

Anshof Exploration Well Update Operations Report No 2

Key points:

- The Anshof-3 exploration well located in the ADX-AT-II license in Upper Austria (refer to figure 3) spudded on 18 December 2021. Drilling operations with the RED Drilling & Services GmbH (RED) E-200 rig are progressing according to schedule on day 10 of the program.
- At 6.00 am Central European Time on the 28th of December 2021 the well had reached a drill depth of 1123m in 8 ½ inch hole.
- Operations since the last report included the drilling of 12 ¼ inch hole to 331m, the running and cementing of 9 ⅝ inch casing and drilling 8 ½ inch hole to the current depth.
- Planned future operations include drilling ahead in 8 ½ inch hole to a total depth of 2540m.
- Gas shows have been observed while drilling from 175m to the current depth. Gas shows are expected based on the results of offset wells previously drilled in the area. There is potential for shallow gas accumulations being present at the Anshof-3 well location in addition to the deeper primary oil targets.

Notes:

An overview of the Anshof Prospect is available in Appendix 1 at the end of this release. It includes the results of an independent prospect review undertaken by RISC Advisory Pty Ltd (RISC).

ADX announced a farmout to ASX listed Xstate Resources Limited to fund 40% of the Anshof-3 well costs to earn a 20% participating interest in the Anshof Prospect. Refer to ASX release dated 22 November 2021.



Figure 1: The RED E-200 rig conducting drilling operations at the Anshof-3 drill site

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that the Anshof-3 well reached a depth of 1123m in 8 ½ inch hole at 6.00 am Central European Time on the 28th of December 2021 utilising the RED Drilling & Services GmbH (RED) E-200 rig on day 10 of drilling operations. The Anshof-3 exploration well is located in the ADX-AT-II license in Upper Austria.

Operations since last report

Operations since the last report included the drilling of 12 ¼ inch hole to a depth of 340m, the running and cementing of 9 5/8 inch casing as well as drilling to the current depth of 1123m in 8 ½ inch hole. The well is progressing in accordance with the drilling program and schedule.

Observations and results

Shallow gas shows have been encountered from approximately 175m onwards and has led to a requirement to degas the well which resulted in a small delay during the 9 5/8 inch casing running and cementing operations. These gas shows are common in nearby oil and gas fields and are caused by small structural - stratigraphic traps formed by thin interbedded sands and silt stones within the predominantly shale section of the imbricated Miocene Puchkirchner formations. Further strong gas shows caused by relatively small, interpreted gas traps are expected to be intersected by the well until the main oil target is encountered at the top of the Eocene sandstone reservoirs.

Future operations

Planned future operations for the Anshof-3 well include drilling ahead in 8 ½ inch hole to a total depth of 2540m.



Figure 2: Pulling the 17 ½ inch bit assembly from the hole on the drill floor of the RED E-200 rig

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Further Operational Updates

ADX will continue to provide weekly Anshof-3 well operations updates to Shareholders as well as drilling results as they become available.

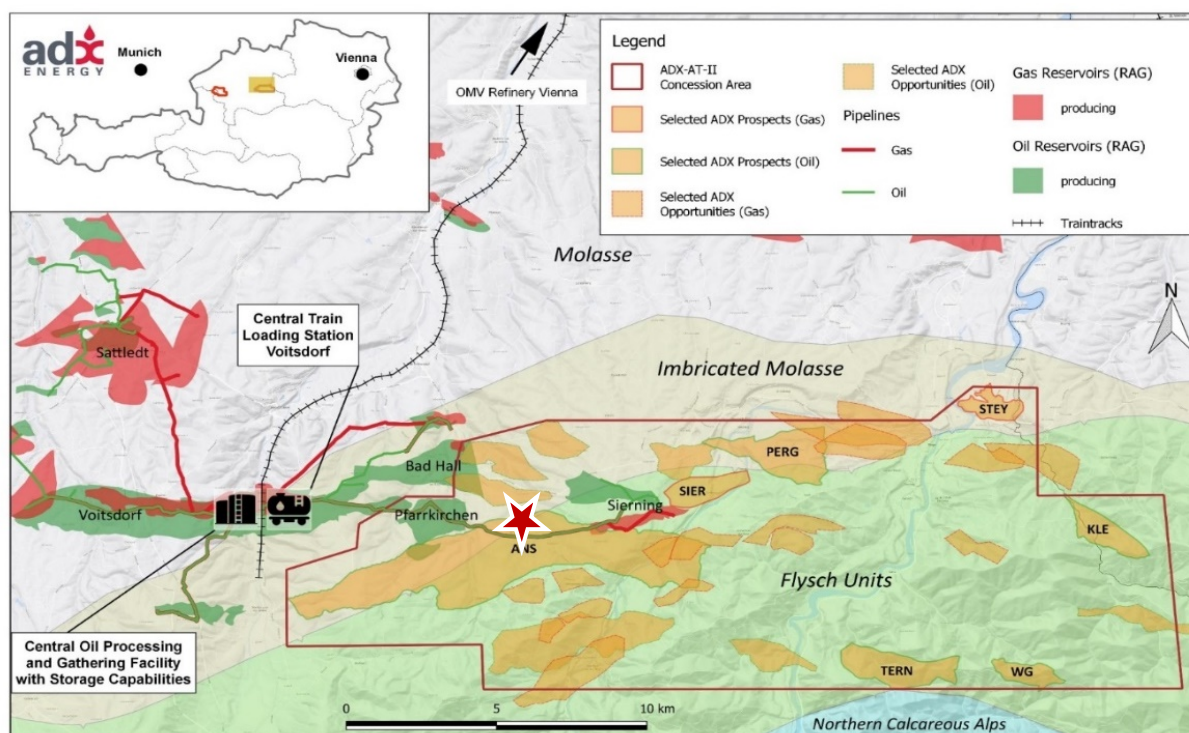


Figure 3: Map showing the Anshof prospect (star symbol) in relation to existing producing oil fields (green), follow up prospects (yellow) in the ADX AT-II license as well as nearby processing facilities and pipelines in ADX-AT-II exploration license

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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 Ltd 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).

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Appendix 1: Anshof Prospect Overview

Anshof is a well defined modern 3D seismic covered Eocene - Cenomanian prospect located up-dip and on trend from existing oil production from adjacent fields (Figure A1). The ADX in house team has developed a new structural model constraining the nearby producing Voitsdorf, Bad Hall and Pfarrkirchen oil fields which has resulted in identification of a number of on trend prospects and appraisal opportunities. Success at Anshof-3 will validate the new structural model and de-risk multiple follow up prospects. Anshof-3 has a best technical case prospective resource potential of 6.6 MMBOE with significant upside potential in the primary Eocene sandstone reservoir objective. The well plan includes a deeper Cenomanian secondary target with a best technical resource potential of 2.1 MMBOE.

Original Resources Reporting Date: Upper Austria Exploration was on 30/11/2020, estimates were further revised on 30/3/21.

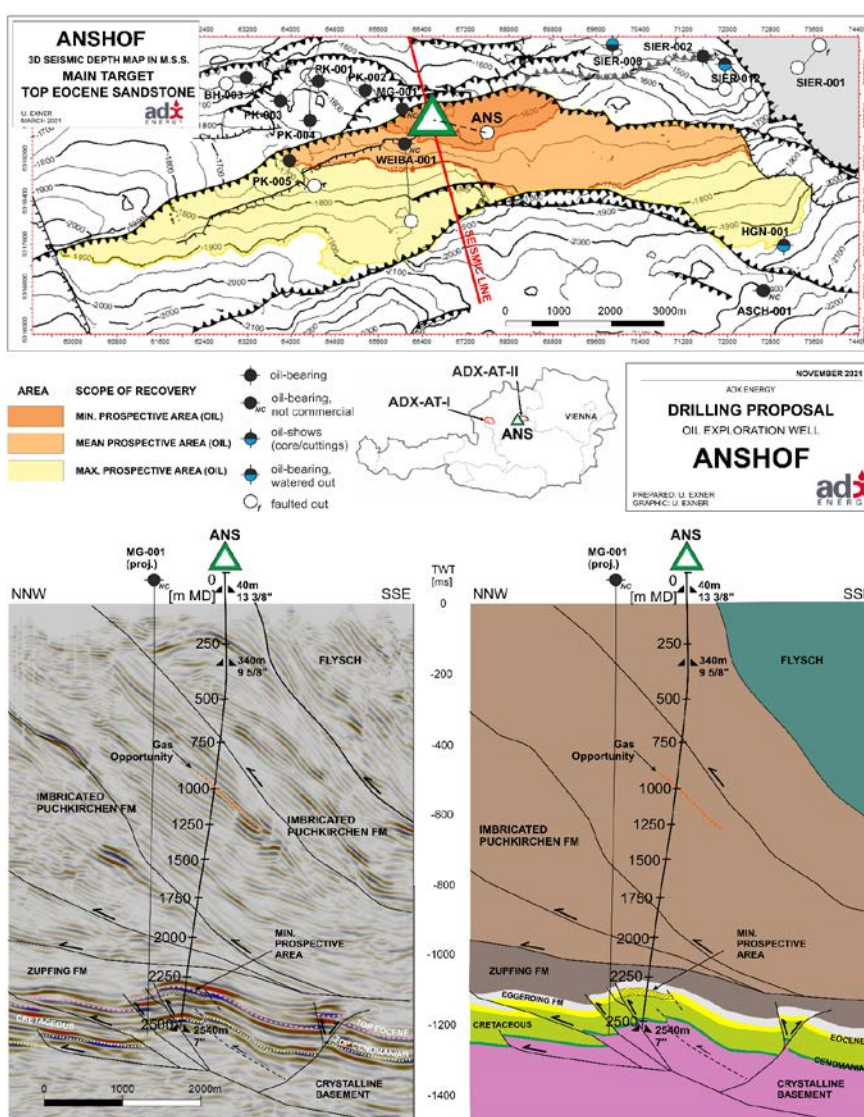


Figure A1: Anshof prospect Eocene depth map, seismic X section and schematic interpretation (mentioned anti clockwise)

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ADX commissioned RISC to provide an independent review of the prospectivity of the Austrian ADX-AT-I & II exploration licenses. RISC has reviewed the resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System 2018 (PRMS). RISC’s methodology was to review the evaluation, probabilistic resource evaluation and geologic risking carried out by ADX. Details of the findings of their review were presented in a report. RISC have not conducted a site visit.

RISC has reviewed the Anshof Prospect and found the following Prospective Resource and Geological Risk assessment to be reasonable. A summary of RISC’s findings for the Anshof prospect is shown in the Table 1 below. Refer also to ASX release 10 November 2021.

Table 1: Anshof Prospective Resource and Geological Risk Assessment

(100% Equity Interest)					
Unrisked Prospective Resource ¹	P(90) ² (MMBOE)	P(50) ³ (MMBOE)	P(10) ⁴ (MMBOE)	Mean ⁵ (MMBOE) ⁶	Probability of Success
Oil Case	0.50	3.30	16.20	6.60	43%

Notes to Table 1:

1. 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.
2. At least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
3. At least a 50% probability that the quantities actually recovered will equal or exceed the estimate.
4. At least a 10% probability that the quantities actually recovered will equal or exceed the estimate.
5. The arithmetic average of the probability distribution.
6. BOE means barrels of oil equivalent

In RISC’s opinion, the method of utilising a mapping based net-rock-volume (NRV) in the prospective resource assessment in the Anshof Prospect may result in a conservative volumetric assessment. RISC was not provided with an assessment of the deeper Cenomanian secondary objective for Anshof.

Access to Production Infrastructure

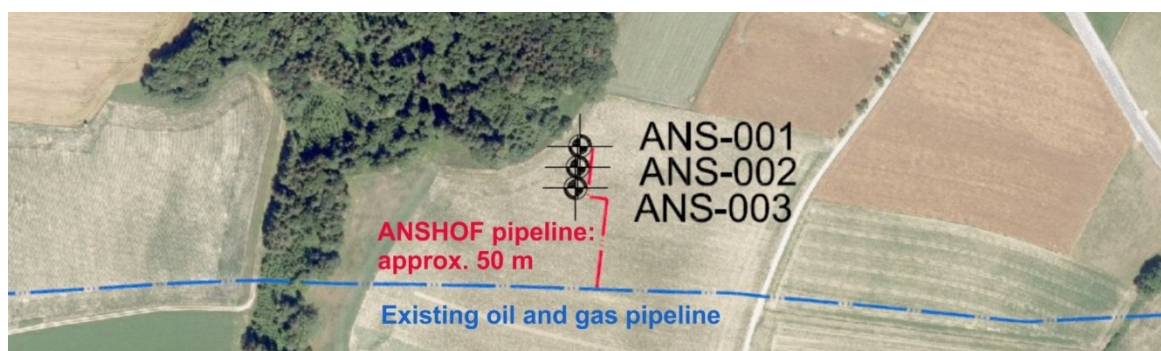


Figure A2: Aerial image prior to commencement of well site preparation showing the three Anshof surface locations and the distance to an existing oil and gas pipeline bundle that can be used to access oil and gas processing and export infrastructure

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Approvals have been received from the regulatory authority for up to three drilling locations from the Anshof well site. The Anshof-3 Well location is approximately 50 metres from an oil and gas pipeline bundle which can be accessed to process and export crude.

On the 22nd of November 2020 ADX announced the agreement with RAG Exploration & Production GmbH (RAG E&P) of commercial terms for the access of future oil and gas production from ADX Upper Austria exploration and appraisal licenses in Upper Austria which surround producing fields and infrastructure operated by RAG E&P. The agreement enables the reduction of capital expenditures and the time taken from drilling to commercial production due to the ability to tie into RAG E&P's existing hydrocarbon gathering, processing and storage facilities which are connected to Austria's oil and gas infrastructure network.

Reporting Standards

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

RISC Independence

RISC has no pecuniary interest, other than to the extent of the professional fees receivable for the preparation of this report, or other interest in the assets evaluated, that could reasonably be regarded as affecting our ability to give an unbiased view of these assets. RISC makes the following disclosures:

- RISC is independent with respect to ADX and confirms that there is no conflict of interest with any party involved in the assignment;
- Under the terms of engagement between RISC and ADX, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report;
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in ADX or in any of the properties described herein.

About RISC

RISC is an independent advisory firm offering the highest level of technical and commercial advice to a broad range of clients in the energy industries, worldwide. RISC has offices in London, Perth, Brisbane and South East Asia and has completed assignments in more than 90 countries for over 500 clients and have grown to become an international energy advisor of choice.

End of this Release