

7 August 2023

## European Industry Partner, MND to fund the Anshof Oil Development Program

*“MND also intends to finalise agreements to fund a Gas Exploration program in ADX’ ADX-AT-I licence”*

### Deal Summary

- At completion, MND Austria a.s. (MND) will pay back costs of EUR 1.335 million (A\$ 2.225 million) to ADX VIE GmbH (ADX) and subsequently fund EUR 5.28 million (A\$ 8.80 million) for the drilling, completion and tie-in of the Anshof-2 and Anshof-1 wells to earn a 30% economic interest in the Anshof Field Area in the ADX-AT-II license, in Upper Austria.
- The transaction includes further contingent Success Payments of EUR 1.335 million (A\$ 2.225 million) payable to ADX and EUR 3.57 million (A\$5.95 million) of further development funding if the Anshof-2 well meets agreed production performance criteria. **Total firm and contingent investment obligation is EUR 11.52 million (A\$19.20 million).**
- MND’s economic interest is limited to the Anshof Field Area shown in figure 1.
- Completion of the transaction is subject to confirmation of acceptance of the Anshof Field Area partnership documentation by the Austrian designated authority.
- ADX intends to drill the Anshof-2 appraisal & development well during the fourth quarter of 2023 which, subject to completion, will be MND’s first investment in the Anshof Field Area. The Anshof field has been independently assessed to contain 5.2 million barrels of gross oil equivalent (BOE) reserves – refer ASX release dated 31 October 2022. The field is currently producing from the Anshof-3 discovery well at approximately 120 barrels of oil per day (BOPD).
- At completion of the transaction, ADX will remain operator and retain a 50% economic interest in Anshof Field Area but has retained a 100% interest in adjacent oil prospects of similar resource potential to the Anshof field, such as the GRB appraisal project.
- MND a.s., the parent of MND, is a highly credentialed European explorer, producer and oil services group that generated approx. EUR 8.5 billion of revenue in 2022.
- MND and ADX have agreed, subject to contract, to conclude a further gas exploration investment in an area within the ADX-AT-I licence.

**ADX Executive Chairman, Mr Ian Tchacos, said,** *“The Board of ADX is delighted to have entered into an investment agreement with MND which will accelerate the development of the Anshof field. The Anshof field has an independently assessed 2P reserves base of 5.2 million BOE<sup>1</sup> which can deliver significant cashflow with the drilling of further wells. MND brings a substantial funding package of up to EUR 11.52 million as well as extensive experience and operating capability across Europe. We are also very encouraged that MND intends to participate in exploration drilling opportunities within ADX’ exploration licences which is further industry recognition of the potential of our portfolio in Austria”*

<sup>1</sup> Independently Reviewed refer to ASX release dated 31 October 2022.

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that its wholly owned subsidiary ADX VIE GmbH (ADX VIE) has signed an Energy Investment Agreement (EIA) for the Anshof Field Area in the ADX-AT-II license with MND Austria a.s. (MND). Under the terms of EIA, MND has firm and contingent investment and payment obligations up to EUR 11.52 million to earn a 30% economic interest in the Anshof Field Area. A summary of MND's investment and payment obligations under the EIA are detailed in Table 1 below.

**Table 1: Summary of MND Austria a.s. Investment and Payment Obligations**

Description	Timing of Payment	Amount (EUR)	Amount (A\$)
<b>Firm Payments</b>			
Back Costs Payment	By Completion	1,335,000	2,225,000
Long Lead Item (LLI's) Payments for ANS-1 & 2	By Completion	597,353	995,588
ANS-2 Well Payment (Less ANS-2 LLI's)	Upon Drilling	2,341,324	3,902,206
ANS-1 Well Payment (Less ANS-1 LLI's)	Upon Drilling	2,341,324	3,902,206
		<b>6,615,000</b>	<b>11,025,000</b>
<b>Success Payment <sup>1</sup></b>			
Additional Back Cost Payment	Following well testing	1,335,000	2,225,000
Additional Work Program Payments	Upon further Work <sup>2</sup>	3,570,000	5,950,000
		<b>4,905,000</b>	<b>8,175,000</b>
<b>Total Firm and Success Payments</b>		<b>11,520,000</b>	<b>19,200,000</b>

<sup>1</sup> Success Payment is subject to successful productivity testing of ANS-2 well

<sup>2</sup> For either drilling or additional development work programs

The transaction is conditional on the clearance of the documentation for the Anshof Partnership between ADX, MND and existing partner Xstate Resources Limited (XST) by the ministry of finance (BMF) of the Republic of Austria (Bundesministerium für Finanzen).

At completion of the transaction ADX will remain operator and retain a 50% economic interest in the Anshof Field Area. MND and XST will hold a 30% and 20% economic interest respectively. ADX will retain a 100% interest in the remainder of the ADX-AT-II exploration area other than the Welchau Area where ADX holds an 80% economic interest. Of particular relevance to the expansion of Anshof, ADX has retained a 100% interest in adjacent oil prospects such as GRB which has similar resource potential to Anshof (see Figure 1).

The Anshof partnership intends to drill the Anshof-2 appraisal and development well during the fourth quarter of 2023 at which time MND will pay ADX its first investment in the Anshof Field Area. Success at the Anshof-2 well will result in a substantial increase in oil rate from the field as well as a Success Payment from MND. The Anshof-1 development well is planned to be drilled in the first half of 2024. The combination of Anshof-1, Anshof-2 and Anshof-3 is expected to deliver in aggregate an oil rate of approximately 750 to 1000 BOPD assisted by high angle wells which are expected to result in high productivity and reserves recovery per well. It is intended that a permanent facility will be installed at Anshof which will process and offload substantially higher volumes than the current rental early production unit.

### **The Anshof Field**

The Anshof field has been independently assessed to contain 5.2 million barrels gross reserves – refer ASX release dated 31 October 2022. The field is currently producing from the Anshof-3 discovery well at approx.120 BOPD with no water production and minor pressure decline.

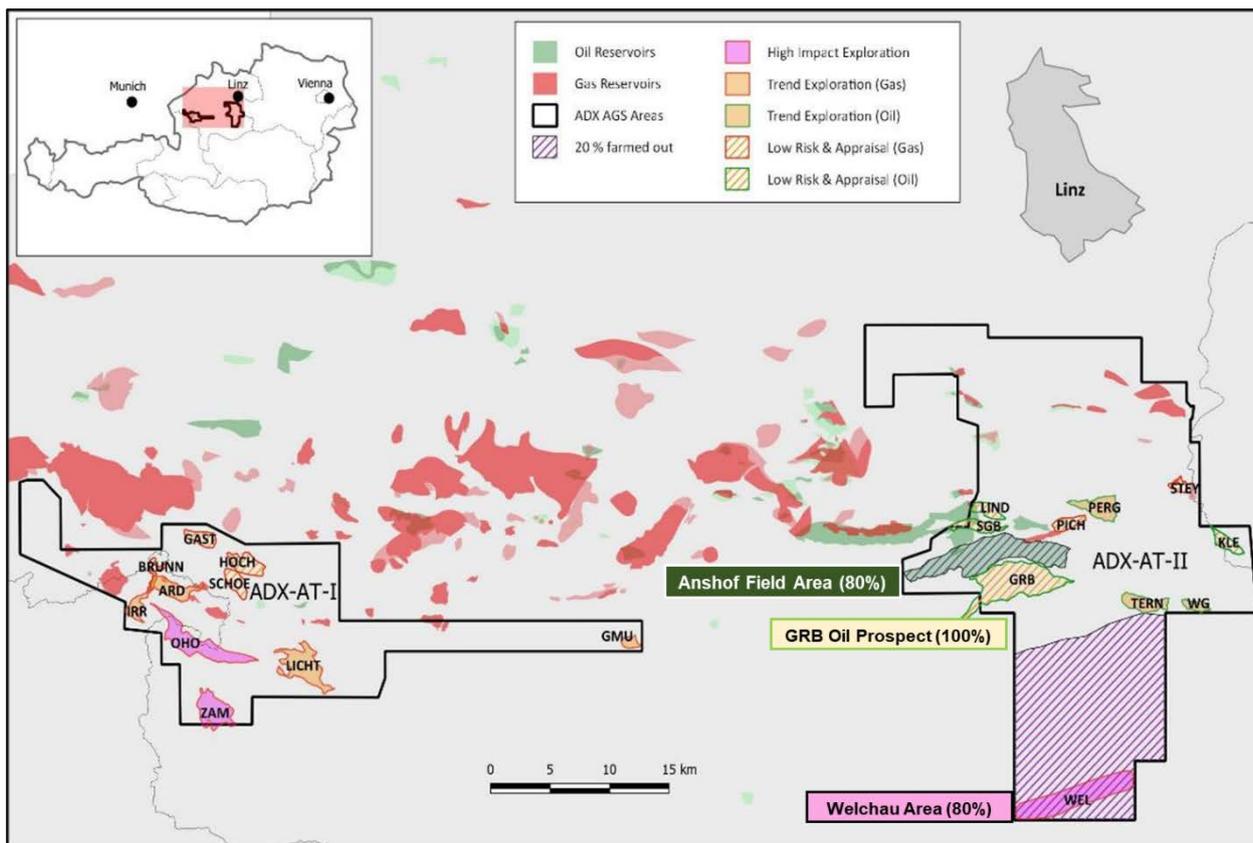


Figure 1: Map showing the ADX-AT-I licence and the ADX-AT-II licence which contains the Anshof Field Area

**About MND**

The parent company of MND is MND a.s., a highly credentialed European energy company that generated approx. EUR 8.5 billion in revenue in 2022. MND a.s. businesses include Exploration and Production, Drilling and Services, Energy Storage and Energy Trading. The Company is active in the Czech Republic, Germany, Ukraine, Austria, Hungary, Slovakia and Hungary. Austria is a new country entry for their Exploration and Production Business.

**Further potential investment programs**

MND and ADX have agreed the principles for a further gas exploration investment program in the ADX-AT-I licence. Any agreement of this additional investment is subject to contract.

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**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 and Italy 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 30 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).

**Previous Estimates of Reserves and Resources:**

ADX confirms that it is not aware of any new information or data that may materially affect the information included in the relevant market announcements for reserves or resources and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

**PRMS 2018 Reserves Classifications**

**1P** Denotes low estimate of Reserves (i.e., Proved Reserves). Equal to P1.

**2P** Denotes the best estimate of Reserves. The sum of Proved plus Probable Reserves.

**3P** Denotes high estimate of Reserves. The sum of Proved plus Probable plus Possible Reserves.

1. **Developed Reserves** are quantities expected to be recovered from existing wells and facilities.
  - a. *Developed Producing Reserves* are expected to be recovered from completion intervals that are open and producing at the time of the estimate.
  - b. *Developed Non-Producing Reserves* include shut-in and behind-pipe reserves with minor costs to access.
2. **Undeveloped Reserves** are quantities expected to be recovered through significant future investments.

**A. Proved Reserves** 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.

**End of this Release**