

Activities Report For Quarter Ended 30 June 2022

HIGHLIGHTS FOR QUARTER INCLUDE

Production

Vienna Basin Fields – Austria

- **Sales Revenues** decreased by 2% (A\$ 3,290,374 for the quarter)
- **Oil Equivalent Production Rates** decreased by 22 % (due to well down time averaging 212 BOEPD for the quarter)
- **Brent Oil Price** increased by 12% (averaging USD 113.78 per barrel for the quarter)
- **Gas Price** increased by 17% (averaging EUR 104.67 per MWh for the quarter ~ USD 31.3 per mscf)

Development

Anshof Field - Upper Austria

- **Anshof-3 Well Testing** Eocene oil reservoir flowed at 132 barrels of oil per day
- **Anshof-3 Commercial Production** preparations for early production during Q4 2022
- **Anshof Development Drilling** planning and procurement for Anshof-2 well in Q3 2023
- **Anshof Reserves** Eocene oil potential being reviewed results expected during Q3 2022

Exploration

Upper Austria - Exploration Licenses

- **Acreage Expansion** from 450 km² exploration license area to **1,022 km²**
- **Welchau 800 BCFE gas prospect** prospect matured for drilling. Permitting and long lead items procurement underway to accelerate drilling
- **Geothermal and gas dual energy project** matured for co-investment
- **Farmout program** discussions ongoing with multiple parties to fund exploration and appraisal programs

Romania - Iecea Mare Production and Parta Exploration License

- **Parta Exploration License** engagement with interested farmin parties, extension of prospectivity review to geothermal energy and data exchange with OMV Petrom
- **Iecea Mare Production License** engagement with interested parties for the development of infill opportunities in proven oilfields

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Italy - Sicily Chanel Exploration

- **New License award process for gas exploration** enabling the potential lifting of the current license suspension and the grant of a license for offshore gas exploration
- **D 363 C.R.- AX license gas prospectivity report** prepared and as a subsequent event submitted it to the Ministry of “Transition”, Department for Energy

Renewable Energy Projects – Austria

- **Vienna Basin Green H₂ Project** further project definition and planning work including engagement with large producers of renewable electricity suitable for green H₂ generation, confirmation of electricity grid capacity availability, discussions with potential off-takers of renewable hydrogen for use in premium markets and review of the regulatory framework including requirements for renewable green H₂ certification
- **Zistersdorf Solar Project** technical and commercial evaluation commenced for a 2 MW photovoltaic (PV) project located on ADX owned land at the Vienna Basin oil and gas fields

Finance and Corporate

- 🔴 **Cash balance at end of quarter** total of A\$ 2.56 million
- 🔴 **Vienna basin oil production hedging** a new zero cost collar contract with a pricing floor at USD 80.00 per barrel and a cap at USD 130.25 per barrel Brent price was contracted for the period 1 June to 31 December 2022.

PLANNED ACTIVITIES FOR QUARTER 3, 2022

Vienna Basin Production – Austria

- 🔴 **Zistersdorf and Gaiselberg Fields.** Completion of well work to restore production from affected wells

Anshof Field Development - Upper Austria

- 🔴 **Anshof-3 Commercial Production.** Finalise commercial arrangements for oil sales, production system lease and installation of facilities
- 🔴 **Anshof Development Drilling.** Procurement of equipment and services for drilling of the Anshof-2 well in Q3 2023
- 🔴 **Anshof Reserves (Eocene oil potential).** Release of independent assessment results during Q3 2022

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Exploration

- 🔴 *Upper Austria AGS Licences*
 - *Welchau 800 BCFE gas prospect.* Ongoing permitting and procurement of equipment and services to enable earliest drilling
 - *Farmout program.* Ongoing engagement with multiple parties
 - *Prospect maturation.* Mature new gas prospects and geothermal projects

- 🔴 *Italy - Sicily Chanel*
 - *D 363 C.R.- AX license gas.* Finalise gas resource report and ongoing engagement with ministry to reinstate licenses for gas exploration

Renewable Energy Projects – Austria

- 🔴 *Vienna Basin Green H₂ Project.* Ongoing technical and commercial definition of the pilot project
- 🔴 *Zistersdorf Solar Project.* Ongoing technical and commercial evaluation with potential development and finance partner
- 🔴 *Geothermal and gas dual energy project.* Completion of detailed geotechnical and economic scoping study for the Gmunden Project located within the expanded Upper Austrian AGS area

OPERATIONS REPORT

Production Activities

ZISTERSDORF AND GAISELBERG PRODUCTION ASSETS – Vienna Basin, Austria

ADX is operator and holds a 100% interest of the production

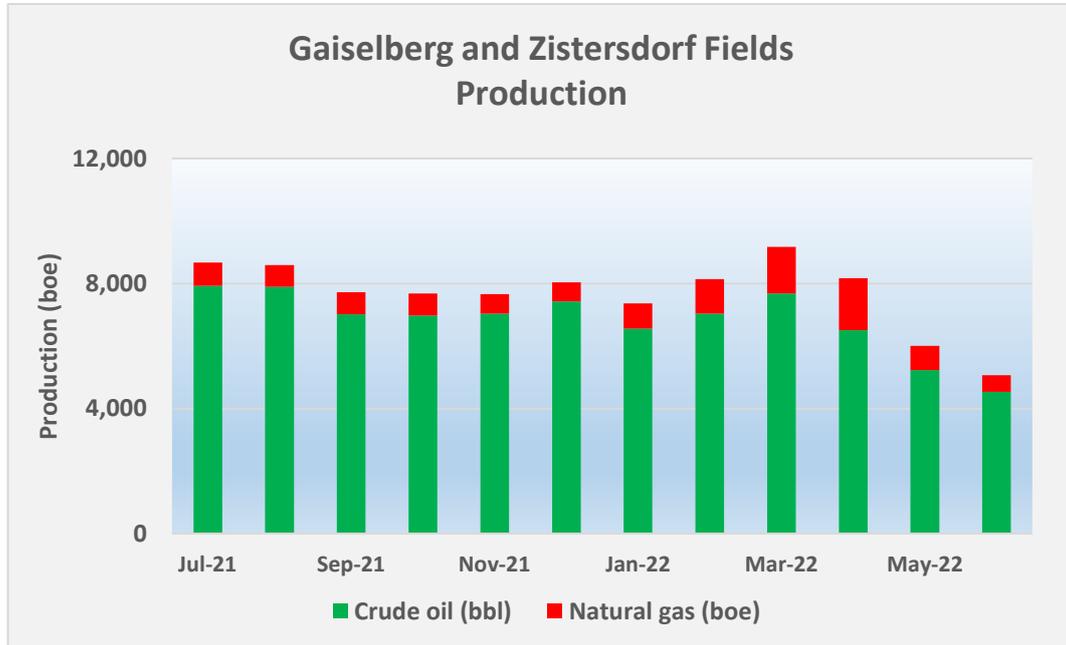
Production Operations

Field production rate averaged 212 BOEPD (compared to 268 BOEPD in the previous quarter), a 22% decrease compared to the previous quarter. The decrease was due to the loss of production from 5 wells due to downhole mechanical failures occurring predominantly during April and May 2022. A workover program has commenced to reinstate production from key wells.

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Well workover operations at the Gaiselberg and Zistersdorf fields in Lower Austria



Production histogram showing the production drop in May and June due to well down time

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Field Revenues and Product Pricing

Average Brent reference oil pricing continued to strengthen during the quarter averaging USD 113.78 per barrel (an increase 12% compared to the previous quarter). Gas prices continued to rise substantially with an average 17% increase compared to the previous quarter.

Despite lower production rates, total field revenues were maintained at a stable level as a result of stronger oil and gas prices.

Table 3 below shows sales revenues of EUR 2,207,399 for the June 2022 quarter compared to EUR 2,263,456 in the March 2022 quarter. Hedging losses of EUR 86,904 resulted in net total revenue of EUR 2,120,495 for the June 2022 quarter compared to EUR 1,888,690 for the March quarter.

	April	May	June	Current Qtr Total	Past Qtr Total	%age Change
Avg Oil Pricing (US\$ / BBL)	\$ 104.39	\$ 113.25	\$ 123.70	\$ 113.78	\$ 101.40	12%
Avg Gas Price (Euro / MWh)	€ 124.86	€ 98.30	€ 90.84	€ 104.67	€ 89.43	17%

	April	May	June	Current Qtr Total	Past Qtr Total	%age Change
Oil Revenue (Euro)	€ 577,112	€ 514,348	€ 488,163	€ 1,579,623	€ 1,784,587	-11%
Gas Revenue (Euro)	€ 360,229	€ 185,072	€ 82,475	€ 627,776	€ 478,869	31%
Total Sales Revenue (Euro)	€ 937,341	€ 699,420	€ 570,638	€ 2,207,399	€ 2,263,456	-2%
Hedging Revenue (Euro) "Swap Contracts"	-€ 86,904	€ 0	€ 0	-€ 86,904	-€ 374,767	-77%
Total Revenue (Euro)	€ 850,437	€ 699,420	€ 570,638	€ 2,120,495	€ 1,888,690	12%
Total Revenue (A\$)	\$ 1,267,671	\$ 1,042,564	\$ 850,599	\$ 3,160,834	A\$/Euro = 0.6709	

Hedging

On 26 May 2022 ADX hedged approximately 50% of its forecast proven (1P) oil production between 1 June 2022 to 31 December 2022 from its Vienna basin fields with a new zero cost collar contract that has a pricing floor at USD 80.00 per barrel and a cap at USD 130.25 per barrel Brent price. The average hedged production rate during the period is approximately 115 barrels of oil per day.

ADX hedging strategy is to secure the current strong revenues from production operations resulting from increased oil price to cover field operating and administration costs. ADX has maintained a high exposure to further upside in Brent crude oil pricing with 50% of the

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forecast production remaining unhedged and headroom under the collar structure.

Gas production from the Vienna basin fields which is expected to contribute approximately 30% of the overall field revenues during 2022 is not hedged. The hedging counterparty for this hedging transaction as well as the previous hedging transactions is BP.

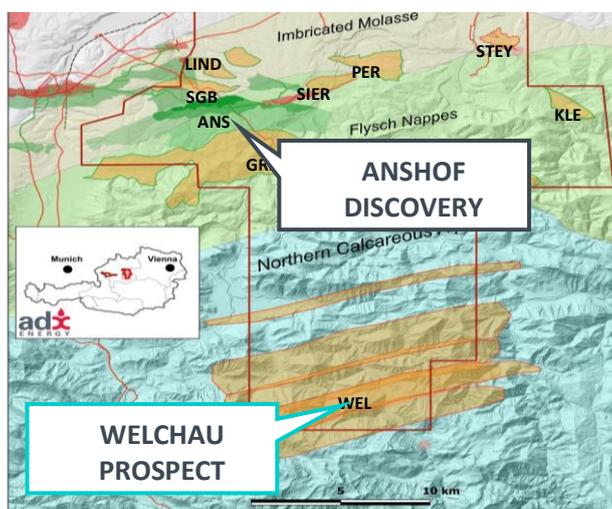
Appraisal & Development Activities

ANSHOF EOCENE OIL PROJECT – ADX-AT-II LICENCE, Upper Austria

ADX is operator and holds an 80% interest in the Anshof Discovery Area. Refer to ASX release dated 22 November 2021 regarding the farmout of 20% interest in Anshof to Xstate Resources Limited.

Anshof Background

The Anshof-3 well was spudded at 00.30 hours on the 18th of December 2021. The Anshof-3 well is located in the ADX-AT-II license in Upper Austria. The Anshof well site has provision for up to 3 drilling slots (the well name Anshof-3 stems from the fact that physical surface location number 3 which was the first approved by the relevant authorities to allow spudding of the well). Well operations were concluded following the running and cementing of 7-inch casing to a total depth (TD) of 2499 m. The RED Drilling & Services GmbH (RED) E-200 rig was released on 15 January 2022. The well was suspended in preparation for completion with production tubing utilising a workover rig prior to testing and potential long-term production thereafter.



Map showing Anshof Discovery located in the ADX-AT-II license

Prospective Resource for the Anshof prospect is 6.6 Million Barrels of Oil Equivalent ^{Note 1}. Based on well results to date, ADX believes the previously reported RISC reviewed oil resources do not warrant revision. The successful flow of oil to surface with better-than-expected productivity (at this crestal location with relatively thin reservoir) will however allow that some of the prospective resources will be moved into undeveloped reserves category as per PRMS

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(“Petroleum Resource Management System) guidelines.

Note 1: On 10 November 2021 ADX announced an independent review by RISC Advisory Pty Ltd (“RISC”)

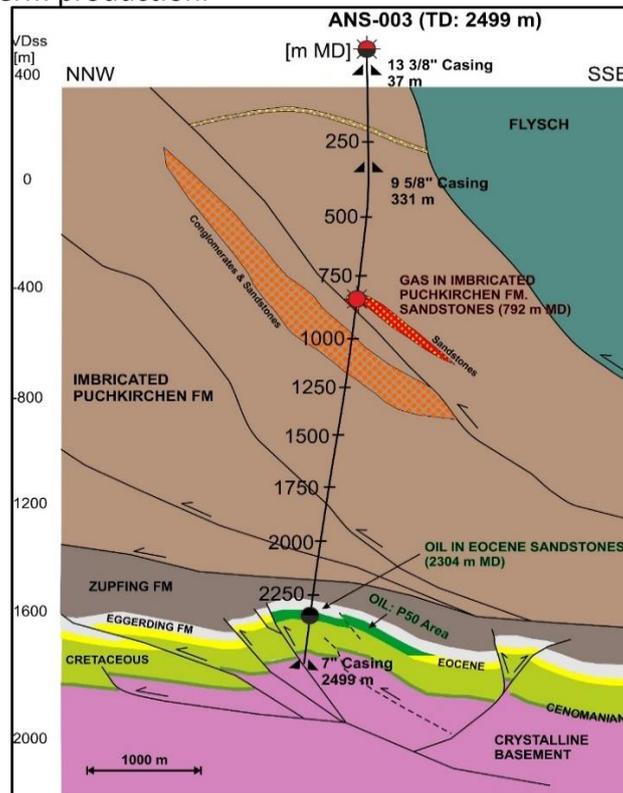
Productive oil reservoirs confirmed by flow testing

On 26 April 2022 water free light crude oil (32° API) flows were reported at the Anshof-3 well in the ADX-AT-II license in Upper Austria during testing of the Eocene oil zone. On the 9th of May 2022, ADX announced a rate of 132 barrels per day recorded for a flow period during testing based on data recorded from downhole pressure gauges. Pressure data recorded during the test indicates better than expected reservoir flow performance.

Importantly there were no flow barriers interpreted from the test data which is a positive indication for oil recovery from long term Anshof- 3 well production.

The flow performance at Anshof-3 well also has positive implications for future Anshof wells drilled down dip from the crest of the structure where the Eocene reservoirs are expected to thicken considerably.

At the conclusion of testing operations, the Anshof-3 well was acidised to further enhance productivity and a production string was installed in the well as well as a down hole pump in preparation for long term production.



ANS-003 discovery cross section

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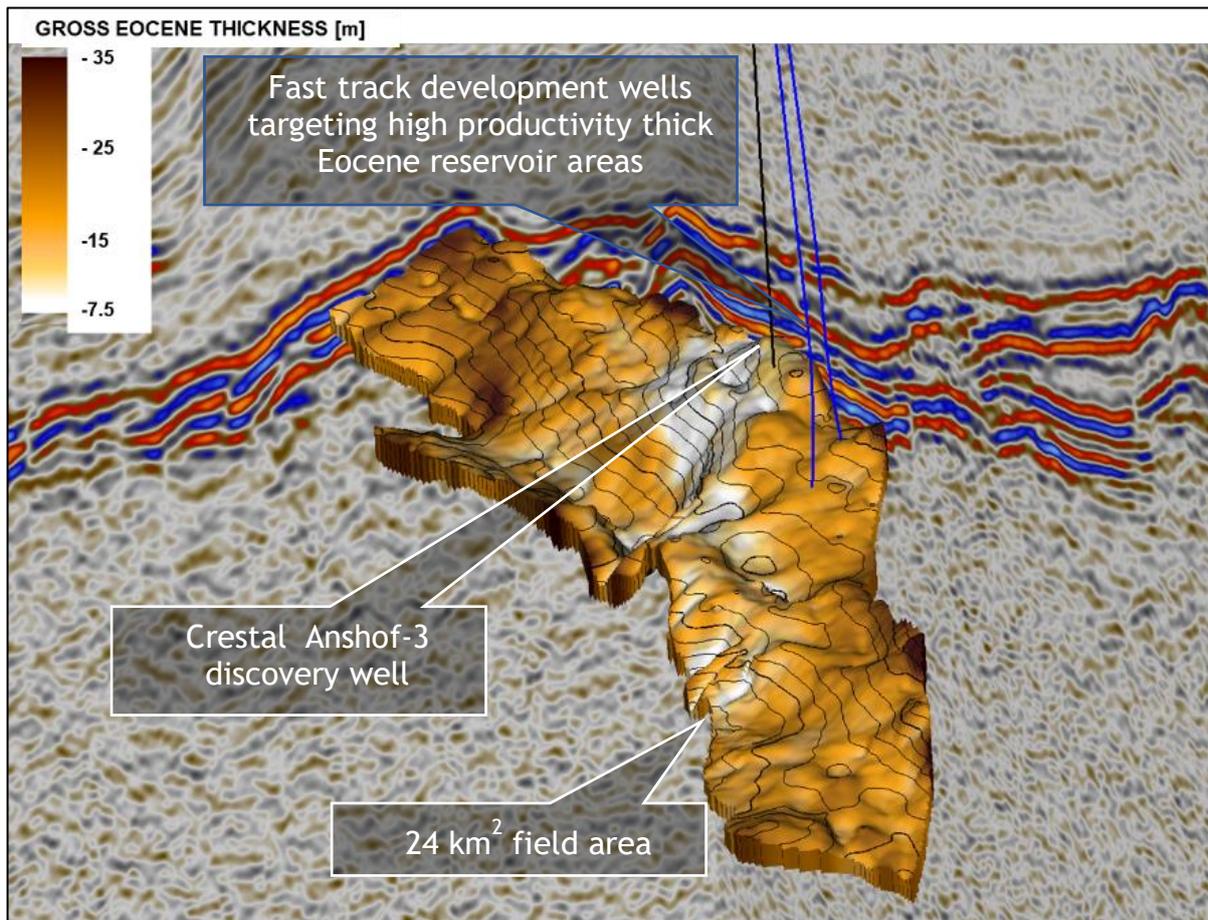
Long term production and development well planning

Technical and commercial work to commence commercial production from the Anshof -3 well was started during the quarter with a view to achieving early production.

ADX plans to install an early production testing processing facility for commercial oil sales to be delivered by truck to a nearby oil terminal are being assessed with a view to generating cash flow during Q4 2022 as well as obtaining further information in relation to the larger Anshof oil accumulation. Interim production of up to 37,000 barrels (approximately 100 barrels per day for a period of one year) is allowed under Austrian legislation prior to finalising a production license for the entire discovery area.

New development well planning was largely completed during the quarter with authority approvals available and long lead item procurement underway to drill the Anshof-2 and Anshof -1 wells from the Anshof-3 location. Future wells down dip from Anshof -3 are prognosed to intersect thicker Eocene reservoirs and will be drilled as high angle wells in order to maximise flow rates and reserves recovered on a well by well basis.

Anshof Field Mapping based on 3D seismic and offset well data showing follow up Anshof-2 and Anshof-1 development wells



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EUROPEAN ENERGY PRICING TRENDS – Influence on ADX Investment Strategy

The European energy markets have been under substantial stress since June 2021 as a result of post pandemic demand catch-up. Gas has outperformed other energy commodities with a circa 1,300 % price increase since January 2020.

High fuel prices and undersupply of baseload power have dramatically impacted electricity prices in Europe which are currently at an all time high (EEX futures for August 2022 are trading at EUR 490 per MWh).

The Ukraine-Russia conflict has considerably worsen an already precarious situation by creating uncertainty in gas supply and a shift to reduce reliance on Russian gas. The European Commission announced on 18 May 2022 the REPowerEU Plan which is seeking to entirely phase out the import of Russian gas by European Union (EU) member states by 2030 and sets targets for the production of renewable energy and clean fuels including renewable hydrogen (17.5 GW of electrolyser capacity in the EU by 2025 and production of 10 million tonnes per annum) and solar energy (600 GW of installed capacity by 2030).

Sanctions imposed by the EU against Russia are also impacting prices of refined products such as diesel and gasoil since Russia mainly exports refined products to Europe as opposed to crude oil. Refined product prices in Europe reached record high levels in Q2 2022.

Europe consumes approx. 19 Tcf per annum of gas (13.5 times Australia's gas consumption). This makes Europe the second largest gas market in the World after the United States of America. Its domestic production is declining due to permitting restrictions and underinvestment despite the presence of proven gas basins and large resource potential.

Europe relies on imports for 58% of its gas consumption with Russian gas contributing to half of the imports (mainly piped gas). Russia has been a reliable supplier of gas to Europe even during the Cold War. However, recent geopolitical tensions and retaliation against sanctions imposed by the EU have changed the risk profile of gas supply from Russia with supply cuts to Poland, Bulgaria, Finland and Germany in Q2 2022. Those cuts had knock-on effects on Austria, France, Italy and Czech Republic.

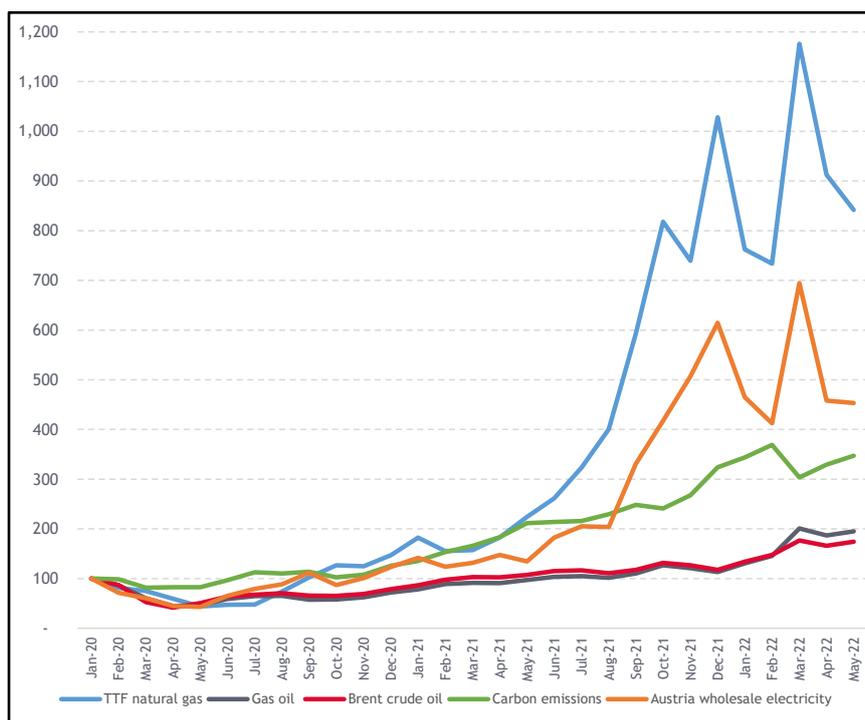
Europe is now seeking to diversify its gas supply through the import of liquefied natural gas (LNG) as a new source of baseload supply. However, the LNG spot market is highly competitive and limited due to capacity constraints (liquefaction capacity and availability of LNG tankers) and pre-existing long-term contractual arrangements with Asian buyers (Japan and South Korea).

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The EU targets to fill in gas storage facilities to 80-90% capacity by November 2022 ahead of peak winter demand. However, the reduction of gas supply in the Nord Stream I pipeline which connects Russia to Germany (60% reduction in June 2022 and 80% reduction from 27 July 2022) may jeopardise the EU’s ability to achieve its gas storage targets ahead of the winter. Strong demand for storage and supply uncertainty are drove Dutch TTF gas prices up at the end of June 2022 to USD 265 per boe (+29% in Q2 2022) which is circa 2.5 times the price of Brent crude oil.

Supply uncertainty and the efforts to substitute Russian gas by LNG and clean gases in the European supply mix are likely to keep gas prices in Europe elevated for the foreseeable future. In such a challenging context, ADX is well positioned to take advantage of the energy crisis in Europe by:

- Producing low-emissions oil and gas from the Zistersdorf and Gaiselberg fields in Lower Austria;
- Early production from the Anshof oil discovery in Upper Austria;
- Drilling of high impact gas prospects such as Welchau; and
- Renewable energy projects (renewable hydrogen, solar energy and geothermal energy).



The above graph illustrates the sharp rise in energy commodities in Europe since January 2020

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Exploration Activities

UPPER AUSTRIA LICENCES – Austria

ADX is operator and holds a 100% interest in the ADX-AT-I and ADX-AT-II exploration licenses other than in the Anshof Discovery Area where ADX is operator and holds an 80% interest. . Refer to ASX release dated 22 November 2021 regarding the farmout of 20% interest in Anshof to Xstate Resources Limited.

Upper Austria Exploration Portfolio Expansion and Upgrade

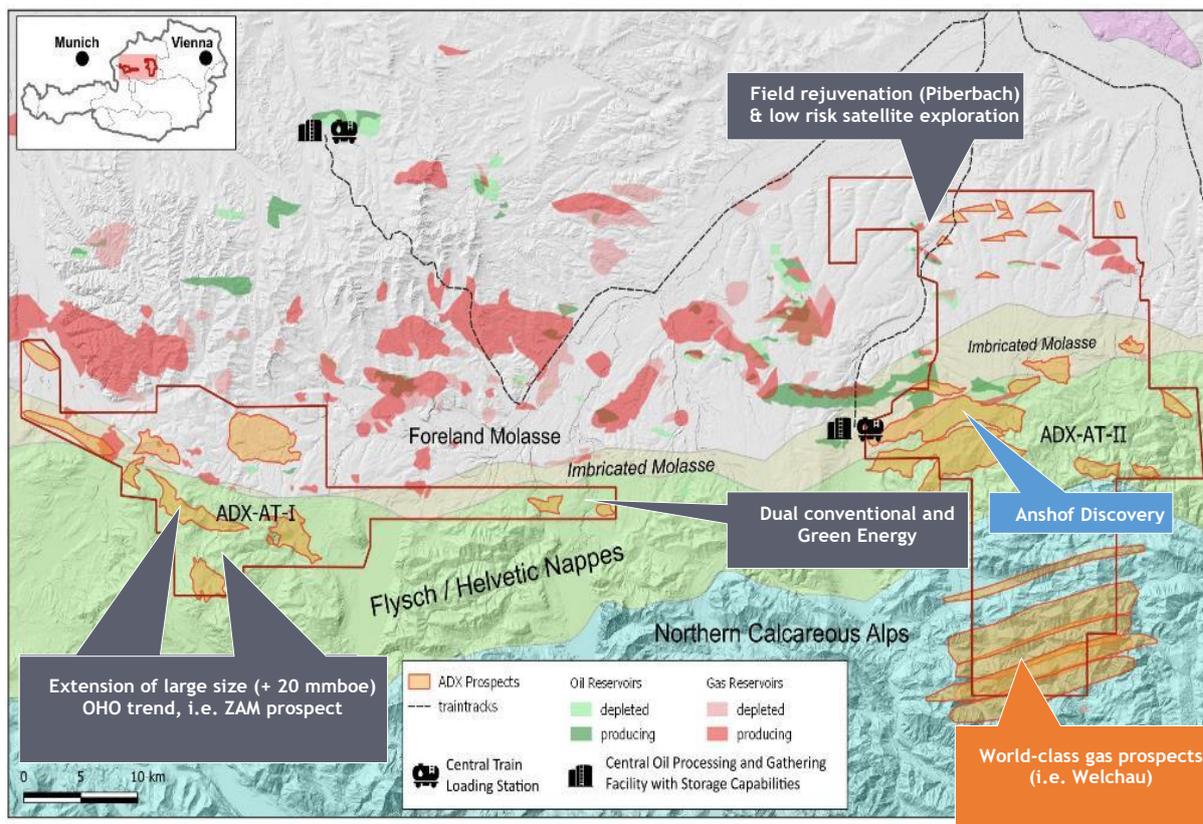
On the 16th of May 2022 ADX announced the finalisation of agreements with the Austrian Mining Authority for the expansion of ADX' current 450 km² license area for exploration, production and gas storage to an **area of 1,022 km²**. The expansion of ADX license footprint has expanded ADX portfolio to include new opportunities targeting large gas resources in response to Europe's energy supply crisis as well as established geothermal potential required for the ongoing transition to renewable energy. The portfolio expansion includes the following projects which have been evaluated can be "drill ready" in a short timeframe;

- The giant Welchau gas prospect which has a 800 BCF Equivalent (approx. 134 MMBOE equivalent) best technical prospective resource ^{note 1} proximal to the Molln-1 gas discovery well which tested pipeline quality gas down dip from the proposed drilling location. *The Original Resources Reporting Date for Welchau prospective resources was on 16/5/2022, the estimates were further revised on 20/6/2022*
- The Gmunden multi energy resource prospect includes shallow, quick to monetise gas targets together with a deeper geothermal target assessed to have between 15 to 20 MW renewable energy potential based on similar developments in the region.
- The ZAM prospect is a follow-up to the large independently assessed OHO prospect with 20.4 MMBOE (approx. 140 BCF equivalent) best technical prospective resources ^{note 1}. *On the 10/11/2022 ADX Reported an independent review of the Zam Prospect by RISC Advisory Pty Ltd.*
- An oil field rejuvenation opportunity ("Piberbach") and adjacent low risk follow-up satellite prospects.

Note 1: The prospective resource estimates in this release are classified and reported in accordance with the PRMS – SPE Guidelines for the exploration licenses ADX-AT-I and ADX-AT-II, in the Molasse Basin, Austria. Refer to the end of this release for an explanation of prospective resource classifications used and the Basis on which the prospective resources were estimated. 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.

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.

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Map showing ADX expanded Upper Austria AGS licenses (ADX-AT-I and ADX-AT-II) including Anshof discovery, the Welchau gas prospects as well as other prospects and potential projects proximal to the RAG Austria AG oil and gas production area of the Molasse Basin East of Munich

ADX is well placed with its expanded Austrian portfolio to commercialise oil, gas and renewable opportunities needed to help satisfy unmet European demand for oil and gas in the near- term. ADX is seeking to benefit from very high energy prices as well as the renewable energy transition in the longer term.

ADX near-term oil and gas activities will focus on delivering cash flow from the Anshof oil discovery and drilling the company making Welchau gas prospect at a time when European gas prices are approximately 4 times that of the USA.

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The Table below summarises the revised Upper Austria prospect portfolio incorporating the expanded license area including the Welchau and ZAM prospects

	Prospect Name	Fluid	Best Technical Recoverable (MMboe)
HIGH IMPACT EXPLORATION	WELCHAU (WEL)	GAS	134,0
	OBERHOLZ (OHO)	GAS (OIL)	20,4
	ZELL AM MOOS (ZAM)	GAS (OIL)	16,7
TREND EXPLORATION	GRUENBURG (GRB)	OIL	8,8
	GMUNDEN (GMU)	OIL/GAS	3,9
	IRRS DORF (IRR)	GAS	3,0
	TERNBERG (TERN)	OIL	3,2
	LICHTENBERG (LICHT)	GAS	2,7
	PERGERN (PERG)	OIL	2,5
	WOLFSGRUB (WG)	OIL	2,2
	AUSSERROID (ARD)	GAS	2,2
	SIERNING (SIER)	GAS	1,0
DISCOVERIES & APPRAISAL	STEINGRUB (SGB)	OIL	2,8
	LINDENBERG (LIND)	OIL	0,8
	BRUNN (BRUNN)	GAS	0,8
	KLEINRAMING (KLE)	OIL	0,6
	STEYR (STEY)	GAS	0,5
Total Exploration (MMboe)			200,6
Total Exploration + Appraisal (MMboe)			206,1

The original resources reporting date for Upper Austria Exploration was on 30/11/2020, estimates were revised on 30/3/2021 and 21/4/2022. The above table also incorporates the Zam and Welchau prospects last reported on 20/6/2022.

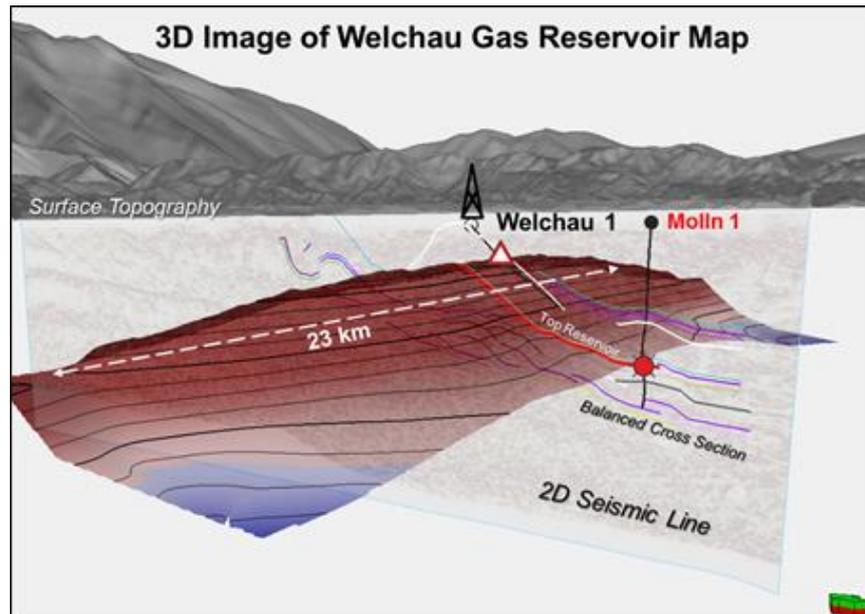
Welchau Gas Prospect Summary

The Welchau gas prospect has an ADX estimated 800 BCF equivalent (**134 MMBOE**) best technical prospective resources. It is potentially connected to a gas discovery at Molln-1 which was drilled in the late 1990's and tested pipeline quality gas down dip from the Welchau proposed drilling location.

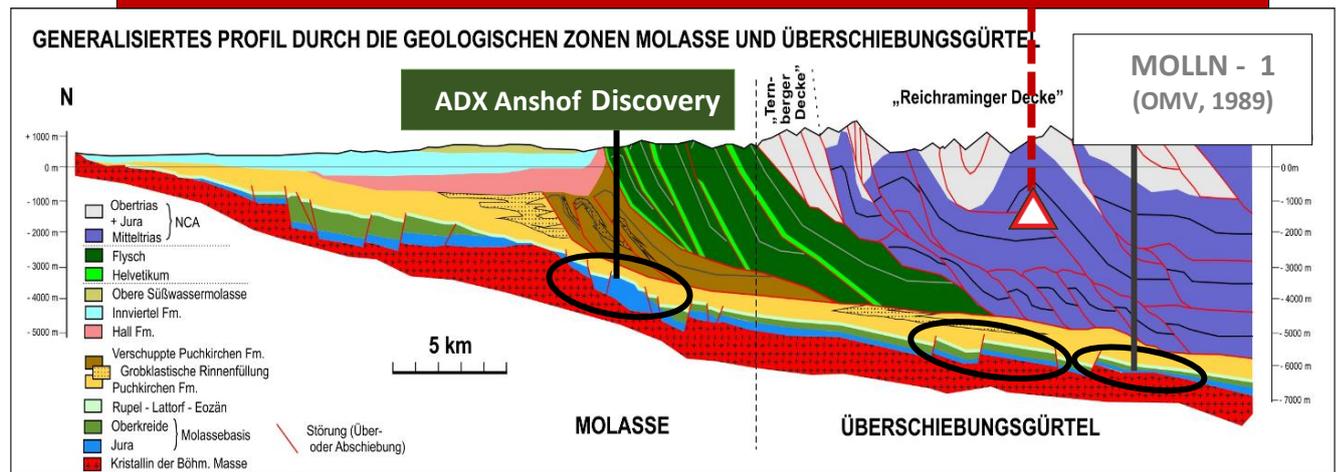
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The gas prospect is located in the foothills of the Austrian Alps and is analogous to the large anticline structures discovered in Kurdistan. Welchau is a relatively shallow prospect (approx. 1120 m total vertical depth) There is excellent access to the planned drilling location via roads and a short tie-in distance to the national gas pipeline network.

Main target is the Triassic Steinalm Fm., trapped in a trending ramp anticline with more than 20 km lateral extent and 100 km² maximum closure area. The structure is defined by outcrop mapping and a balanced 2D cross section along a profile parallel to the shortening direction.



GIANT WELCHAU ANTICLINE – 800 BCFE remains undrilled!



Geological cross section showing the Anshof Discovery (ADX), the Molln -1 gas well (OMV) and the Welchau gas prospect (ADX)

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Welchau Resource Estimates

ADX prospective resource estimates for the Welchau prospect are summarised below.

WELCHAU GAS PROJECT - PROSPECTIVE RESOURCES		Min	Best Technical	Max
Gas	BCF	171	651	1 315
Condensate	MMBBls	7	26	53
TOTAL	MMBOE	35	134	272
TOTAL	BCFE	212	807	1 631

Original Resources Reporting Date for Welchau prospective resources was on 16/5/2022, the estimates were further revised on 20/6/2022.

The prospective resource estimates are classified and reported in accordance with the PRMS – SPE Guidelines for the exploration licenses ADX-AT-I and ADX-AT-II, in the Molasse Basin, Austria. 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 exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Impact of Molln-1 well on Welchau Prospectivity

The Molln-1 well located down dip of Welchau was drilled and tested in 1989. The results from this nearby well have significantly **reduced risk** in the following areas;

- Gas quality and gas charge has been demonstrated by gas flows during testing that also confirmed a high condensate yield of 40 bbls/mmcf.
- Reservoir productivity of Triassic Steinalm Fm which tested 3.5 mmcf
- The quality of the top seal to hold a large gas column.

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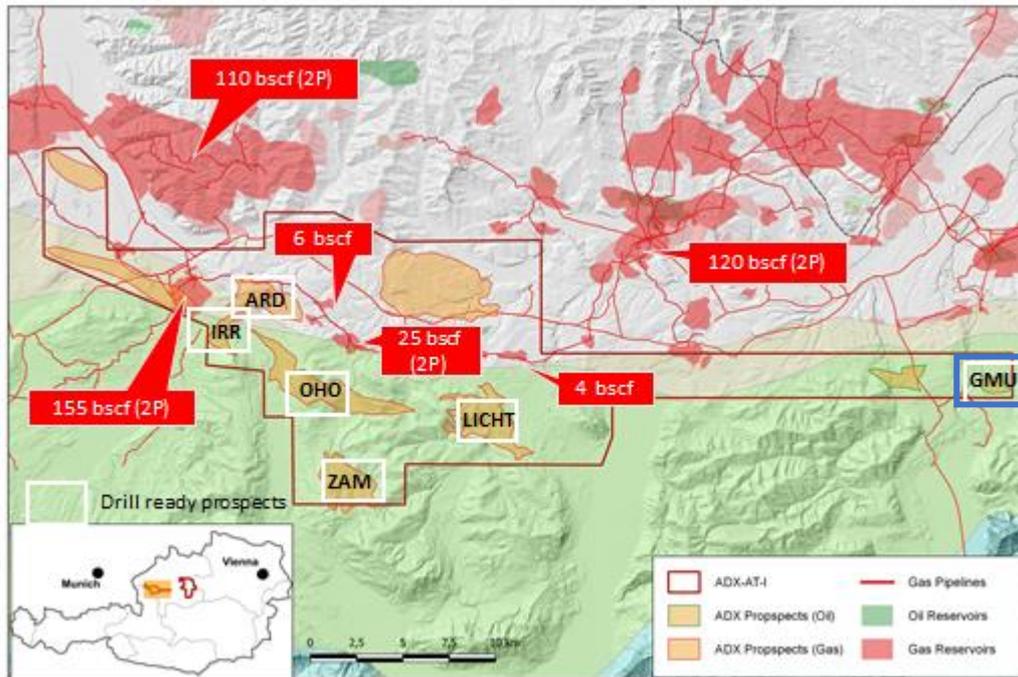
Testing at the Molln-1 well drilled in 1989 which proved a 400+ metre gas column based on pressure and test data

Welchau drilling planning and permitting

ADX commenced the planning, permitting and purchasing of long lead items for the well during the quarter with a view to drilling the Welchau well as soon as practically possible. The estimated well cost for drilling and evaluating the well is approximately EUR 3 million based on a 1120 m total vertical depth (TVD).

ADX expects to be in a position to advise the likely well timing with greater certainty once the surface location has been permitted and a rig slot secured during the Q3 2022.

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Map showing ADX expanded Upper Austria AGS license ADX-AT-I and drill ready oil and gas prospects including Gmunden dual energy prospect (location outlined in blue)

Gmunden dual energy (geothermal and gas) project

During the quarter ADX has completed the subsurface work to evaluate both the geothermal and gas potential of the Gmunden project (GMU) which is located in the most eastern part of the ADX -AT-I license extension area.

The work has been undertaken with a highly experienced subsurface and engineering consultancy team who has a successful track record of geothermal project implementation involving the same geology present at Gmunden just across the border in Germany where geothermal energy is delivered into Munich.

A future dual energy target well could be used to evaluate relatively shallower hydrocarbon reservoirs and then enter a highly fractured Jurassic (Malmian) limestone reservoir which is a proven geothermal reservoir. The often karstified Malmian reservoirs have high geothermal flow rates. Based on geothermal gradients observed in nearby wells a heat plant with a power output of around 18 MW is possible at Gmunden.

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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.

During the quarter ADX has focused on engaging with several parties on a possible farmin deal for exploration but also received a number of expressions of interest for the infill opportunities within the Iecea Mare production license. The infill opportunities represent very low risk oil and gas infill as well as side-track opportunities within the license.

ADX has also continued to study geothermal opportunities within its Parta and Iecea Mare licenses, since this energy source is expected to receive significant investment funding from the European Union. A data exchange program for geothermal studies is currently under discussion with OMV Petrom.

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

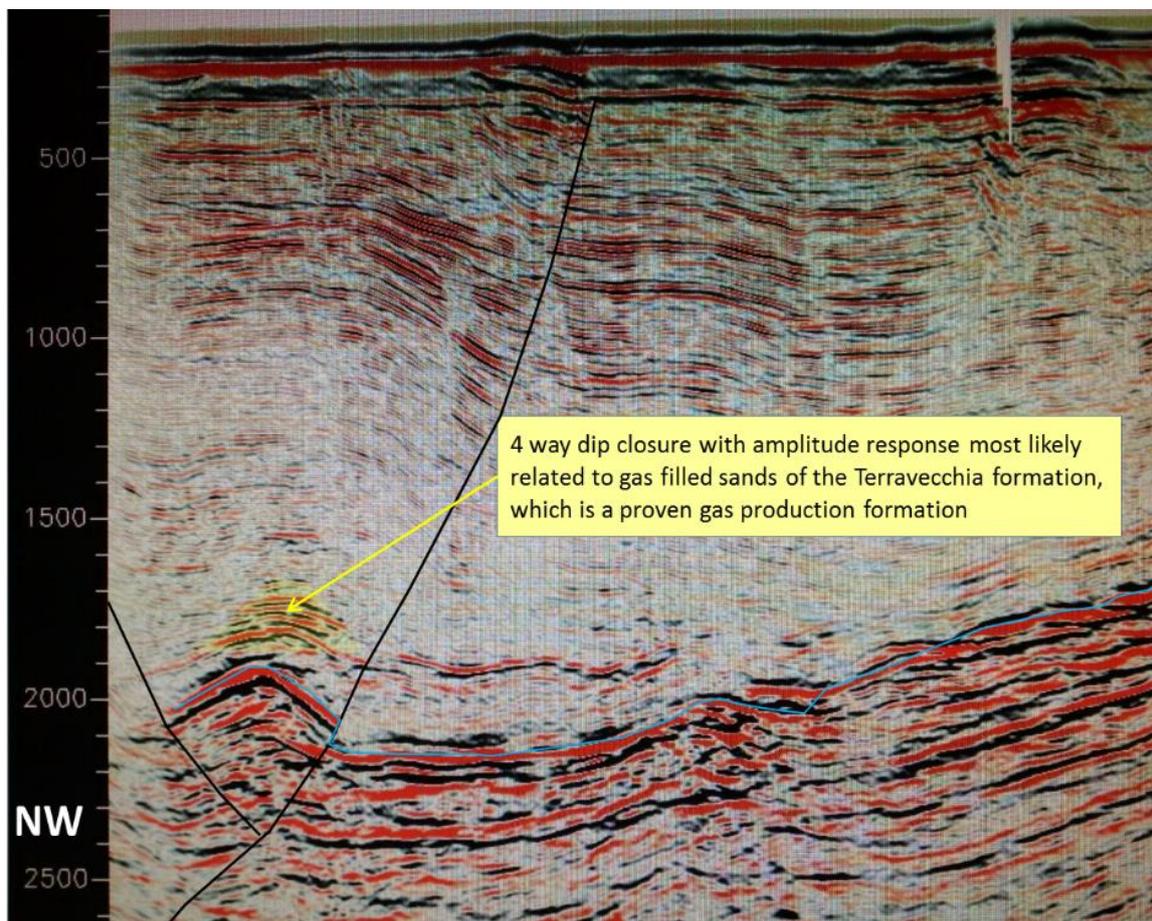
ADX has been informed by the relevant Italian authorities (Ministry of “Transition”, Department for Energy) that under certain conditions the current license suspension would be lifted and that it may grant a license for the offshore exploration of gas to ADX if certain conditions were met. A number of documents, including a renewed proof of financial capability with stricter criteria will need to be submitted by 10th October 2022 at the latest to the relevant Italian authorities. The conditions which were communicated in writing are that ADX focuses on gas exploration and production only and that certain parts of the license (approx. 25%) cannot be accessed for drilling due to environmental reasons.

Based on ADX seismic and well database a number of relatively shallow seismically well-defined gas prospects have been defined which have now become of great interest due to the high European gas prices and the support offered by many European governments for domestic gas production. ADX prepared a report on the gas prospectivity of its license and submitted it to the relevant Italian authorities. The report contains a number of gas leads and prospects which are supported by so called seismic direct hydrocarbon indicators (DHI).

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The figure below shows a seismic line through one of the gas prospects identified on 2D seismic. To date five gas prospects/ leads have been identified. They are all expected to contain dry gas (methane) in the success case since they are in line with other discoveries of gas of biogenic origin.

All prospects are located in water depths of less than 100 metres and hence could be drilled with a jack up rig. Target drill depths are typically under 2000 metres and in conjunction with the excellent gas flow rates expected in the high porosity and high permeability sandstone reservoirs of the Miocene Terravecchia formation where upon success favourable development economics can be expected.



2D seismic line showing in yellow the bright amplitudes of the Terravecchia (Miocene) sandstones draping an underlying Nilde formation oil prospect

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New Ventures

Portfolio Expansion Opportunities

Nothing further to report.

Renewable Energy Projects - Austria

VIENNA BASIN GREEN HYDROGEN PROJECT

In addition to the detailed economic analysis conducted in the previous quarter, further project definition and planning work was undertaken in Q2 2022.

Discussions with Windkraft Simonsfeld AG regarding the potential supply of renewable electricity evolved towards a virtual power supply agreement (as opposed to direct supply from the Steinberg-Prinzendorf III wind park). ADX also engaged with large producers of renewable electricity in Austria (mainly hydropower) regarding the potential supply of baseload energy which would allow maximum utilisation of the electrolyser capacity.

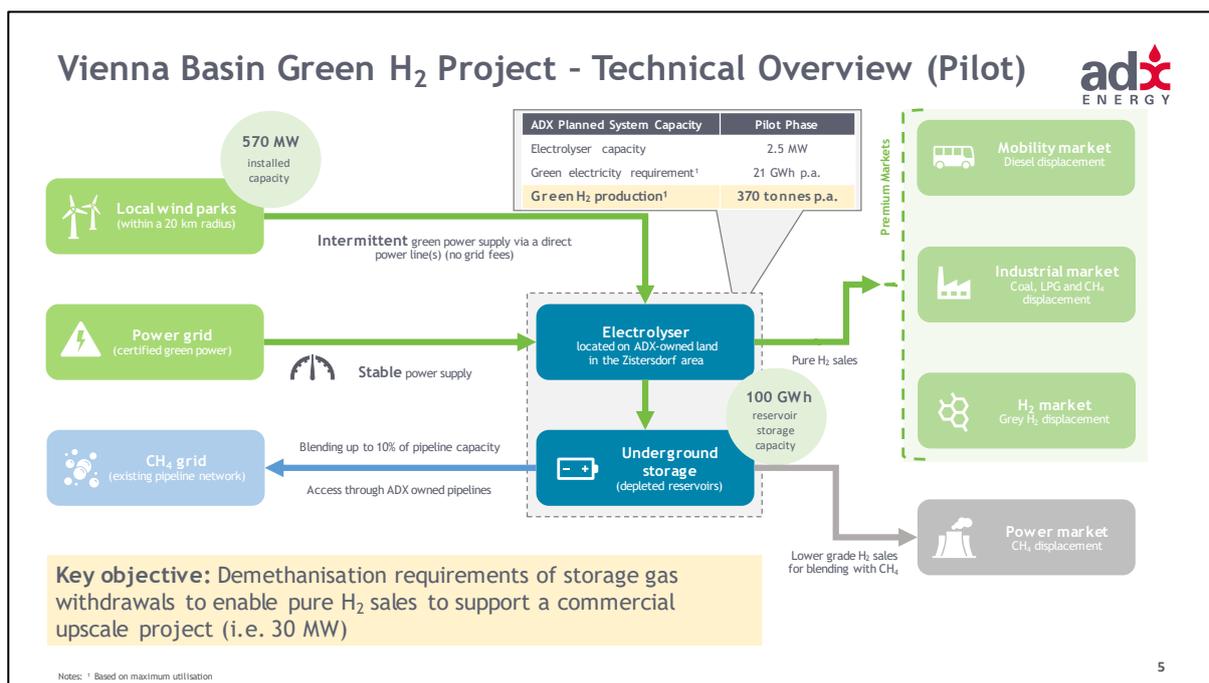
In the meantime, a database with all wind parks located within a 20 km radius of the Zistersdorf field was developed. In total, 575 MW of installed wind power capacity was identified for potential direct connection to the electrolyser.

ADX also received preliminary confirmation from the electricity grid operator in the Zistersdorf area that there is capacity available to source electricity from the grid to feed a 2.5 MW electrolyser. This is a positive development considering that electricity grids in Europe face a considerable lack of capacity to handle additional demand due to increased electrification.

During the quarter, ADX had initial discussions with potential off-takers of renewable hydrogen for use in premium markets (mobility and industrial). In parallel, ADX commenced a comprehensive review of the regulatory framework and requirements for renewable hydrogen certification (green hydrogen and low-carbon hydrogen).

In Q3 2022, ADX is expecting to secure an agreement for the supply of baseload renewable electricity for the pilot phase of the project, engage with a reputable renewable hydrogen certification company regarding the certification of future renewable hydrogen production and expand discussions with potential off-takers.

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Technical overview of the Project’s pilot phase

Solar Farm Feasibility Project at ADX Vienna Basin Fields:

ADX owns circa 13 hectares of land at the Zistersdorf and Gaiselberg field including well sites and land plots where production facilities are located. This land position includes available land plots which could be used to install ground-mounted photovoltaic (PV) plants with a combined capacity of 2 MWp. It is anticipated that electricity produced from the PV plants would be delivered and sold to the local power grid. Such renewable energy generation is expected to represent 40% of the electricity consumed by ADX to run low emissions oil and gas production operations at the Zistersdorf and Gaiselberg fields. As a result, ADX’ carbon footprint would be reduced and its ESG credentials would be improved.

Feasibility work is expected to be progressed in Q3 2022 to include permitting work seeking to allow the use of selected land plots for PV energy generation; and submission of an application to the grid operator to allow the delivery and sale of ADX’ PV generated electricity.

Finance and Corporate

Operations

During the June 2022 quarter, cash revenue received from oil and gas operations in Austria totalled A\$ 4.1 million (for oil and gas sales for the period March 2022 to May 2022). June 2022 revenue of EUR 0. 57 million (A\$ 0.85 million) was received after the quarter end.

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Cash Balances

ADX' cash at the end of the quarter was A\$ 2.56 million. This cash balance includes A\$ 0.15 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. During the quarter, ADX VIE GmbH transferred EUR 149,672 (A\$227,154) to a secured bank account for Upper Austria Ministry bonds. Secured cash totalled A\$ 1.06 million at the end of the quarter.

During the quarter, ADX repaid A\$ 437,500 of loan notes. In addition, ADX VIE GmbH repaid EUR 188,333 (A\$ 333,446) of bank loans.

Hedging

On 31 May 2022, ADX announced that it executed hedging transactions with BP for a zero-cost collar contract with a pricing floor at USD 80.00 per barrel (put option strike price) and a cap at USD 130.25 per barrel (call option strike price). The contracted volumes represent approximately 50% of the 1P forecast production between 1 June 2022 and 31 December 2022 from its Gaiselberg and Zistersdorf fields in the Vienna basin.

The total volume of oil production covered by the zero-collar contract is 24,600 barrels over the 7-month period of hedging from June to December 2022 inclusive (Hedge Period). With the new zero cost collar contract, ADX will receive for these 24,600 barrels a Brent price of no less than USD 80.00 per barrel and up to USD 130.25 per barrel based on the average Brent price for each month over the Hedge Period.

Additional ASX Information

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A\$ 313,000 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\$ 882,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A\$ 2,000, 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. On 22 November 2021, ADX announced that it has signed a farm-in agreement with Xstate Resources Limited (Xstate) to partially fund the drilling of the Anshof prospect in ADX-AT-II exploration license in Upper Austria (Farmin HOA). Under the terms of the Farmin HOA, Xstate will fund 40% of the Anshof well drilling expenditure up to a cap EUR 1,800,000 million (EUR 720,000) to earn a 20% equity interest in the Anshof Prospect Area.

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As at the end of the quarter, XST had completed its farmin obligations in relation to Anshof Prospect Area and as a result ADX holds 80% interest in the Anshof Prospect Area.

Xstate may elect to fund 40% of a second well on Anshof or the Anshof Farmin Area to earn a 20% interest in the entire Anshof Farmin Area (Second Well Funding).

Subject to an election to participate in the Anshof Prospect Area following the conclusion of drilling the Anshof exploration well, Xstate has up to 3 months to elect to participate in the entire Anshof Farmin Area by making a commitment to the Second Well Funding. Upon earning a participating interest in the Anshof Prospect and/or the Anshof Prospect Area, ADX and Xstate have agreed to enter into a production sharing contract (PSC) and a joint operating agreement (JOA) which will cover the conduct of ongoing operations and sharing of production. The PSC and JOA principles are included in the Farmin HOA.

Upon completion of the farmin obligations by Xstate including Second Well Funding, Xstate will hold a 20% participating interest in the Anshof Prospect Area as well as the Anshof Farmin Area. ADX will retain an 80% interest in the Anshof Prospect Area as well as the Anshof Farmin Area. ADX will also retain a 100% interest in the remainder of the ADX-AT-II exploration license and the entire ADX-AT-I exploration license.

As at the end of the quarter Xstate had not elected to fund a Second Funding Well and as a result ADX still held 100% interest in the Anshof Farmin Area.

- ASX Listing Rule 5.4.5: Payments to related parties of the Company and their associates during the quarter was A\$ 175,000. This consists of A\$ 5,200 paid for office rental to an entity related to Director Andrew Childs, and A\$ 170,000 for executive directors consulting fees, salaries and non-executive director fees.

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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 ¹	100%	100%	-
Onshore Romania, Parta ²	100%	100%	-
Onshore Romania, Iecea Mare Production Licence ²	100%	100%	-
Offshore Italy, d363C.R-.AX ³	100%	100%	-

Note 1: Concession agreements for exploration, production and gas storage in Upper Austria (Upper Austria AGS). ADX announced a farmout to ASX listed Xstate Resources Limited to earn a 20% participating interest in the Anshof Prospect Area. As at the end of the quarter, Xstate have earned 20%. Xstate may elect to fund 40% of a second well on the Anshof Prospect or the Anshof Farmin Area to earn a 20% interest in the Anshof Farmin Area within the ADX-AT-II exploration license. ADX retains a 100% interest in the remainder of the ADX-AT-II exploration license and the entire ADX-AT-I exploration license. Refer to ASX release dated 22/11/2021.

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,


 A handwritten signature in blue ink, appearing to read 'Paul Fink'.

Paul Fink

Chief Executive Officer


 A handwritten signature in blue ink, appearing to read 'Ian Tchacos'.

Ian Tchacos

Executive Chairman

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

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.

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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.

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.

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