 725,605</b>	<b>\$ 2,211,260</b>	<b>A\$/Euro =</b>	<b>0.6233</b>

## Oil Price Hedging Strategy

ADX secured fixed price swaps on the 13<sup>th</sup> of July 2021 at an average Brent crude oil price of USD 71.71 per barrel for the period from 1 July 2021 to 31 October 2021 for quantities equivalent to 40% of the forecast proven (1P) crude oil production from its fields in the Vienna Basin. The new hedge contracts are in addition to 100 barrels per day previously hedged with fixed price swaps contract at USD 66.03 per barrel for the period from 1 July 2021 to 31 December 2021.

ADX hedged position is now approximately 200 barrels per day consisting of two hedge contracts with an average hedged Brent price of USD 68.87 per barrel compared to the previous average hedged oil price position of USD 43.05 per barrel consisting of two previous contemporaneous hedge contracts. The level of crude oil production now hedged compares to the current field oil equivalent field production of 320 barrels per day resulting in approximately one third of production remaining unhedged.

The resulting 60% increase in averaged hedged oil price is expected to generate a substantial increase in gross revenue and results in a significant margin above the field operating cost per barrel for the Vienna Basin Fields of approximately USD 29 per barrel.

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ADX hedging strategy is to lock in the current strong revenues from the operations while retaining some exposure to any further upside in the Brent crude oil price.

Expected increased net revenues will enable ADX to pursue further well work to enhance production and continue its program of on-going portfolio growth initiatives for oil and gas as well as compatible green energy production opportunities.

### *Field Reserves Review*

ADX completed an internal field reserves review incorporating both historical and ongoing production data, a reprocessed 3D data seismic dataset and the extensive field well data base. The abovementioned field dataset has been incorporated into a 3D geological model for the field and a history matched reservoir simulation model. The reservoir simulation model has been used to forecast future production and reserves estimates.

ADX now intends to commission a Competent Persons Report (“CPR”) for the fields based on a 30 June 2021 calculation date.

The simulation model will also be used to assist in optimisation of field production including further well operations to access behind pipe reserves which may enhance field production rates for relatively low cost operations.

### *Well Work Over Program*

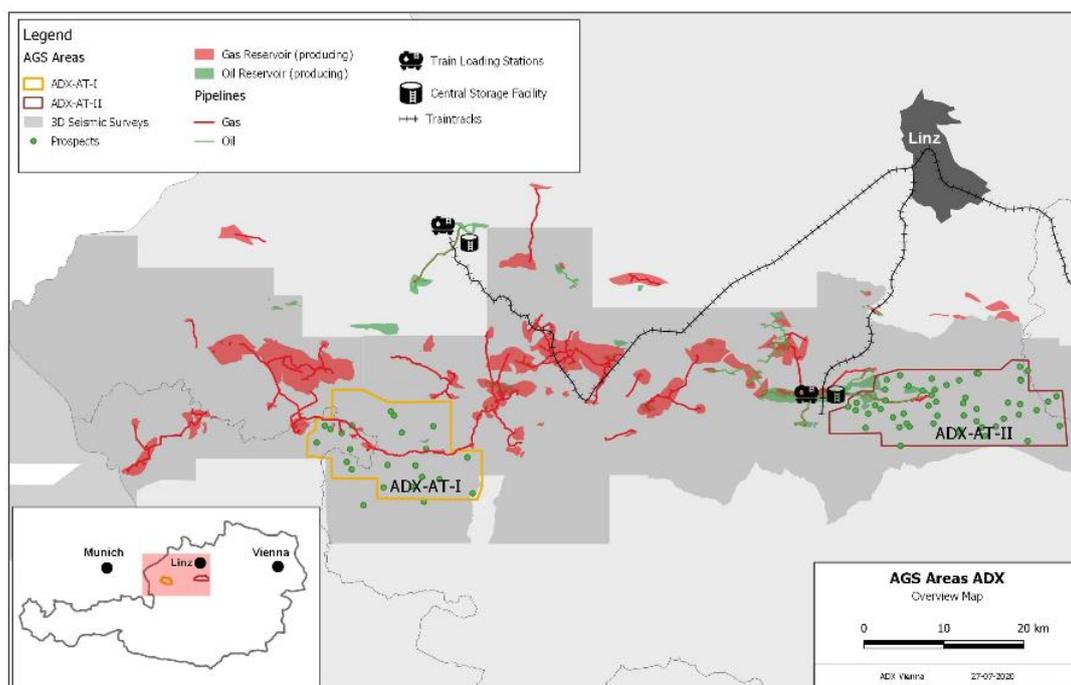
A work over program is planned during the third and fourth quarters to undertake well maintenance work as well as a program to perforate existing wells where there is potential to access previously not produced oil zones (behind pipe reserves). The combination of the well maintenance work and the access of behind pipe reserves is expected to further enhance oil production rates.

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## Exploration Activities

### Upper Austria AGS Licenses – Austria

**ADX is operator and holds a 100% interest in the licenses.**



**Map showing ADX Upper Austria AGS licenses (ADX-AT-I & ADX-AT-II) proximal to the RAG oil and gas production area of the Molasse Basin east of Munich**

ADX activities have been focused on prospect maturation and peer reviews, preparation of a database for farmout discussions and more recently preparation for drilling the Anshof prospect.

The prospect portfolio offers multiple play types with outstanding resource upside potential and infrastructure access agreements, which enable fast developments on attractive terms. Several prospects have a geothermal play option, hence completing the upside and reducing commercial project risk. A summary of the key license attributes are as follows:

- Extensive portfolio of low-risk plays and high historical exploration success;
- Significant growth potential through “underexplored” but already proven play types;
- Multiple drill ready prospects in 100% ADX concessions;
- 58 MMBOE best technical resources (10 prospects) + appraisal opportunities;
- Concessions fully covered by modern 3D seismic, depth processed;
- Rapid monetisation due to existing field infrastructure with access agreements;

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- Stable European Union regulatory framework;
- 16-year exploration term without relinquishment; and
- Excellent fiscal terms and hydrocarbon pricing (Brent equivalent and Central European Gas).

## Upper Austria Prospect Inventory

(Note: Original Resources Reporting Date: Upper Austria Exploration 30/11/2020, Resources revised from 42 mmboe on 30/11/2020 to 58 mmboe on 30/3/21)

PROSPECT NAME	fluid	Map Name	Best Technical Recoverable [mmboe]	well TD [m TVD]	Exploration Well Cost [MM Euro]
<b>Σ HIGH IMPACT EXPLORATION</b>					
<b>OHO</b>	<b>gas (oil)</b>	<b>OHO</b>	<b>20,4</b>	<b>4 365</b>	<b>6,6</b>
ZELL AM MOOS	gas (oil)	ZAM	14,6	5 400	7,3
<b>Σ TREND EXPLORATION</b>					
LICHTENBERG	gas	LIC	2,7	3 010	3,6
IRRSORF	gas	IRR	3,0	2 950	2,9
TERNBERG	oil	TER	3,2	2 890	5,0
WOLFSGRUB	oil	WOL	2,2	3 150	5,1
PERGERN	oil	PER	2,5	1 790	2,2
<b>ANSHOF</b>	<b>oil</b>	<b>ANS</b>	<b>6,6</b>	<b>2 250</b>	<b>1,8</b>
ARD (LP gas only)	gas	ARD-BR	2,2	2 700	2,1
SIERNING IMB	gas	SIE	1,0	1 100	1,4
<b>Σ APPRAISAL / SIDE TRACK</b>					
STEYR 3 (APPR)	gas	STE	0,5	1 270	1,5
BAD HALL - LIND (appr.)	oil	LIN	0,8	2 150	1,8
BAD HALL - STEIN (appr.)	oil	SGB	0,8	2 200	1,8
BRUNN (sidetrack)	gas	ARD-BR	0,8	2 100	1,2
KLE 1A (Sidetrack)	oil	KLE	0,6	2 260	1,3
<b>TOTAL EXPLORATION [mmboe]</b>			<b>58</b>		
<b>TOTAL [mmboe]</b>			<b>62</b>		

The table shows a summary of the current prospect portfolio including the two preferred prospects Anshof and OHO highlighted in red

Prospectivity of the licenses has been enhanced due to the availability high-quality 3D seismic and well data in Upper Austria with a replacement value of EUR 90 million as a result of a data trade agreement with RAG Exploration & Production GmbH (RAG E&P) in July 2019.

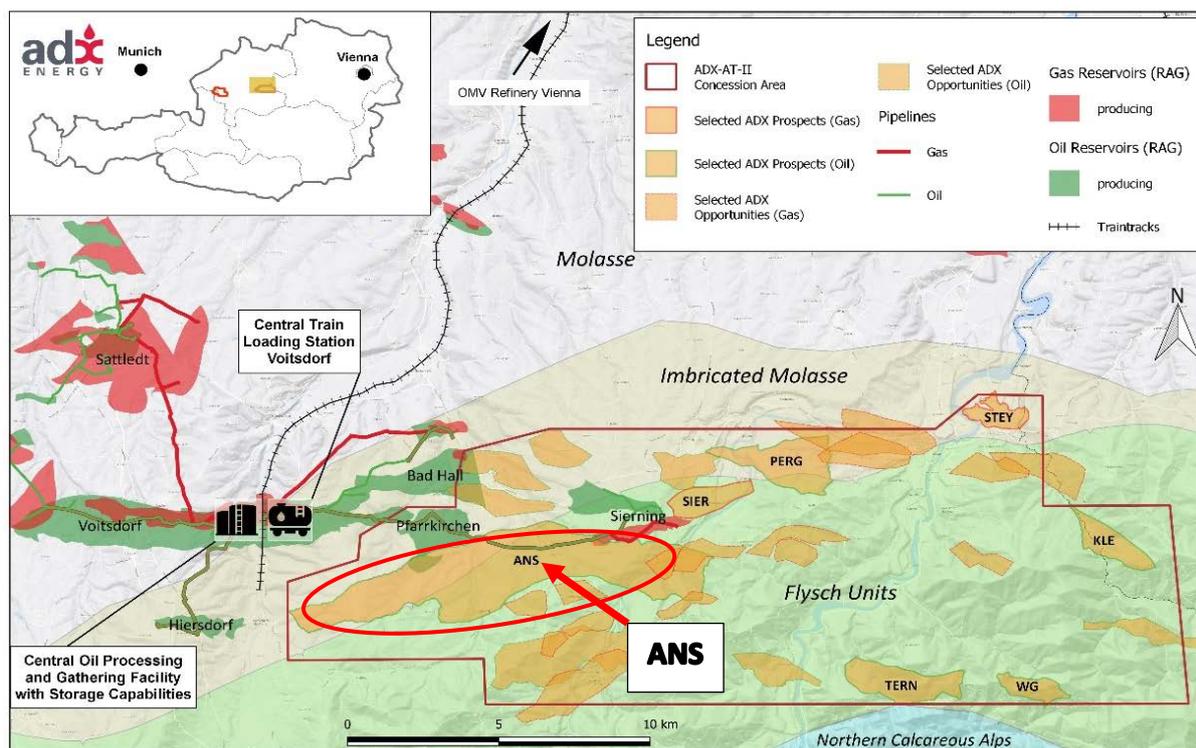
ADX has also finalised an infrastructure access agreement which enables access to nearby RAG E&P owned oil and gas infrastructure on attractive tariffs. These arrangements significantly enhance the value and certainty of any discoveries in the licenses.

### Anshof -1 Prospect Summary

Anshof (ANS) is a well defined Eocene - Cenomanian prospect located updip from existing oil production from adjacent fields. ADX team has developed a structural model constraining the nearby producing Voitsdorf, Bad Hall and Pfarrkirchen oil fields which has resulted in

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identification of a number of on trend prospects and appraisal opportunities. Success at ANS-1 will validate the structural model and de-risk multiple follow up prospects. ANS has a best technical case prospective resource potential of 6.6 MMBOE with significant upside potential in the primary Eocene sandstone reservoir objective at a drill depth of only 2,000m. The estimated well cost including deeper Cenomanian secondary target is EUR 1.8 million. The economic potential for this is exceptional given the high chance of success and relatively low well cost.



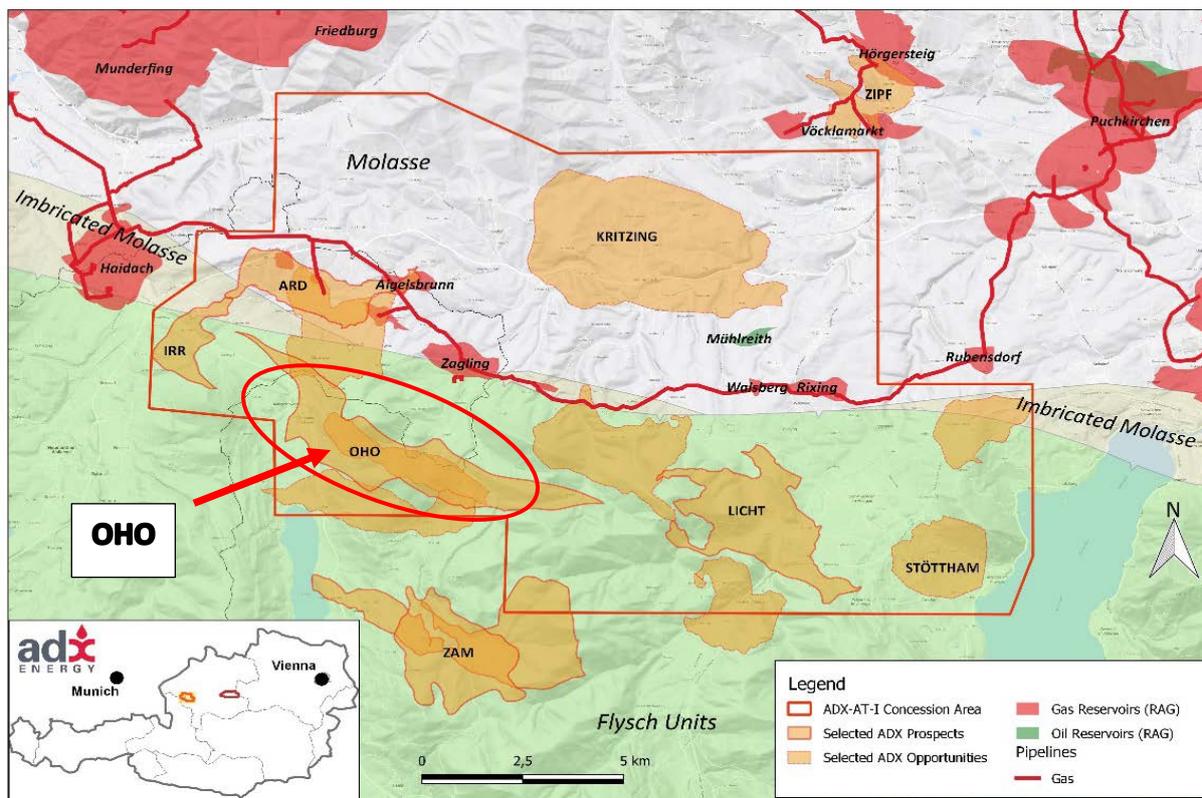
Map showing the Anshof prospect in relation to existing producing oil fields, follow up prospects in the ADX AT-II license as well as nearby processing facilities and pipelines

## Oberholz-2 Prospect (OHO)

OHO is a high impact, Jurassic play opening prospect with a large best technical case prospective resource of 20 MMBOE oil potential. The Jurassic “Hoeflein” gas condensate field further east (approx. 80 MMBOE 2P reserves) serves as an analogy. The prospect is mapped on 3D seismic with nearby well control. The target depth is 4,125m MD and the dry hole cost is estimated at EUR 6.6 MM. Drilling approvals and a ready to use well site are available. Given the large resource potential with potentially highly productive reservoirs in an onshore setting proximal to infrastructure, the key economic indicators for an oil or gas case are exceptional.

Success at OHO would open up a trend with large resources potential where ADX already has identified and mapped several follow-up locations. The well site for OHO is already available.

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Map showing the OHO prospect in relation to existing producing gas fields, follow up prospects in the ADX AT-I license as well as nearby pipelines

### Anshof – 1 well drilling preparations

ADX has commenced preparations for the drilling of Anshof- 1 well. Well engineering for the well has been completed, ADX has requested bids for drilling rig and has commenced sourcing long lead items with a view to being able to drill during the fourth quarter of 2021.

### PARTA APPRAISAL PROJECT and PARTA EXPLORATION PERMIT – Onshore Romania

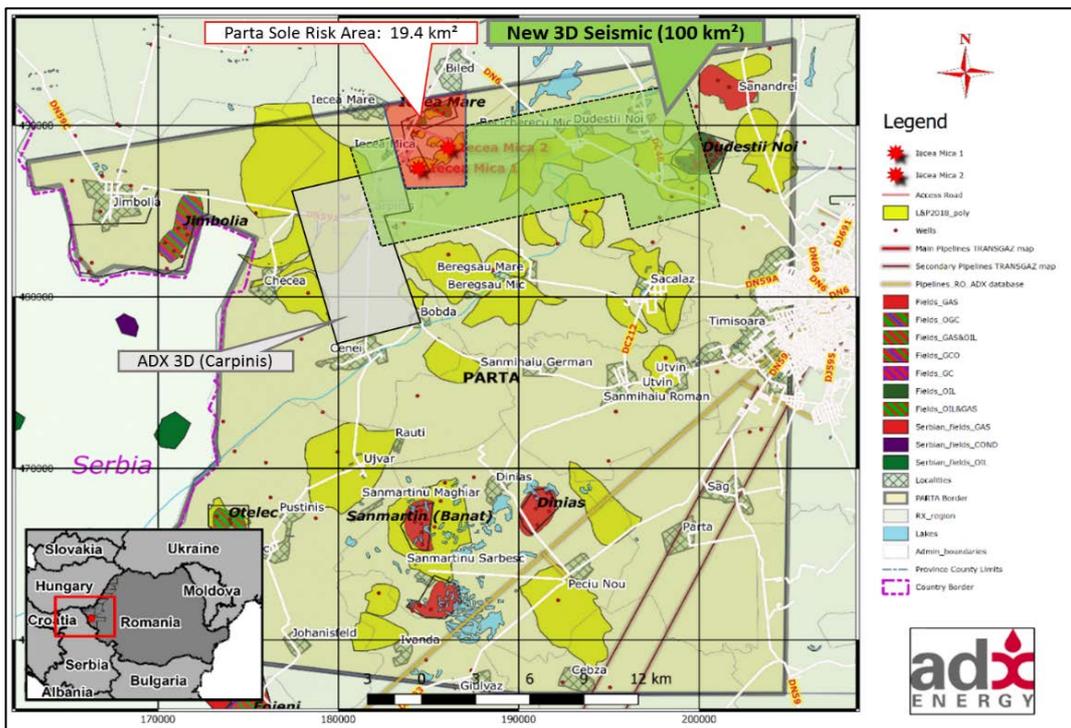
**ADX holds a 49.2% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via its wholly owned subsidiary, ADX Energy Panonia srl, holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Appraisal Sole Risk Project) and a 100% interest in the Iecea Mare Production license. ADX is the operator of the permit pursuant to a services agreement with Danube.**

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## Parta License Work Program Extension

An 18-month work program extension was granted for Ex-10 Parta Exploration License for the current exploration phase. The extension enables ADX to source alternate funding on behalf of Danube to acquire a 100 km<sup>2</sup> 3D seismic program that was deferred following a default by a previous partner.

The Ex-10 Parta Exploration License surrounds the Iecea Mare production license in Romania which contains the suspended Iecea Mica-1 (IMIC-1) gas well drilled in late 2019. The planned 3D seismic work program is designed to target appraisal opportunities within the Iecea Mare Production license as well as both exploration and appraisal targets in the large Parta exploration license.



**Map showing Ex-10 Parta Exploration License (approx. 1,200 km<sup>2</sup>), Sole Risk Exclusion Area, Existing 3D seismic, Planned 3D Seismic and the Iecea Mica -1 (IMIC-1) appraisal well location**

The Iecea Mare production license located within the Parta exploration license is currently undergoing a detailed review also based on a reprocessed 3D seismic dataset. In addition to the potentially large IMIC-1 well updip potential of the tested PAIV gas reservoir, several perforation, sidetrack and infill opportunities within the existing oil and gas discoveries of the production license have been identified and mapped in detail. During the coming quarter, resource estimates and economic analysis will be completed.

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### Nilde Oil Field Redevelopment Project (Permit d 363C.R-.AX ) – Offshore Italy

#### **ADX is operator and holds 100% interest in the d 363C.R-.AX Exploration Permit**

*ADX has commenced a process with the Italian Designated Authority to convert the exclusively awarded application to a ratified licence. This process was commenced after the award by the Ministry of Industry*

No further activities have been undertaken on the Permit since ADX was advised on the 4<sup>th</sup> of February 2019 that the Italian Parliament passed legislation to suspend exploration activities in permits that have been approved or are in the process of being approved for a period of up to 18 months to enable the government authorities to evaluate the suitability of exploration areas for sustainable hydrocarbon exploration and production activities.

On 13 February 2021, Mr Mario Draghi was sworn in as Prime Minister of Italy pledging to oversee effective implementation of COVID-19 economic stimulus. ADX has been informally advised that Mr Draghi has requested the resumption of production and exploration activities in Italy. ADX is seeking an appointment with the ministry to assess the timing of potential resumption of activities in the d 363C.R-.AX Exploration Permit.

## Renewable Energy Projects - Austria

### VIENNA BASIN HYDROGEN PROJECT

During the quarter ADX undertook further studies to establish the Vienna Basin Hydrogen (H<sub>2</sub>) Production and Storage project at its Gaiselberg and Zistersdorf fields. ADX is seeking to establish a project providing large-scale green hydrogen production and underground storage in order to benefit from the rapidly increasing and large energy storage required by intermittent green solar and wind energy which is to increase by a factor of 6 in Austria alone within the next ten years. ADX is ideally positioned to utilise depleted reservoirs at its Gaiselberg and Zistersdorf fields in the Vienna basin (ADX Fields) for hydrogen storage.

#### *Project Background*

The ADX Fields are very suitable for green hydrogen storage due to their close proximity to major renewable electricity sources that can be used for electrolysis to produce green hydrogen, the availability of high-quality reservoirs at suitable depth which have proven their safe storage properties for millions of years as gas reservoirs, as well as excellent gas export infrastructure directly connected to the ADX Fields that can be used for the export of green hydrogen.

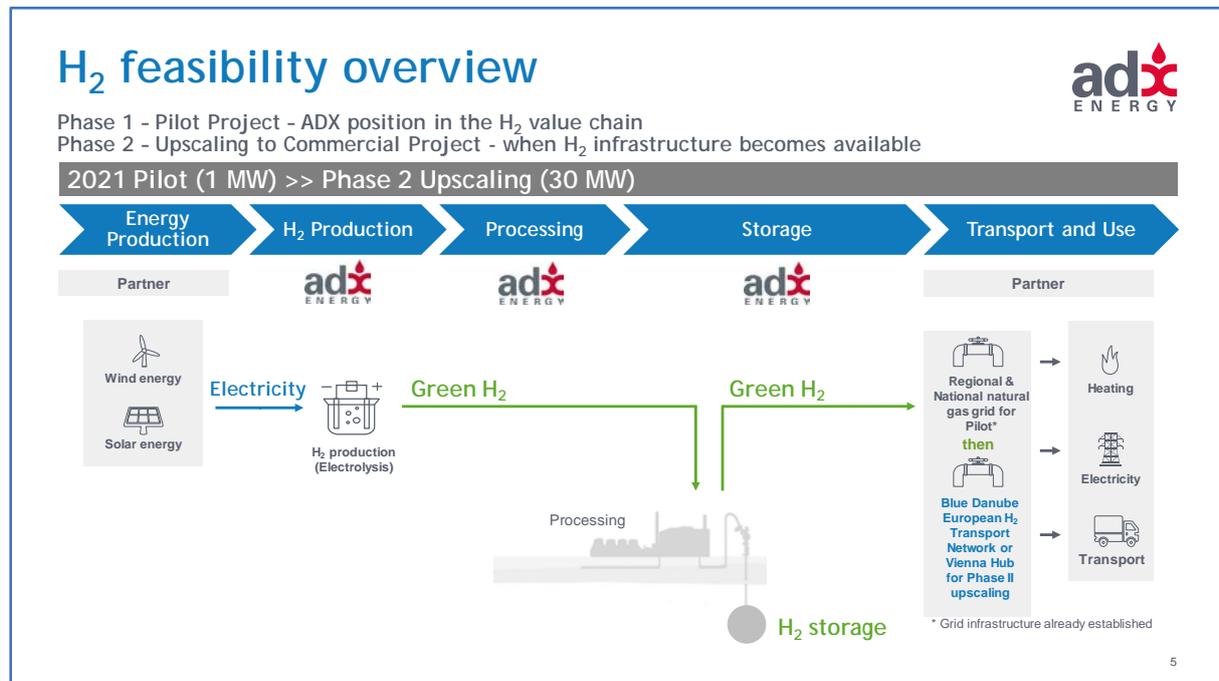
A number of Pannonian age high quality reservoirs have been identified which have historically contained methane. The reservoirs are ideally suited for the safe storage of green hydrogen. It

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is estimated that a single reservoir could hold on average around 60 GWh of energy in the form of hydrogen. This is the energy equivalent of powering approximately 20,000 households for an entire year. The business case for underground energy storage is enhanced by the ever-increasing capacity of intermittent wind and solar energy.

In Austria alone a six-fold increase from currently 3.8 GW in wind and solar energy is necessary to meet the minimum European Union (“EU”) renewable energy targets by 2030. The largest wind and solar power generation capacity in Austria, Slovakia and Czech Republic is located close to the ADX Fields.

ADX is planning to commence a pilot project utilising a 1 MW electrolyser to produce, store and on-sell green hydrogen in the local gas network which can accommodate up to 10% hydrogen concentration. Legislation is already in place for 10% H<sub>2</sub> blending in the extensive European gas grid. ADX has developed the business case for Vienna Basin Green Hydrogen Storage and already initiated discussions with renewable energy producers with a view to forming a strategic partnership to commence a pilot project.



## Renewable Energy Producer Discussions

ADX has developed the business case for Vienna Basin Green Hydrogen Project and commenced discussions with renewable energy producers with a view to forming a strategic partnership to commence to source green power to progress a pilot project with a view to upscaling to a 30MW project.

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During the quarter ADX met with four green power producers and potentially a very large customer for hydrogen. All of the hydrogen producers have expressed interest in either supplying green power or participating in the Vienna Basin Green Hydrogen Project. ADX intends to finalise arrangements with a green power producer in the coming months to enable ADX to progress the 1MW pilot project.

### GEOTHERMAL PILOT PROJECT

On the 15<sup>th</sup> of July 2021 ADX announced that it had entered into a Letter of Intent with Siemens Energy and RED Drilling & Services GmbH (RED) to build and operate a well test site (Pilot Project) in Austria to evaluate geothermal to power technology. ADX is the responsible party for all licensing and subsurface execution aspects of the project, including engineering, geological analysis, operational planning and implementation. ADX will need to obtain all necessary regulatory permits and has had positive initial discussions with the relevant mining authorities in Austria.

Siemens Energy will provide thermodynamic engineering work for the evaluation of the power generation system. RED will execute any drilling and well workover operations required and undertake well performance monitoring.

ADX and RED have already identified potential well test sites where existing wells can be reconfigured to implement the Pilot Project. Subject to the suitability of the wells with respect to thermodynamic attributes and reservoir quality, as well as securing regulatory approvals, it is expected that the first downhole testing could be conducted in Q3 2021.

Participation in the Pilot Project is intended to provide ADX with increased knowledge, experience and credibility to develop and deploy suitable geothermal power generation technologies on a large scale in ADX' operated Austrian licenses as well as other Central European jurisdictions where ADX has identified geothermal power generation opportunities.

Subject to the suitability of one of the identified well sites from a technical perspective ADX and Siemens intend to commence pilot project planning and execution during the coming quarter.

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### Finance and Corporate

#### *Operations*

During the June 2021 quarter, cash revenue received from oil and gas operations in Austria totalled A\$ 2.5 million (for sales for the period March to May). June revenue of EUR 0.52 million (A\$ 0.82 million) was received after the quarter end.

#### *Exercise of Options*

During the quarter 132,991,849 shares were issued upon exercise of unlisted options (A\$ 0.008 per share, expiring on 15 June 2021). Proceeds from the exercise of these options were A\$ 1,063,936.

#### *Other Loans – Loan Notes*

On 26 May 2022, ADX repaid A\$ 437,500 of the Loan Notes. The repayment of the remaining A\$ 3.06 million is due as follows:

- A\$ 437,500 on 26 November 2021;
- A\$ 437,500 on 26 May 2022; and
- A\$ 2,187,500 on 26 November 2022.

#### *Cash Balances*

ADX' cash at the end of the quarter was A\$ 4.157 million. This cash balance includes A\$ 0.64 million held by 49.2% owned subsidiary Danube Petroleum Limited and its Romanian subsidiary ADX Energy Panonia srl for Romanian Operations.

Cash excludes funds secured for bonds and guarantees. Secured cash totals A\$ 0.75 million.

#### *Additional ASX Information*

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A\$ 493,000, excluding staff costs. Full details of exploration activity during the quarter are included in this Quarterly Activities Report.
- ASX Listing Rule 5.4.2: Production expenditure in Austria during the quarter was A\$ 874,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A\$ 23,000, excluding staff costs. Full details of production and appraisal activities during the quarter are included in this Quarterly Activities Report.
- ASX Listing Rule 5.4.3: A tenement schedule is provided at the end of this Activities Report. There were no new farm-in or farm-out agreements entered into during the quarter. ADX has no farm-in or farm-out agreements as at the quarter end which reduces the Group's 100% interest in its tenements.

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- ASX Listing Rule 5.4.5: Payments to related parties of the Company and their associates during the quarter was A\$ 172,000. This consists of A\$ 7,800 paid for office rental to an entity related to Director Andrew Childs, and A\$ 164,200 for executive directors consulting fees, salaries and non-executive director fees.

## Tenement Table

Tenements held at the end of the quarter, their location, ADX percentage held at the end of the quarter and changes thereof:

Permit	% held at the beginning of the Quarter	% held at the end of the Quarter	% change
Onshore Austria, Zistersdorf and Gaiselberg Production License	100%	100%	-
Upper Austria AGS Licenses <sup>1</sup>	100%	100%	-
Onshore Romania, Parta <sup>2</sup>	100%	100%	-
Onshore Romania, Iecea Mare Production Licence <sup>2</sup>	100%	100%	-
Offshore Italy, d363C.R-.AX <sup>3</sup>	100%	100%	-

**Note 1:** Concession agreements for exploration, production and gas storage in Upper Austria (Upper Austria AGS).

**Note 2:** ADX holds a 49.2% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via ADX Energy Panonia holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Appraisal Sole Risk Project) and a 100% interest in the Iecea Mare Production license. ADX is the operator of the permit pursuant to a Services Agreement with Danube.

**Note 3:** ADX has commenced a process with the Italian Designated Authority to convert the exclusively awarded application to a ratified licence. This process was commenced after the award by the Ministry of Industry.

Yours faithfully,



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**END OF THIS RELEASE** - Authorised for lodgement by Ian Tchacos, Executive Chairman

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### Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and reserves information relating to Austria contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. 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 reviewed the results, procedures and data contained in this release 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).

### Resource Classifications used in this release.

**Contingent Resources** are those quantities of petroleum estimated, as at 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 estimates that have a respectively 90% (P90), 50% (P50) and 10% (P10) probability that the quantities actually recovered will be exceeded.

**Prospective Resources** are 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 Estimate** scenario of Prospective Resources - denotes a conservative estimate of the quantity that will actually recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

**Best Estimate** scenario of Prospective resources - denotes the best estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. It is the most realistic assessment of recoverable quantities if only a single result were reported. When probabilistic methods are used, there should be at least a 50 % probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

**High Estimate** scenario of Prospective Resources - denotes an optimistic scenario of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will be equal or exceed the high estimate. ADX has only reported Best Estimate Prospective Resources Scenarios in this release.

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### Type of Permits

The Prospective Resources relate to exploration licenses ADX-AT-I and ADX-AT-II (Licenses), in the Molasse Basin, Austria. ADX will hold at a 100% equity interest at the commencement of the license terms on 1 January 2021 for up to four periods of four years each. The license area is 450 Km<sup>2</sup>. Royalty is paid based on the value of hydrocarbons produced at a rate of 15% to maximum 20% for oil and 19% to maximum 22% for gas, depending on product prices.

### Prospective resources have been estimated on the following basis.

ADX has calculated resource estimates probabilistically under the PRMS guidelines outlined in chapter 4.2.3 (June 2018 revision), following the interpretation of all available well data and seismic data including 3D seismic data within the Licenses and within the basin. Ten prospects have been high graded and matured technically for drilling based on the evaluation of risk and resource potential. Given the excellent availability of data available to ADX prior to License award additional geotechnical studies will not be required prior to drilling. ADX anticipates drilling at least two wells in the first 4year term of the license period.

Historical success rates for exploration in the basin have been 47% when utilizing 3D seismic. A similar success rate is expected for future drilling. Given the availability of infrastructure and high- quality productive reservoirs in the basin there is a high probability that successful exploration will result in commercial production.