

6 November 2023

Anshof-2 Appraisal Well Rig-up Commenced in Preparation for Drilling

“The well could provide a unique combination of immediate cash flow growth as well as large reserves increase”

Key points in this release:

- Rig up of the RED Drilling & Services GmbH (RED) E-202 rig on the Anshof-2 well has commenced for a planned 11 November 2023 spud date. The well is located in the Anshof Discovery Area within the ADX-AT-II licence in Upper Austria (refer figure 1).
- Anshof-2 will target thicker mapped sands with a high angle well (providing a large reservoir intersection) that is expected to result in high production rates. This well is approx. 80 metres down dip of and approx. 1.8 km south-east from the crestal Anshof-3 discovery well. In the success case this would result in a significant increase in proven and probable (2P) reserves (refer figure 2).
- The well will test the currently prognosed oil water contact defined by an independent audit which corresponds to a 2P reserves base of 5.2 million barrels of gross oil equivalent (BOE)¹ reserves – refer to ASX Release dated 31 October 2022. A successful well is expected to extend the field 2P reserves base towards the large independently audited 3P and 3C upside potential of 26 million barrels¹.
- Anshof-2 is the second well to be drilled from the same rig site as the successful Anshof-3 discovery well which has produced since October 2022 at a steady rate of approximately 120 barrels of oil per day (facility constrained) through an early production unit (EPU).
- A permanent production facility (PPF) will be mobilised and set up following the drilling of Anshof-2 which will enable the production of Anshof-2 and Anshof-3. The PPF will replace the previous rented EPU. The PPF has a total capacity 3,000 barrels per day which provides ample capacity to efficiently and rapidly scale up the Anshof field development including the Anshof-1 well planned in Q2 2024.
- ADX Energy Ltd (ADX) has a 60% economic interest in the well and ADX' partner MND Austria a.s (MND) will fund the remaining 40%. Xstate Resources Limited (XST) has elected not to participate in the well. ADX and MND will fund XST's share of well costs on 50:50 basis and will in turn retain the right to 60% and 40% respectively of production from the well unless XST opts to buy back into the well at a premium of 400% to the well cost.
- ADX share of drilling, tie-in completion costs will be funded from back costs payments already received from MND as well as drilling cost funding commitments in accordance with the Anshof Investment Agreement with MND announced on 7th of August 2023.

ADX Executive Chairman, Mr Ian Tchacos, said, *“The Board of ADX is pleased with the commencement of drilling operations on the Anshof-2 well. The well is an important milestone for the Anshof project and provides ADX with the opportunity to establish a large reserves base as well as a potentially large increase in oil production rate. A successful well at Anshof-2 may provide the reserves base for a multi well development with a potentially large build up in production rate and cashflow. It is particularly pleasing for ADX shareholders that ADX' share of well costs will be funded by Anshof Investment Agreement with MND. The non-participation of XST in the Anshof-2 well provides the opportunity for ADX to increase its interest in the well alongside our new partner MND.*

¹ Proved and Probable Development Justified Reserves including associated gas produced from the field assessed in accordance with SPE-PRMS 2018 Petroleum Resources Management System.

ADX Energy Ltd (ASX Code: ADX) is pleased to advise that the Anshof-2 well operations have commenced with rig up of the RED Drilling & Services GmbH (RED) E-202 rig at the Anshof-3 well site location in the ADX-AT-II licence in Upper Austria. The planned spud date for the Anshof-2 appraisal well is 11 November 2023.

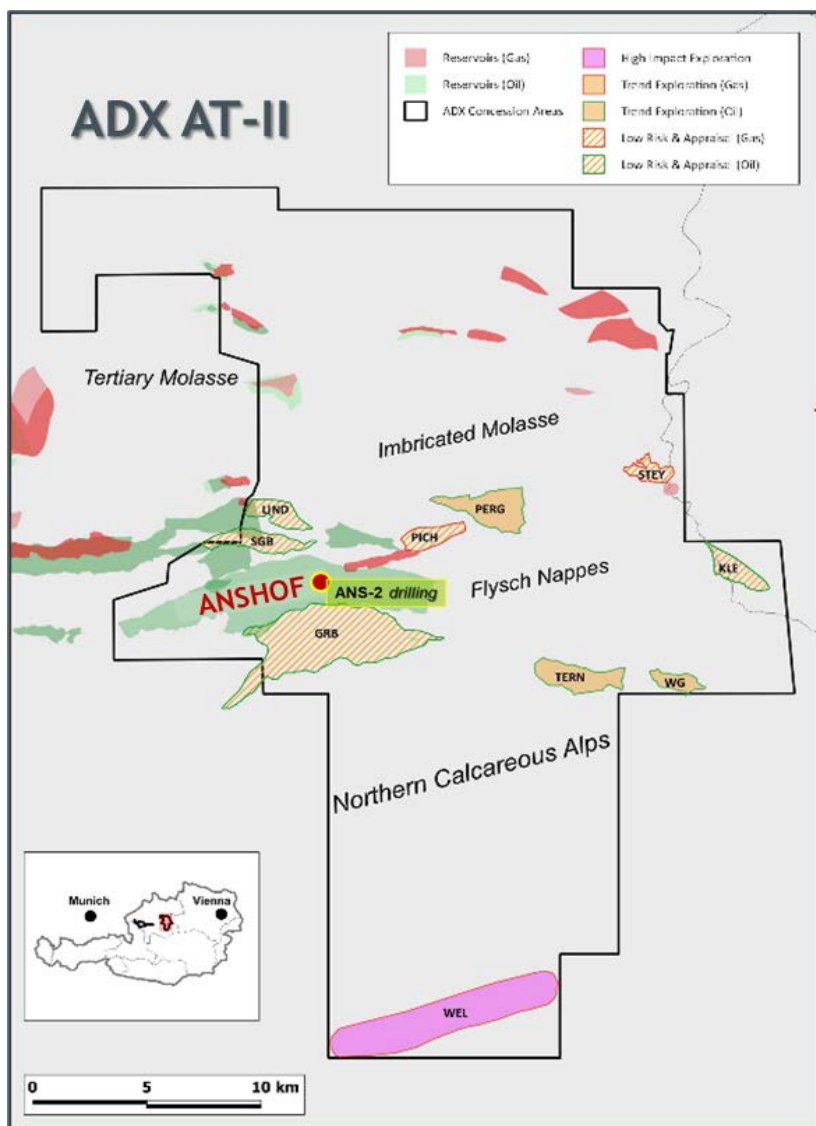


Figure 1: Location map for the ANS-2 well within the ADX-AT-II licence. The low-risk appraisal follow up satellite prospects including SGB, LIND and GRB North and South of the Anshof field are also shown.

Anshof-2 Well Objectives and Potential Project Impact

The primary objectives of the Anshof-2 well are to appraise the extent of the oil column below the oil down to encountered in Anshof-3 well as the completion of the well as the second producing well in the Anshof field. The planned Anshof-2 well trajectory will intersect Eocene reservoirs close to the currently interpreted most likely oil water contact based on an Independent Reserves Review conducted in October 2022 which estimated a 2P reserves base of 5.2 million barrels of gross oil equivalent (MMBOE) reserves – refer ASX Release dated 31 October 2022. A successful well is expected to encounter oil filled reservoirs at the planned reservoir intersection which is expected to extend the field 2P reserves base towards the large audited 3P and 3C upside potential of 26 million barrels. (refer to figure 2 below). A successful result would also translate into a significant increase in proven reserves (1P), extending them towards the current 2P Reserves of 5.2 MMBOE.

A successful Anshof-2 well is expected to contribute approximately 300 barrels per day to field production with a well ultimate recovery of 0.8 MMbbls. The Anshof-2 well will be drilled from the same surface location as Anshof-3. The well is planned to intersect the Eocene approximately 1.8 km east of the Anshof-3 Eocene well intersection 80 metres downdip from lowest oil encountered in Anshof-3. Anshof-2 will be a high angle (79°) well through the Eocene reservoirs intersecting a predicted approx. 280 metres of the Eocene reservoir section.

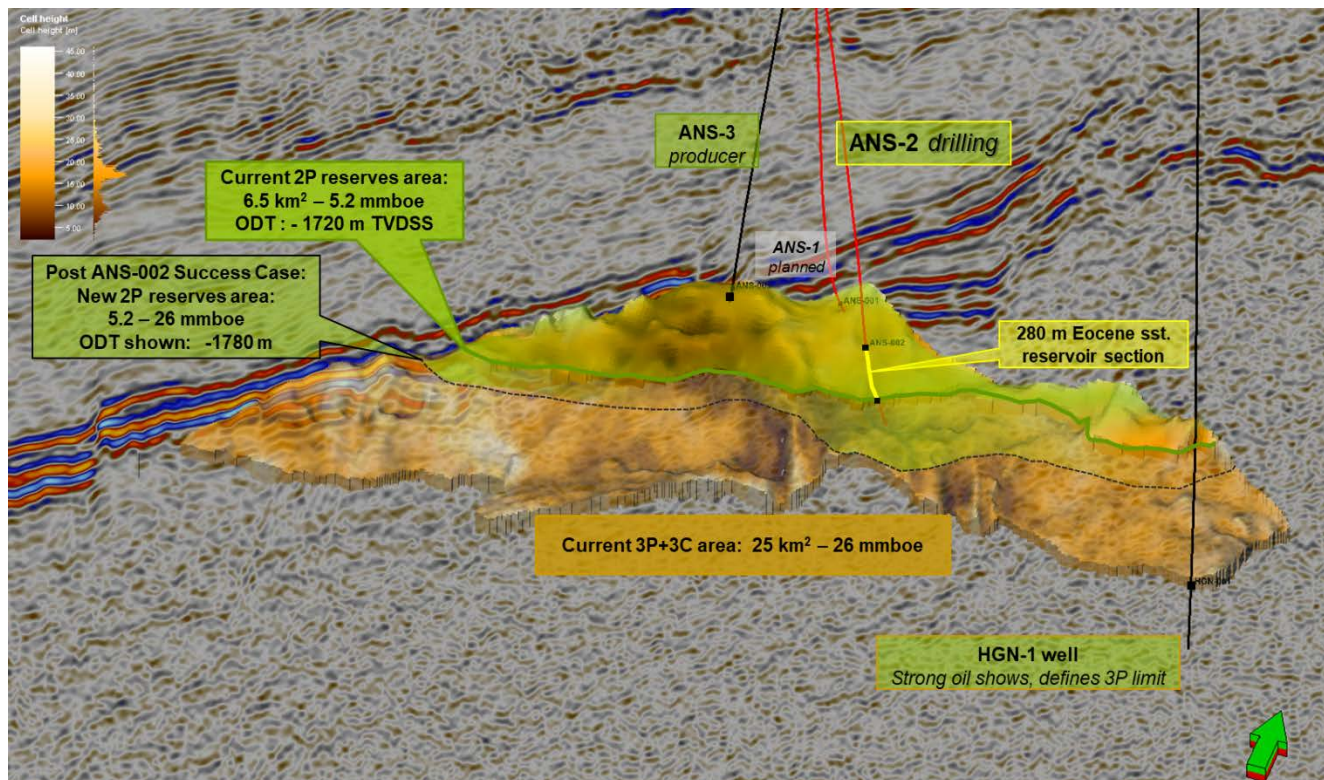


Figure 2: 3D render view of the Anshof structure. The background colors show the high-quality 3D seismic with excellent reflectivity at Eocene oil reservoirs level, allowing high confidence well placement. The white to brownish colors of the 3D rendering of the Anshof structure show the expected Eocene reservoir thickness with white colors identical to thick reservoir development. The entire Anshof field area extends over 25 km² and could contain 26 MMBOE of 3P reserves and 3C resources, as independently verified. The Anshof-2 well is approximately 80 metres downdip from the successful discovery and production well Anshof-3 and will appraise the interpreted 2P oil down to (ODT) which equates to an area of 6.5 km² and the related 5.2 MMBOE of the currently independently verified 2P field reserves. In case of success, the 2P reserves will increase to a level between the current 5.2 MMBOE 2P reserves and the independently verified 26 MMBOE of 3P reserves and 3C resources.

Anshof-3 Long-term Production Testing

Long term test production from Anshof-3 commenced in October 2022 and continued until the well was shut in on the 19th of September 2023 after reaching the regulatory limit of 5,000 Tonnes (36,000 Barrels) of test production. Anshof-3 production will recommence after the drilling of the Anshof-2 well and the installation of a PPF in February 2024. Prior to the temporary shut-in, the Anshof-3 well has produced at a stable rate of approximately 120 barrels per day with no pressure decline which exceeded expected reservoir performance assumed in the October 2022 Independent Reserves Review.

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Increased Production Processing Capacity

Design, planning and procurement work has been undertaken for the installation of Anshof field permanent production facilities (PPF) after the drilling of Anshof-2. It is intended that the PPF will be installed in January 2024 and commissioned in February 2024. The PPF replaces the early production unit used for the Anshof-3 extended production test which has insufficient capacity to handle the additional production anticipated from the Anshof-2 well. The Anshof site has also a third drilling slot ready for the Anshof-1 well which is anticipated to be drilled in Q2 2024. This well is updip of Anshof-2 and is intended to become a high productivity producer in a crestal location far updip of the currently interpreted 2P oil down to, but in an area of thicker reservoir development relative to Anshof-3. Figure 2 shows the planned subsurface location of Anshof-1.

The PPF will enable the simultaneous production of the Anshof-2 and Anshof-3 wells in Q1 2024 as well as the Anshof-1 well when drilled and completed in Q2 or Q3 2024. The capacity of the planned facility is approx. 3,000 barrels of oil per day providing further capacity to utilise the PPF as a central processing facility for further Anshof development wells. The PPF, together with a truck loading arm, an export pump and a gas-powered generator will be installed in January 2024. Production from the PPF will initially be trucked to a nearby train loading facility as has been the case with the Anshof-3 well. In the longer term it is intended to construct new production pipelines to nearby export facilities less than 4 km from the Anshof-3 location.

The commercial terms for the PPF are based on a rental for a period of up to 24 months with an option to purchase, where the rental payments may be offset against the purchase price.

Well Participation and Operatorship

In accordance with Anshof Discovery Area Partnership agreements the economic interests in the well Anshof-2 well will be 60% ADX and 40% MND. ADX is the Operator of the Anshof Discovery Area Partnership and ADX AT-II licence.

XST has elected not to participate in the Anshof-2 well. ADX and MND will fund XST's share of well costs on 50:50 basis and will in turn retain the right to 60% and 40% respectively of production from the well unless XST opts to buy back into the well at a premium of 400% to well costs. XST retains an 20% economic interest in the remainder of the Anshof Discovery Area Partnership. The Anshof Discovery Area Partnership economic interests are 50% for ADX, 30% for MND and 20% for XST.

ADX Well Funding

ADX share of drilling, tie-in and completion costs will be funded from back costs payments already received from MND as well as drilling cost funding commitments in accordance with the Anshof Investment Agreement with MND – refer *ASX release dated 7th of August 2023*. In accordance with Anshof Investment Agreement further contingent success payments will be paid by MND to ADX as well as further project development funding if the Anshof-2 well meets agreed production performance criteria.

Further Operational Updates

ADX will commence providing regular updates to shareholders in relation to drilling operations following the spud of the Anshof-2 well.

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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 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 reserves and 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