



ADX Energy Ltd

ABN 50 009 058 646

HALF-YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2024

ADX ENERGY LTD
CORPORATE DIRECTORY

Directors

Ian Tchacos (Executive Chairman)
Paul Fink (Executive Director)
Edouard Etienvre (Non-Executive Director)
John Begg (Non-Executive Director)

Company Secretaries

Peter Ironside
Amanda Sparks

Registered and Principal Office

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Share Registry

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Level 11
221 St George's Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2001
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Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth Western Australia 6000

Bankers

Commonwealth Bank of Australia
1254 Hay Street
West Perth Western Australia 6005

Stock Exchange Listing

Australian Securities Exchange Ltd
152-158 St Georges Terrace
Perth Western Australia 6000
ASX Code: ADX

Auditors

InCorp Audit & Assurance Pty Ltd
Suite 11, 4 Ventnor Avenue
West Perth, Western Australia 6005

ADX ENERGY LTD

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 30 June 2024.

DIRECTORS

The names of Directors of the Company during or since the half-year and up to the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name	Position
Mr Ian Tchacos	Executive Chairman
Mr Paul Fink	CEO and Executive Director
Mr Edouard Etienvre	Non-Executive Director
Mr John Begg	Non-Executive Director – appointed 4 March 2024

Previous Director

Mr Andrew Childs	Non-Executive Director – resigned 4 March 2024
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REVIEW AND RESULTS OF OPERATIONS

Summary of Financial Performance

A summary of key financial indicators for the Group is set out in the following table:

	Consolidated 6 Months to 30 June 2024 \$	Consolidated 6 Months to 30 June 2023 \$
Net loss for the half-year after tax attributable to members of the Parent Entity	(3,280,545)	(2,299,049)
Included in loss for the half-year:		
Operating revenue, net of hedging	4,971,267	7,043,474
Cost of sales – operating costs	(4,228,058)	(4,745,087)
Cost of sales – royalties	(210,399)	(472,131)
Cost of sales – depreciation/amortisation	(1,420,558)	(1,200,741)
Cost of sales – partner share of operations	18,177	(108,241)
Restoration expenses – changes in abandonment provision	(281,439)	(648,207)
Dry well costs	-	(387,461)
Exploration expensed	(814,926)	(1,072,561)
Basic (loss) per share (cents) from continuing operations	(0.70)	(0.06) cents
Net cash from/(used in) operating activities	(1,099,791)	(54,980)
Net cash from/(used in) investing activities	(7,968,934)	(1,180,848)
Net cash from/(used in) financing activities	13,594,756	(426,938)

Placement Raising A\$ 13.5 million:

In May 2024, ADX advised it had successfully raised A\$13.5 million (before costs) from the issue of 128,571,428 new fully paid ordinary shares at an issue price of A\$0.105 per share. One (1) free-attaching quoted option was issued for every two (2) Placement Shares. The exercise price of the Placement Options is A\$0.15 with an expiry date of 8 May 2026.

Options Exercised

In March 2024, ADX received \$ 1.296 million from the exercise of 9,943,337 options at 13 cents each, and 25,000 options at 16 cents each.

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Production (Gross) in Austria was as follows:

	6 Months to 30 June 2024	6 Months to 30 June 2023
Crude Oil Sold (Barrels)*	38,699	55,541
Gas Delivered (M ³)	440,994	703,010
Total Oil Equivalent (BOE)	41,386	59,824
Average Production Rate (BOEPD)	227	331

* Crude oil sold represents total gross production. This includes 8,639 barrels of crude oil sold from the Anshof-3 well for the six months to 30 June 2024 (2023: 20,380). Refer to note 13 of the financial statements for partnership details for the Anshof-3 well.

Operations Review

Activities Overview

ADX Energy Ltd (ASX: ADX, "ADX" or "the Company") is pleased to provide an update on its activities for the half-year ended 30 June 2024.



Figure 1: The RED E200 drill rig prior to well spud at the Welchau-1 gas condensate discovery well.

ADX has completed a period of successful activity during half year ended 30 June 2024 which has placed your Company in a position to substantially expand its asset base in Austria during the remainder of the year. The announcement of a liquids rich gas discovery at Welchau-1 was a significant milestone for the Company. The discovery will be further evaluated by a very important and highly anticipated testing program during the fourth quarter in 2024.



Figure 2: Anshof Permanent Production Facility at ADX' Anshof-3 location

The installation and commissioning of a Permanent Production Facility (PPF) at the Anshof Oil Field with a maximum capacity of 3,000 BPD was successfully completed with the recommencement of production from the Anshof-3 discovery well. The PPF underpins the pathway for further production and cashflow growth from the planned Anshof-2A appraisal well as well as further appraisal and exploration activities in the area

During the period ADX continued to produce stable, long life and low emissions oil and gas from its Gaiselberg and Zistersdorf fields in the Vienna Basin (Vienna Basin Fields). The Vienna Basin Fields production remains an important source of cash flow for the Company as well as providing the opportunity for value adding and complementary energy projects. In the near term such projects are a Solar Park, Green Hydrogen Production and underground Hydrogen Reservoir Storage. These activities are in line with ADX' ambition to further reduce the carbon footprint of its low emissions conventional oil and gas production operations and develop complementary renewable energy activities. This will be achieved by leveraging the experience and skills of the ADX team, the Company's operating capability as well as upcycling its existing assets (extensive infrastructure, depleted underground reservoirs and access to land). These initiatives are not only potentially profitable they are an important aspect of our ongoing licence to operate in the European energy environment.

ADX continued to progress the development of its exploration portfolio in Upper Austria with the completion of another important farmin with MND Austria a.s. (MND) to fund an exploration well in the MND Investment Area (MND EIA) in the ADX-AT-I exploration licence. As a result of the MND transaction ADX will drill the Lichtenberg gas prospect in the fourth quarter of 2024 largely funded by MND. Lichtenberg provides another growth opportunity with exciting follow up play potential. In addition to the extensive operational and commercial achievements during the period our team continued permitting, planning and procurement activities to enable a two well appraisal and exploration drilling program (Anshof-2A and Lichtenberg-1) as well as the testing of Welchau-1.

Most importantly the safety of our people including our contractors and the protection of the environment within the communities in which we work is of paramount importance to ADX. The Board of ADX is proud to report that no lost time incidents (LTI) were recorded during the reporting period for safety or environmental causes at ADX' Vienna Basin Fields, the Anshof Field or the Company's exploration licences. In addition to meeting the Company's existing environmental obligations ADX has commenced planning for the precise measurement, quantification, monitoring, reporting, and verification of methane emissions. This will enable ADX to comply with new methane emission regulations which came into force within the European Union (EU) on the 4th of August 2024 under a three-year phasing in period.

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Figure 3: Group cash movements during the 6 months ending 30 June 2024

During the reporting period A\$5.1 million was generated from production operations and other operating income, A\$6.3 million from farmouts (funds have primarily been offset against capitalised costs) and A\$14.0 million raised from placements and the exercise of options. Most notable expenditures included A\$ 4.1 million utilised on operating costs, corporate and administrative costs of A\$1.6 million, A\$13.5 million on capital costs and A\$0.6 million on exploration expenditures. The 30 June 2024 cash balance of A\$12.6 million placed the Company in a strong position to fund its ongoing appraisal and exploration activities.

Highlights for the Half Year Ended 30 June 2024

- Austrian Net Production 204 BOEPD resulting in sales revenue totalling A\$4.3 million net to ADX for the 6 month period ended 30 June 2024. Note that production was curtailed by the shut in of Anshof-3 well during first quarter for the installation of the Anshof permanent production facility.
- Completion of MND Farmin to fund drilling of the first gas exploration prospect in the ADX-AT-I exploration licence.
- The Welchau-1 liquids rich gas discovery intersecting 450 metres of shows within the giant 100 km² structure.
- The installation and commissioning of a permanent production facility at the Anshof oil field, with a maximum liquids capacity of 3,000 BPD.
- The recommencement of production from the Anshof-3 well into the new Anshof production facility on 3 April 2024 which is producing at an average rate of approximately 110 BOPD (Gross).
- Permitting, planning, procurement and rig contracts in place for the drilling of the Anshof-2A oil appraisal well, the drilling of the Lichtenberg-1 gas exploration well in the ADX-AT-I exploration licence and the testing of the Welchau-1 discovery.
- A\$13.5 million placement, primarily to institutional investors, and a cash balance for the 6 month period ended 30 June 2024 of A\$12.6 million.

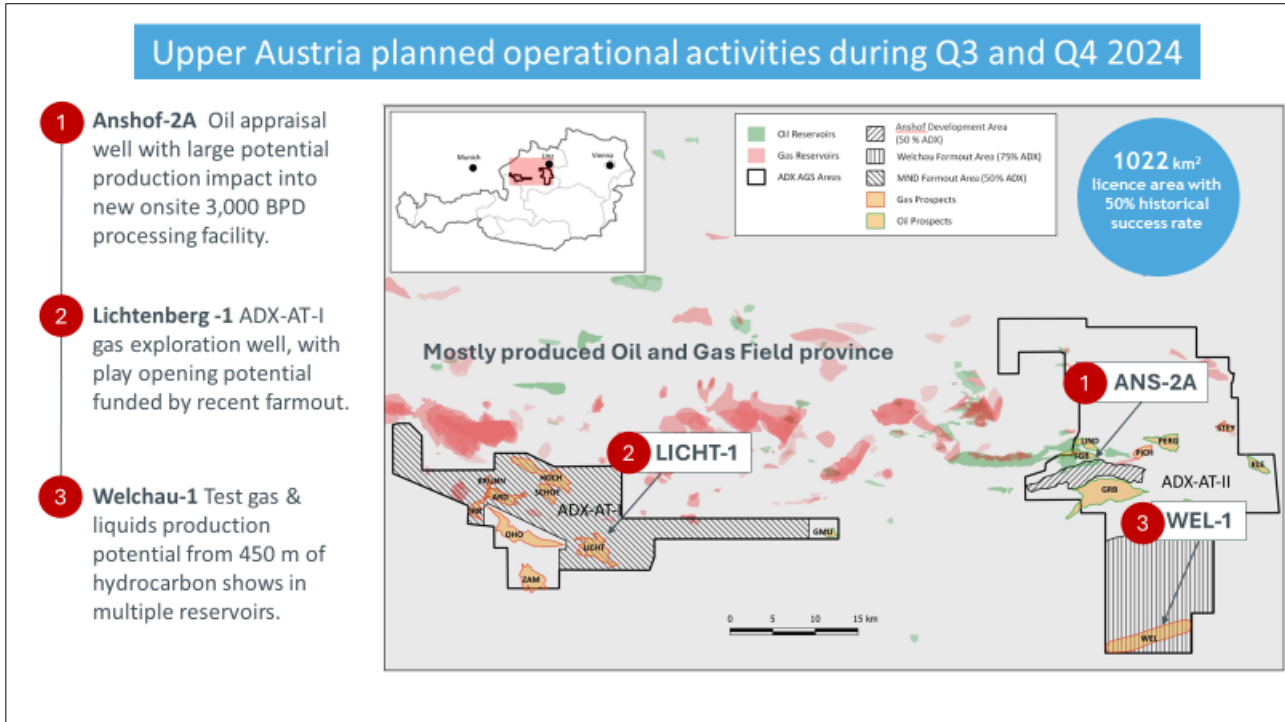


Figure 4: Planned appraisal, exploration and testing activities in Upper Austria during the second half of 2024.

The Company's second half operational activities during the remainder of 2024 will focus on ADX Upper Austria exploration licenses.

Anshof-2A Oil Appraisal Well

- Drilling of the Anshof-2A side track well commenced in early September 2024. The well will target a bottom hole location up dip from the Anshof-2 well using the RED 202 drilling rig.
- The well is expected to intersect thick Eocene reservoir similar to that encountered by the Anshof-2 well which was approximately 6 times thicker than the producing Anshof-3 discovery well.
- The sidetrack well will take approximately 2 weeks to drill and is planned to be tied in to the recently commissioned Anshof permanent production facility located at the Anshof-3 site.

Lichtenberg-1 Gas Exploration Prospect

- The drilling of the Lichtenberg-1 gas exploration well is planned to commence during October 2024 in the MND Investment Area within the ADX-AT-I licence.
- The prospect will target high productivity gas reservoirs proximal to gas infrastructure with further follow up potential.
- MND will fund the first EUR 4.5 million of the well costs to earn a 50% economic interest in the MND Investment Area.

Welchau-1 Evaluation and Well Testing

- Analysis work on the 450-metre column of condensate rich gas and liquids encountered in the Welchau-1 exploration well was ongoing during the reporting period. A revised resource estimate is expected to be released in late September 2024.
- A submission has been made to the designated environmental authority to undertake production testing operations during the winter period from 1 October 2024 to 31 March 2025.
- A detailed well testing program designed to evaluate the multiple hydrocarbon reservoirs encountered at Welchau -1 is expected to be completed by October 2024 in preparation for well testing operations.

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Looking forward to the second half of 2024, your Company is well positioned in terms of both funding and operational readiness for the abovementioned drilling and testing program. The implications of each element of the work program for the Company are important for the immediate and long-term development of the ADX Austrian energy business.

The drilling *Anshof-2A side track well* is important for the reserve growth at Anshof and the potential build-up of cashflow from our Austrian operations. The recent installation of the permanent production facility is expected to be a catalyst for further drilling at Anshof as well as multiple nearfield oil exploration prospects which can provide rapid value and cashflow growth.

The drilling of the *Lichtenberg-1 gas exploration well* will be ADX' first exploration well in the ADX-AT-I exploration licence. The ADX-AT-I licence is expected to be gas prone, host highly productive reservoirs and is proximal to gas export infrastructure. Success at Lichtenberg is expected to provide a number of follow up prospects that may result in a material and valuable gas resource which would be highly profitable at prevailing European gas prices.

The planned testing of the *Welchau-1 liquids rich gas discovery* during the fourth quarter of 2024 and the first quarter of 2024 is a significant opportunity for the Company to production test a potentially transformational discovery which was unable to be tested earlier this year due to environmental permitting constraints. ADX is planning a multi zone test over a five to six week period to evaluate the flow characteristics of the Welchau reservoirs. Ongoing success at Welchau would propel the Company to another level in terms of materiality and growth potential at a time when Europe is desperate for sustainably produced domestic hydrocarbons. Welchau is a potential play opener. The discovery of a large column of hydrocarbons at relatively shallow drill depths has significantly enhanced the potential of a follow up prospect with similar depth and structural characteristics that is proximal to Welchau.

The drilling program at Anshof and Lichtenberg is largely funded via Energy Investment Agreements with MND. These agreements not only provide important funding, they reduce the Company's exposure to downside risk and introduce a financially and technical capable partner into the Company's assets. The Company's operational activities are accompanied by the continued development of a rich inventory of oil and gas exploration prospects in Upper Austria which we believe will continue to provide further farmout and drilling opportunities.

In conjunction with our oil and gas exploration, production and development activities, ADX engaged consultants to progress feasibility studies in relation to the viability of a Solar Park for self-consumption of electrical power required at ADX' Vienna Basin production operations as well as Green Hydrogen Production for third party sales. ADX has also recommended the evaluation of Hydrogen Storage at its Vienna Basin Oil and Gas Fields for hydrogen which may be generated by ADX or stored commercially for third parties. The Company will provide the results of these studies as well as potential partnership opportunities by the end of 2024.

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ASSET ACTIVITIES SUMMARY

Production Assets, Vienna Basin Fields and Anshof Field – Onshore Austria

ADX is operator and holds a 100% interest in the Vienna Basin production licences.

ADX is operator and holds an 50% economic interest in the Anshof-3 production.

The Anshof Oil Field and Vienna Basin Oil and Gas Fields production rate, net to ADX, during the half year averaged approximately 204 BOEPD compared to 271 BOEPD for the six months to December 2023. The 25% decrease was primarily due to the partial sell down of Anshof-3 oil production from 80% economic interest to a 50% economic interest in accordance with the Energy Investment Agreement with MND. The net oil and gas production rate from the Vienna Basin Fields averaged 181 BOEPD and the Anshof-3 well contributed 23 BOPD (net) during the half year compared to 225 BOEPD and 41 BOEPD respectively for the six months to December 2023.

Anshof-3 well production was shut in from the 19th of September 2023 when the well reached the regulatory limit of 5,000 tonnes (36,000 Barrels) for production under a long-term test. Anshof-3 production recommenced on the 3rd of April 2024 into the newly installed and commissioned PPF.

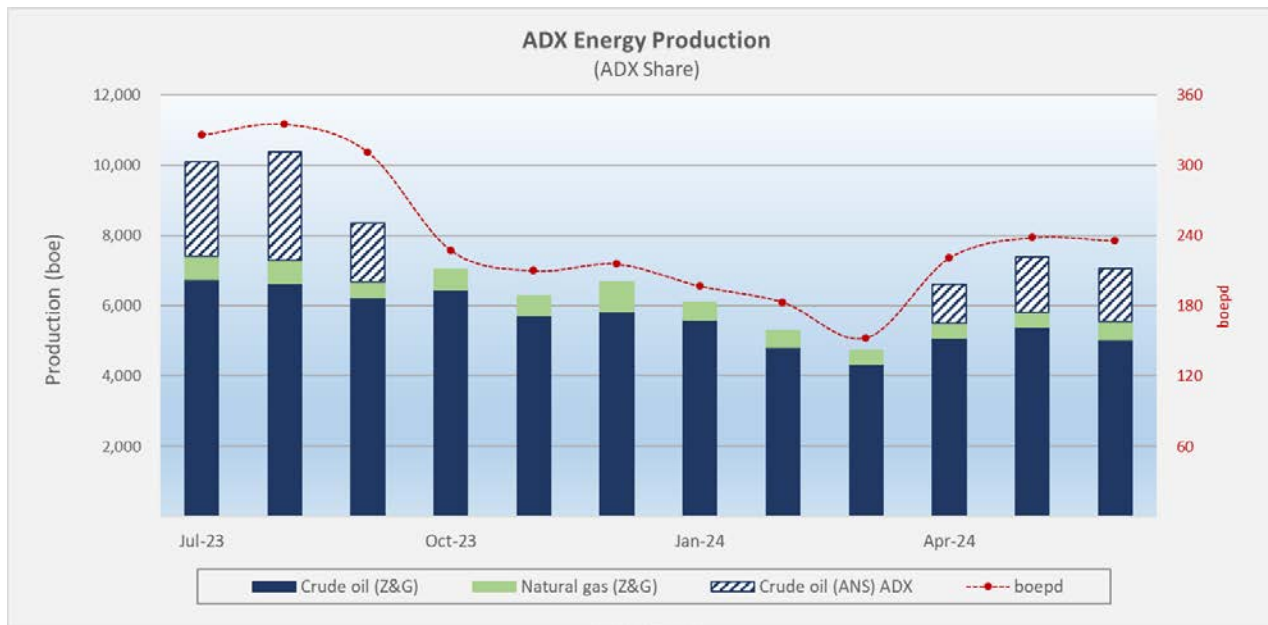


Figure 5: Showing Anshof and Vienna Basin fields net monthly oil equivalent production and net average daily oil equivalent production rate

Field Revenues and Product Pricing, Vienna Basin Fields and Anshof Field

Oil and gas sales revenues during the six-month period totalled A\$4.3 million, net to ADX, a 27% drop compared to the previous six months ending 31 December 2023 when sales revenues totalled A\$5.9 million.

The drop in revenue was largely due to lower oil and gas volumes discussed in the previous section and significantly lower realised gas prices. Oil prices remained relatively stable during the reporting period. The average crude Brent sales price during the half year was US\$ 84.09 per barrel compared to US\$ 85.40 per barrel for the previous six months ending 31 December 2023. Gas prices weakened to EUR 28.16 per MWh during half year compared to EUR 35.75 per MWh for the previous six months ending 31 December 2023. Oil proceeds contributed to 95% of sales during half year compared to 93% for the previous six months ending 31 December 2023.

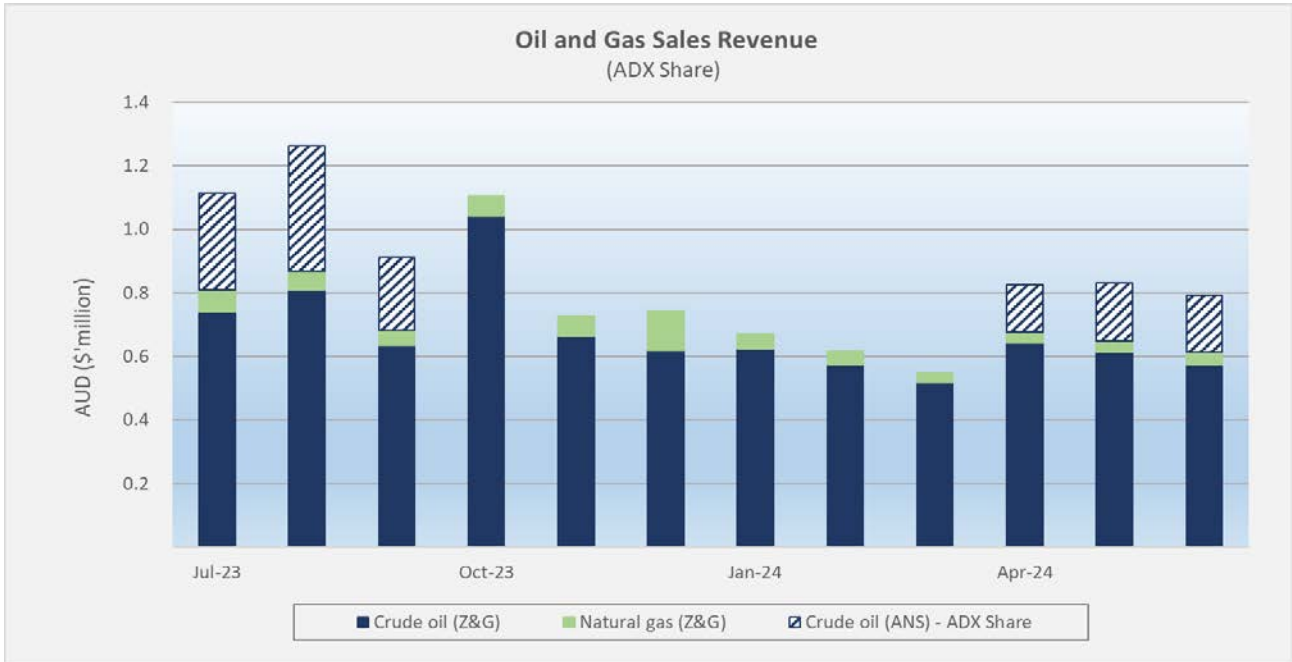


Figure 6: Showing Anshof and Vienna Basin fields monthly oil and gas sales revenue

European Methane Emissions Compliance

ADX is committed to achieving and exceeding its environmental obligations, including the reduction of greenhouse gas emissions. Methane is the second-largest contributor to climate change after carbon dioxide (CO₂), accounting for about one-third of current global warming. Atmospheric methane levels have risen significantly over the past decade. The first-ever European Union (EU) Regulation on methane emissions reduction in the energy sector came into force on 4 August 2024. This Regulation aims to meet the EU’s commitment to the Global Methane Pledge of reducing global methane emissions by at least 30% from 2020 levels by 2030. The Regulation applies to the exploration and production of crude oil, natural gas, and coal within the EU, as well as importers of these fossil fuels into the EU. This ensures equal conditions for all fossil fuel producers supplying the EU’s energy market ensuring domestic production is not disadvantaged by cheaper poorly regulated imports.

The Regulation establishes guidelines for the precise measurement, quantification, monitoring, reporting, and verification of methane emissions in the EU’s energy sector. Additionally, it sets out measures for reducing these emissions, including leak detection and repair surveys, repair obligations, and restrictions on venting and flaring. It mandates that re-injecting or utilising methane on-site, or directing it to market, must always take precedence over venting or flaring. The Regulation provides rules for transparency related to methane emissions. The requirements of the Regulation will be phased in over the next three years. During the reporting period ADX proactively commenced taking the necessary steps to implement these measures.

Hedging

During the half year ADX has continued to deploy a rolling hedging strategy seeking to provide stable near-term revenue generation during volatile market conditions. A number of hedging transactions have been deployed during periods of favourable market conditions.

- On 26 January 2024, ADX executed hedging transactions with Britannic Trading Limited with a fixed price swap contract for 8,400 barrels of oil at a fixed Brent crude oil price of USD 80.00 per barrel for February 2024 to May 2024 inclusive. The quantity of hedged oil equated to approximately 70 BOPD during the period.
- On 3 April 2024, ADX executed additional hedging transactions with Britannic Trading Limited with a fixed price swap contract for 15,000 barrels of oil at a fixed Brent crude oil price of USD 85.31 per barrel for June 2024 to October 2024 inclusive. The quantity of hedged oil equates to approximately 100 BOPD during the period.

The balance of the crude oil production from the Anshof and Vienna Basin Fields remains unhedged during the period allowing ADX to maintain exposure to upside in Brent crude oil pricing. Gas production from the Vienna Basin Fields is also not hedged.

Following the end of the six month reporting period, ADX hedged part of its production for the rest of 2024. On 5 July 2024, ADX executed further hedging transactions with Britannic Trading Limited with a fixed price swap contract for 6,000 barrels of oil at a fixed Brent crude oil price of USD 83.15 per barrel for November 2024 and December 2024 inclusive.

Appraisal and Development Activities

Anshof Eocene Oil Project – Anshof Field Area, ADX-AT-II Licence, Upper Austria

ADX is operator and holds a 50% economic interest in the Anshof Field Area and a 60% interest in the Anshof-2 well. ADX is operator of the ADX-AT-II exploration licence and holds a 100% interest in the licence other than the Anshof Field Area, Anshof-2 well and the Welchau Investment Area.

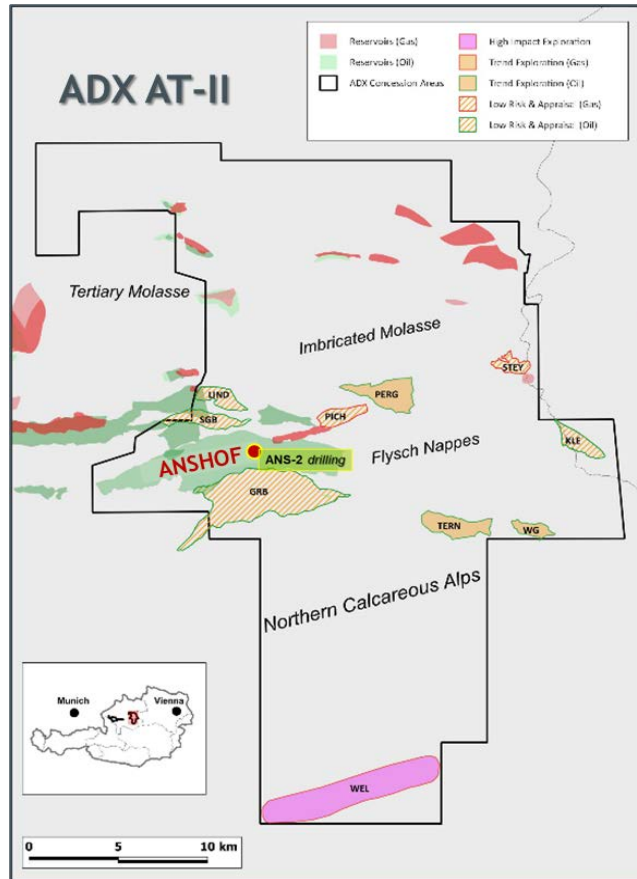


Figure 7: Location map for the Anshof Field Area within the ADX-AT-II licence. The low-risk appraisal follow up satellite prospects (ADX 100% economic interest) including SGB, LIND and GRB

Anshof-3 Production

The Anshof-3 well remained shut-in during the first quarter of 2024 after reaching the regulatory limit of 5,000 tonnes (36,000 Barrels) for long term test production on 19 September 2023. The Eocene reservoir pressure at the Anshof-3 well recovered to near initial reservoir pressure during the shut-in period. A 3,000 BPD Permanent Production Facility (PPF) was installed and hooked up at the Anshof-3 site. The Anshof-3 well recommenced production as part of the commissioning of the PPF with first oil production into the PPF on 3 April 2024.

ADX ENERGY LTD

DIRECTORS' REPORT

Following the recommencement of production Anshof-3 produced at an average daily rate of 100 BOPD (Gross) until 30 June 2024 with a 95% uptime over 89 production days. The well continues to show strong performance with no impairment to well productivity.

Development Drilling Program

The Anshof-2A well is planned as a producer in a more crestal part of the structure targeting a thicker section of the Eocene reservoir with excellent reservoir quality as was seen in the Anshof-2 well. The bottom hole location of Anshof-2A has been optimised utilising data obtained from the Anshof-2 well where the Eocene sands were approximately 6 times thicker than the Anshof-3 discovery well which is currently producing at approximately 110 BOPD (Gross).

The sidetrack drilling of the Anshof-2 well (Anshof-2A) commenced in early September 2024 and is expected to take 14 days in the success case with the well ready for test and tie-in to the PPF.

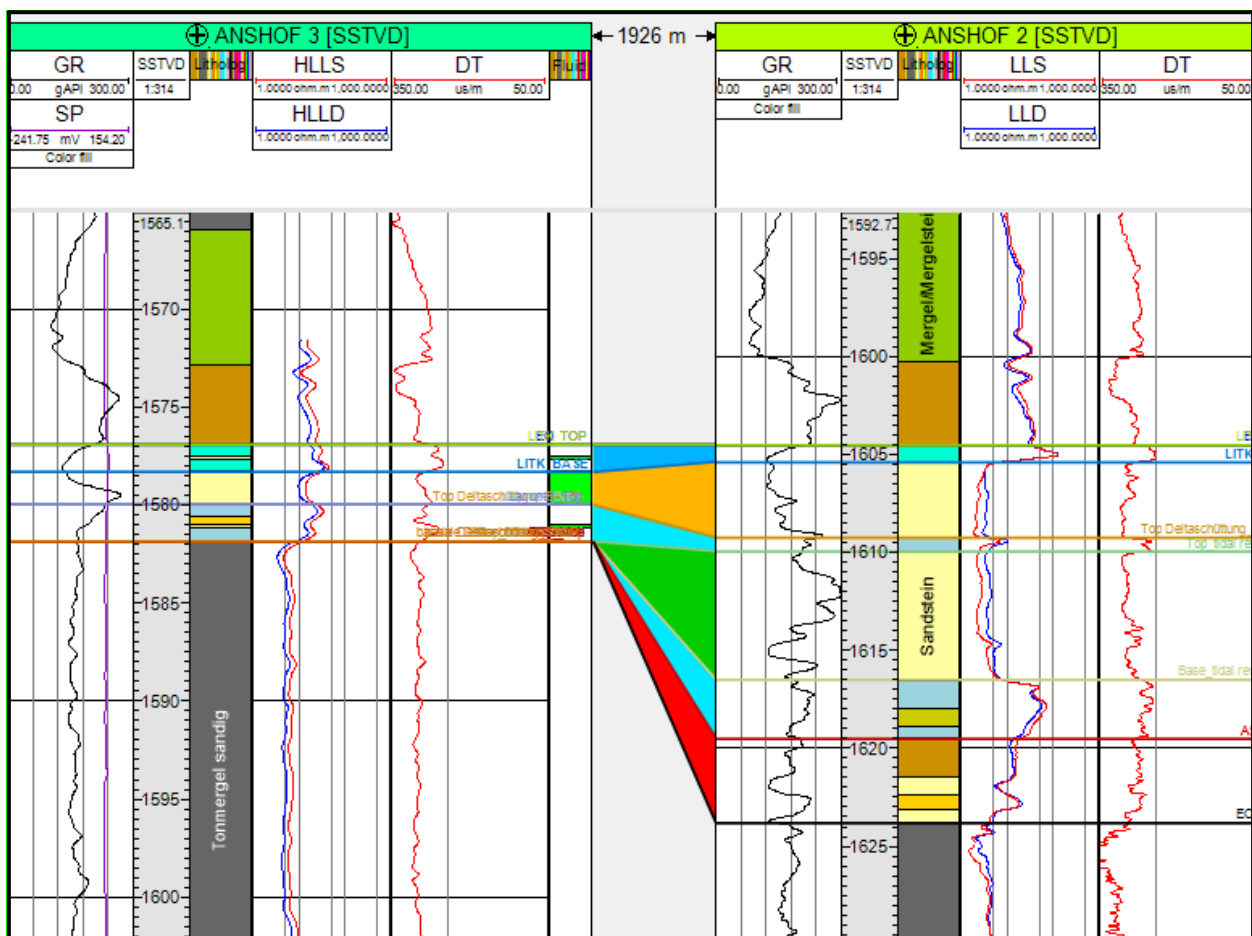


Figure 8: Showing a comparison of the Eocene sand thickness (shown in yellow) between Anshof-3 (LHS) and Anshof-2 (RHS)

The Anshof-2A well will be sidetracked from below the 9 5/8" shoe of the Anshof-2 well. The well is planned to intersect the top Eocene sands at a vertical depth 37 metres shallower than the Eocene intersected at the water bearing Anshof-2 well. The well trajectory is in a North/North-East direction and will have a low angle (22°) intersection of the Eocene some 0.5 km distance up-dip from the Eocene penetration in the Anshof-2 well. The Anshof-2A sidetrack well will minimise the cost to develop this part of the field and a well slot remains available for future development drilling from the Anshof well cluster and production site.

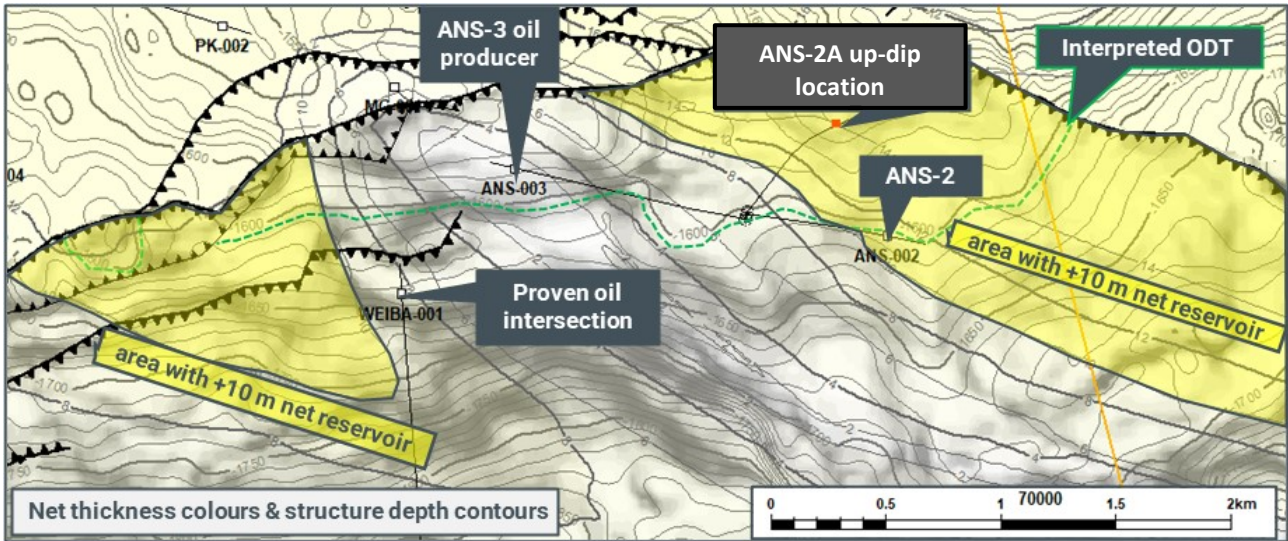


Figure 9: Anshof field outline and areas of greater Eocene reservoir thickness with interpreted field oil-down-to (ODT) and the targeted bottom hole location of the ANS-2A sidetrack well

Permanent Production Facilities (PPF) Installation, Engineering and Commissioning

The Anshof field PPF was successfully installed and commissioned with first Anshof-3 oil production into the newly installed PPF on 3 April 2024.

Key development activities during the reporting period were as follows:

- The PPF mechanical Designated Authority inspection and certification was completed;
- The initial teething problems with measurement sensors in both the 3-phase separator and the storage tanks (oil and water) were successfully resolved at the beginning of Q3 2024; and
- Redirected waste heat from the CHP to the heat exchanger has increased the temperature in the settling tanks, enhancing the settling process while promoting energy efficiency and reducing environmental impact.

The PPF provides the following opportunities to optimise field production at Anshof:

- increased production capacity (3,000 barrels of liquids per day);
- capability to process oil from multiple wells;
- additional oil storage capacity;
- use of associated gas for power generation and process heat;
- enhanced automation requiring less manual operations; and
- utilisation of the facility to process oil from other fields discovered in the area.

The PPF will be mostly unmanned and operate 24 hours per day with wireless data transmission.

EXPLORATION ACTIVITIES

Upper Austria AGS Licenses – Molasse Basin – Onshore Austria

ADX is operator and holds a 75% interest in the Welchau Exploration Area and a 100% interest in the ADX-AT-I and ADX-AT-II exploration licenses other than the Welchau Exploration Area and the Anshof Field Area. ADX' interest in the MND Investment Area will reduce to 50% upon the completion of MND's farmin obligations.

Welchau Gas Liquids Discovery

The Welchau-1 gas exploration well was spudded on the 24th of February 2024 using the RED Drilling & Services GmbH (RED) E200 drill rig in the ADX-AT-II exploration licence with the rig released on the 28th of March 2024. The well was suspended for future well testing after running and cementing 7-inch casing down to the well total depth (TD) at 1733 metres MD. Testing operations are planned to be conducted during a period from 1 October 2024 to 31 March 2025 in accordance with environmental conditions restricting exploration drilling and testing operations to the winter period.

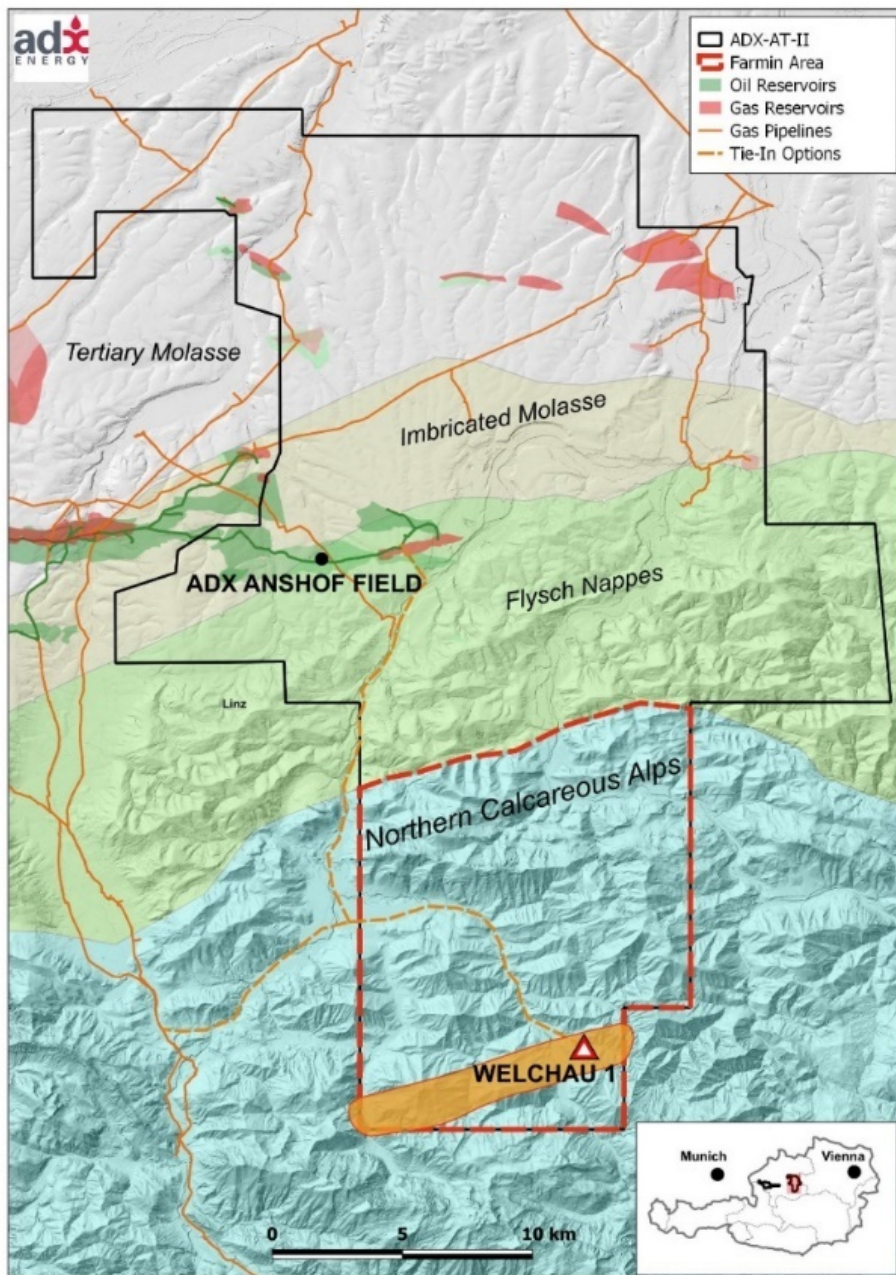


Figure 10: Map showing the Welchau-1 drilling location in the ADX-AT-II license area in the Northern Calcareous Alps



Figure 11: Welchau-1 drilling location in the Northern Calcareous Alps

Following the completion of operations, the significant amount of well data gathered from drilling and evaluating the well has been utilised for ongoing structural interpretation, reservoir characterisation, resource estimation and well test planning. ADX has engaged a number of geotechnical and engineering professionals highly experienced in fractured carbonate reservoirs to assist the ADX team. An update of the Welchau resource estimate will be announced during the third quarter of 2024 prior to the commencement of well testing planned for the fourth quarter of 2024.

Welchau-1 Structural Definition

The Welchau-1 well is confirmed to be at or near the crest of an East-West trending, asymmetric anticline. This structural interpretation is in line with the pre-drill structural model prediction. There is a slight change in the strike of the fold axis making the structure less cylindrical than predicted (in the Eastern part of Welchau anticline), as shown in the figure below. There has been practically no change as yet in the gross rock volume estimates between pre and post drill.

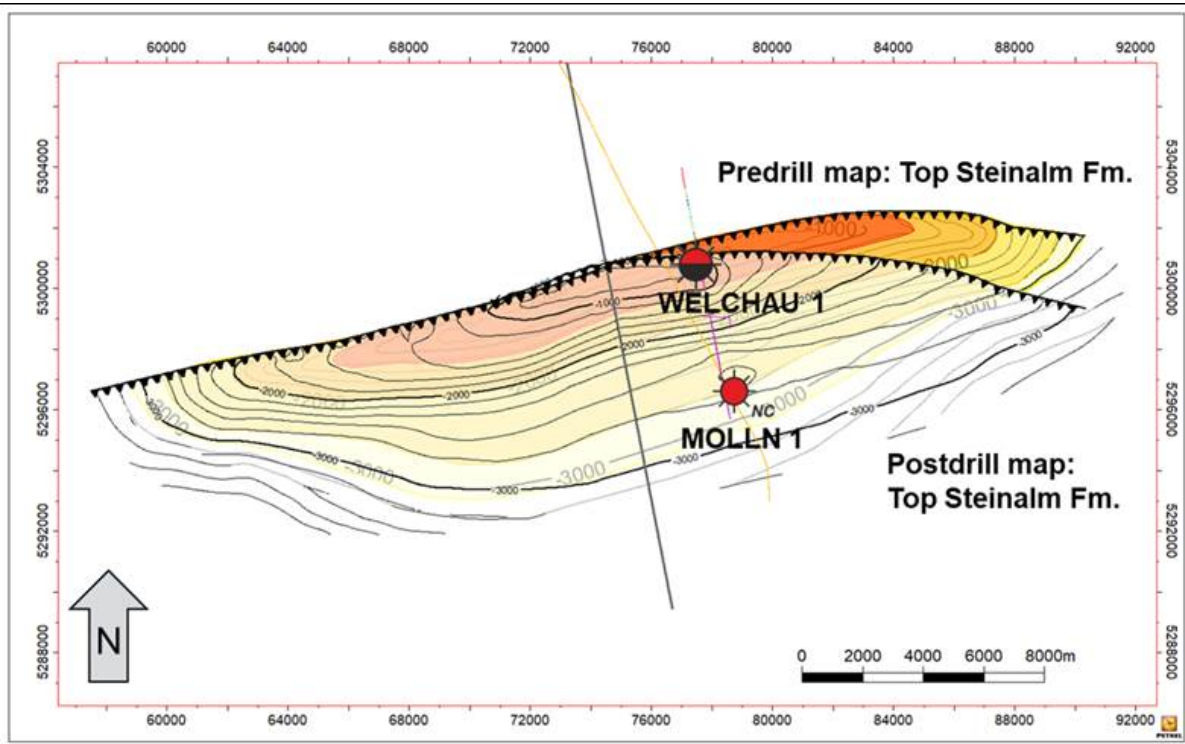


Figure 12: Welchau-1 Top Steinalm Formation pre and post drill mapping

Welchau-1 Data Analysis

There are three primary carbonate reservoirs in the Welchau-1 well which are promising for testing and ongoing appraisal. Based on hydrocarbon shows including wellbore inflows during drilling operations and electric line logs the formation intervals encountered are the Reifling (128 metres), the Steinalm (118 metres) and the Guttenstein (111 metres) formations. The Steinalm reservoir flowed condensate rich gas in 1989 at a rate of 4 MMSCFPD in the nearest discovery well (Molln-1) located approximately 3 km away.

The analysis of Welchau-1 well results including hydrocarbon shows, formation cuttings while drilling, electric line logging, formation sampling and coring was completed during the reporting period. The results are being used to update the resource range for Welchau and finalise the well testing design.

The specialist laboratory work carried out on the Modular Dynamic Tester sample taken in the Steinalm reservoir has confirmed the full properties (compositional data and thermodynamic characteristics) associated with the 43° API light sweet oil that was recovered in a MDT (down hole sample tool) run in the Steinalm Formation. The vertical extent of this overpressured light oil in the Steinalm or in the shallower Reifling and deeper Guttenstein is uncertain.

Wellbore image analysis specialists carried out a detailed fracture and fault analysis using the Welchau-1 image log data, the open hole log data together with the dynamic drilling data (i.e. mud losses to the formation and gas shows from the formation). The analysis includes the identification of the many fracture types (e.g. open, closed, partially cemented etc.) as well as their frequency, orientation etc. Multiple open fractures and resulting fracture net-works have been identified which are critical to hydrocarbon flow and hydrocarbon recovery in a carbonate reservoir.

In addition to fractures networks, the image specialists have identified other features that have the flow characteristics of open permeable fractures but are not fractures. These features are 'reactivated beddings' associated with folding of the rock (refer figure below). These 'reactivated beddings' are also expected to contribute to well flow and recovery.

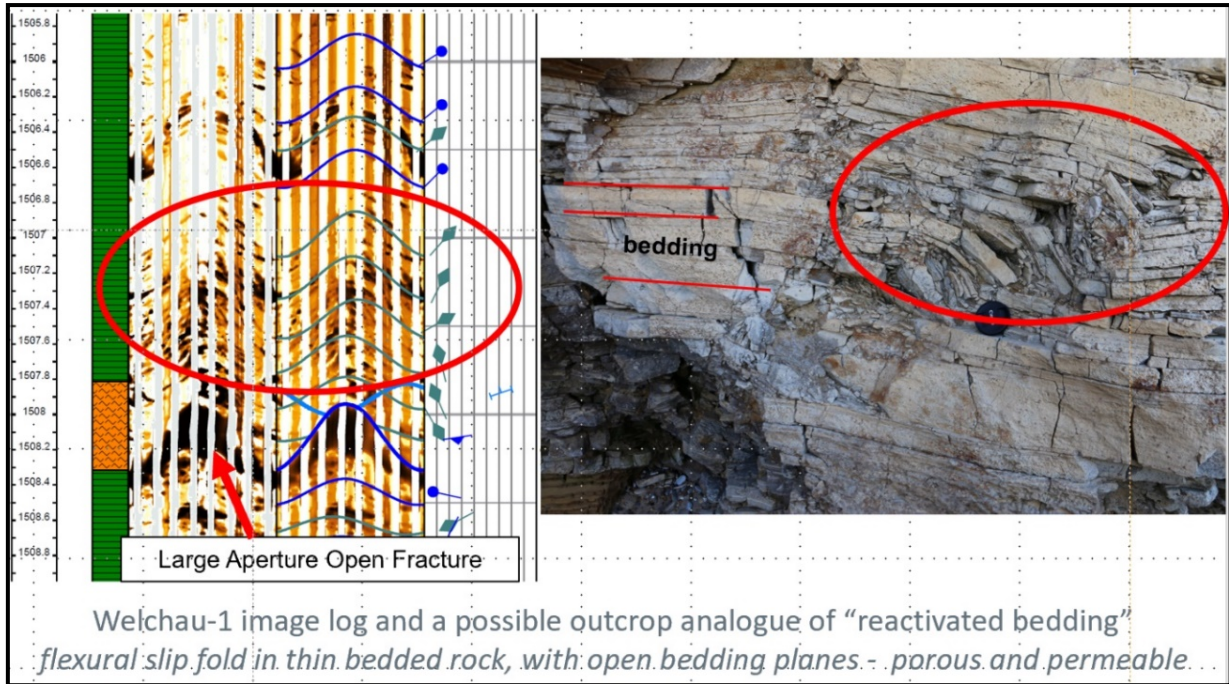


Figure 13: Shows the Welchau-1 Image log with 'reactivated bedding' and possible outcrop analogy

Welchau-1 Data Modelling

The image analysis work underpins the building of 3D conceptual models around the Welchau-1 well for well flow and resource estimation which will be incorporated into well test planning. This conceptual modelling work has commenced with experts in the field of fractured carbonates characterisation and resource estimation. In addition, this work will be utilised for the well test strategy, well test planning and future appraisal drilling. This 3D modelling work is planned to be completed during the third quarter of 2024 with a resource estimate range for each reservoir. The well testing is planned to commence during the fourth quarter of 2024.

Welchau-1 Well Test Permitting

ADX have made an application for the testing of the Welchau-1 well with a planned commencement date of 1 October 2024. Operational and environmental permits have been submitted to the designated authorities for an extended testing program during the Austrian winter months from 1 October 2024 to 31 March 2025. Permitting at the Welchau-1 location has required extra environmental precautions given the well sites proximity to a national park.

Welchau-1 follow up Potential

The Welchau-1 well has confirmed a highly prospective hydrocarbon play established by the Welchau-1 hydrocarbon discovery. The well has confirmed the existence of high quality gas and hydrocarbon liquids pervasive across multiple, large carbonate reservoirs in a structural setting that is capable of trapping large volumes of hydrocarbons, similar to plays in other thrust settings across the World.

Two immediate, follow up exploration targets have been identified:

- *Welchau-1 Deepening*: There remains over 1,000 metres of exploration potential below the current Welchau-1 well TD. The opportunity of deepening the Welchau-1 well after testing the existing discovery is being assessed.
- *Step-out Exploration Lead*: This lead is a similar anticline structure to Welchau. The feature has similar shallow drill depths that is located approximately 7 km Northwest of Welchau-1. The structure has been identified from surface imaging, dynamic structural balancing techniques and surface geology mapping. As was the case with Welchau some 2D seismic may help to detail the closure. Additional detailed field work is being undertaken to mature this prospect as a potential follow up exploration well.

Welchau Partnership Interests

In early 2023, Canadian TSX Venture Exchange listed MCF Energy Ltd, via its subsidiary MCF Energy GmbH, (MCF), executed an Energy Investment Agreement (EIA) to fund 50% of the cost of the Welchau-1 exploration well to earn a 20% economic interest in the Welchau Investment Area. The funding obligation was based on a well cost cap of EUR 3.8 million. On 9 January 2024, ADX announced a variation to the terms of the EIA with MCF such that MCF agreed to fund 50% of the Welchau-1 well costs up to EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area.

ADX-AT-I 2024 Gas Exploration

ADX is Operator and retains a 50% economic interest in the MND Investment Area following the completion of MND's investment obligations. In accordance with the MND EIA (see summary below) MND has agreed to fund a gas exploration program in ADX-AT-I. ADX has retained a 100% interest in the remainder of the ADX-AT-I license including adjacent gas exploration prospects (OHO and ZAM) and the GMU geothermal / oil and gas energy prospect.

MND EIA Summary: In January 2024 MND paid back costs of EUR 0.45 million (A\$0.74 million) to ADX and agreed to fund EUR 4.5 million (A\$7.40 million) for exploration drilling to earn a 50% economic interest in MND Investment Area (an exploration investment area within the ADX-AT-I license), in Upper Austria. The MND Investment Area is shown in the map below.

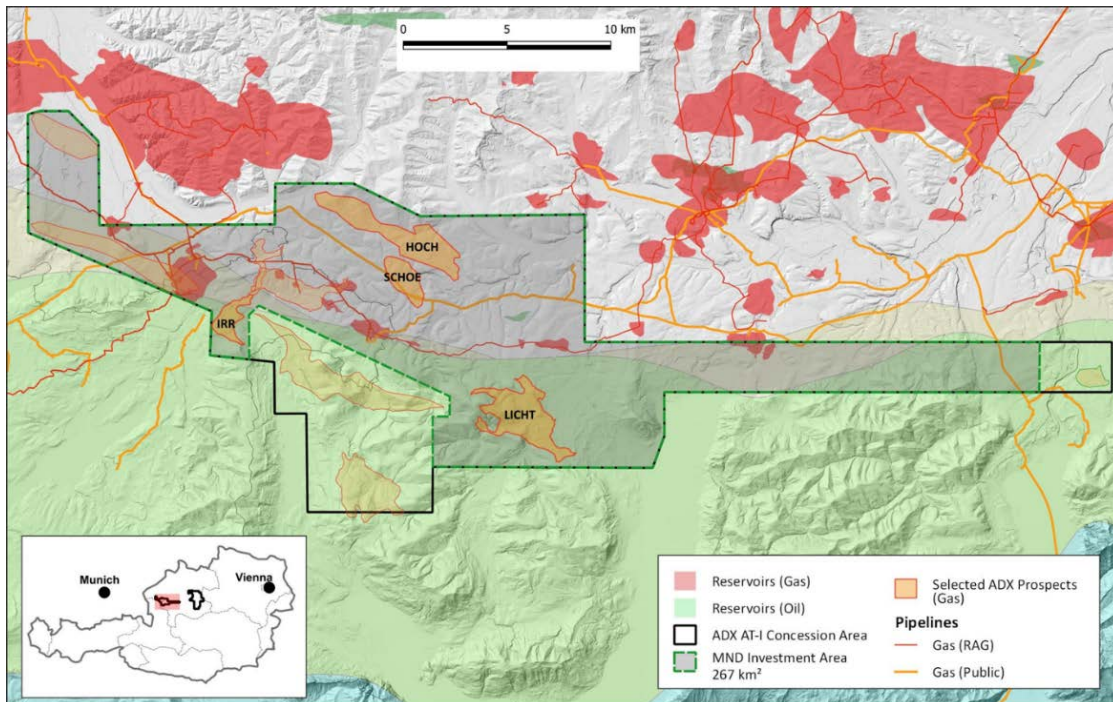


Figure 14: Map showing the MND Investment Area within the ADX-AT-I license which includes the LICHT and IRR gas exploration prospects

During the six-month period ADX continued to mature potential prospects for drilling during the fourth quarter of 2024. The parties had agreed to drill either the Lichtenberg ("LICHT") prospect or IRR prospect. LICHT has a best technical resources estimate of 21.1 BCF of gas. The resources for LICHT has been revised due to remapping work with the benefit of the 3D seismic reprocessing and a review of the expected reservoir distribution and quality ^{1,2}.

¹ **Original Prospective Resources** reporting date 22.06.2023, updated 20.08.2024.

² **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.

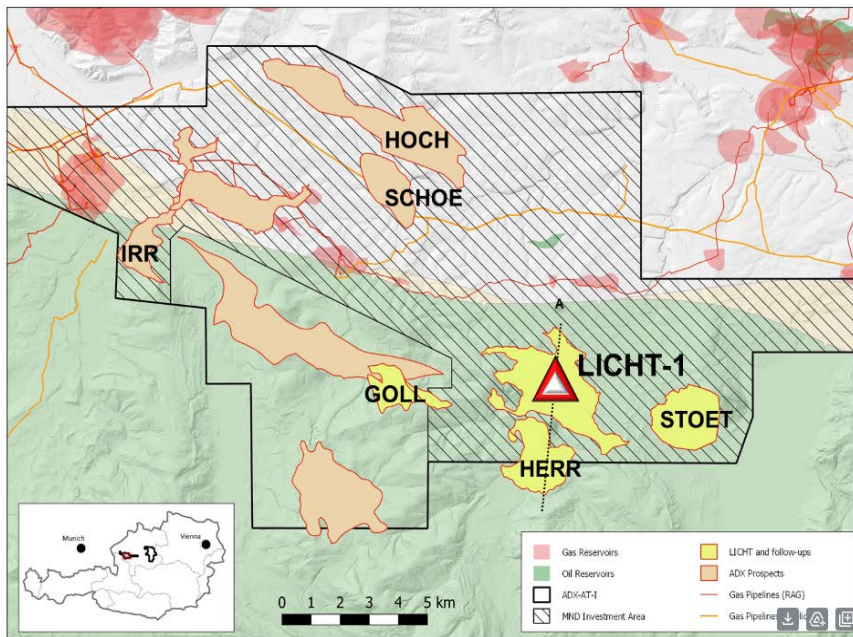


Figure 15: Map showing the MND Investment Area which includes LICHT-1 drilling prospect as well as the GOLL, HERR and STOET gas exploration prospects

LICHT-1 is a play opening well with three nearby follow-up prospects STOET, HERR and GOLL which are estimated on a preliminary basis to have resource potential that is double the size of the LICHT prospect.

In addition to technical maturation of the LICHT and IRR drilling prospects land access has been secured with landowners for the IRR prospect as well as future shallow gas prospects in MND Investment Area such as SCHOEN and HOCH. All prospects offer significant resource potential for onshore gas, are fully covered by high quality 3D seismic, supported by seismically generated direct hydrocarbon indicator responses and are proximal to gas infrastructure.

The SCHOEN and HOCH prospects can be drilled with a smaller rig than that permitted for IRR and LICHT. ADX commenced enquiries to secure a suitable rig that will provide a more cost-effective alternative for drilling shallower prospects. These prospects are very close to gas infrastructure and are expected to contain dry natural gas (methane) only which would reduce the development time and cost for any discovery. The best technical prospective resources for HOCH and GAST were 4.8 BCF and 3.6 BCF¹ (refer to ASX Prospective Resources Update dated 22 June 2023). The revised HOCH – GAST prospect is now expected to contain 8 BCF best technical prospective resources.

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.

The 3D seismic section below and the inserted reservoir amplitude map is indicative of gas reservoir presence and summarises the most important technical features of the combined HOCH-GAST prospect. The depth contours also show that the prospect has a very low risk 4-way dip closure component and a large structural – stratigraphic upside being located in the axis of a structural nose plunging to the NW. A drill site has been secured and permitting will commence after rig selection.

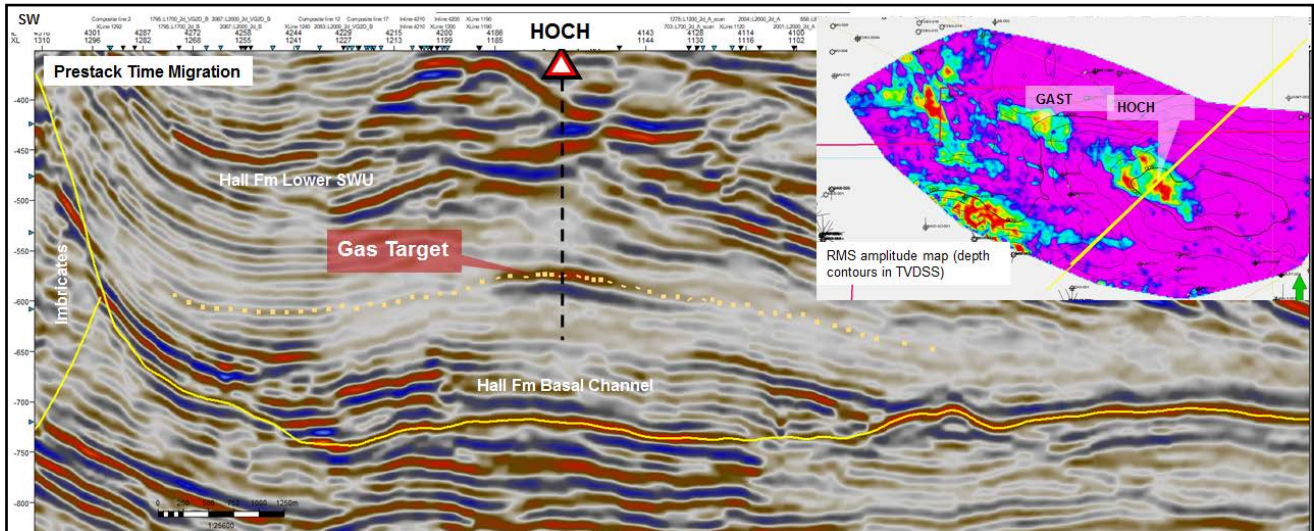


Figure 16: Seismic cross section of HOCH prospect

Additional ADX-AT-I Gas Prospect Maturation (ADX 100% equity areas)

In addition to the work undertaken on preparing gas prospects for drilling within the MND Investment Area, ADX has undertaken prospect maturation work on areas within the remainder of the ADX-AT-I licence where it holds a 100% equity interest. Notably two large 3D seismic covered prospects have been identified (ZAM and OHO) with large prospective resource potential in excess of 100 BCF. (Refer to ASX Prospective Resources Update dated 22 June 2023).

Looking forward, prospect maturation work includes refining the stratigraphic horizon interpretation and identifying tectonic events of each prospect. Expert consultant study work will focus on establishing a kinematically consistent 3D structural model which is expected to significantly de-risk the large resource potential of the prospects in readiness for drilling and potential co-investment.

Seismic reprocessing of the ADX-AT-I area is in progress with DMT, Germany. State-of-the-art Pre-Stack Depth Migration (PSDM) is expected to de-risk several additional leads with approximately 50 MMBOE prospective resources potential that have been identified (mainly below the imbricated section that effects seismic imaging in deeper structures). The work is expected to be finalised by the end of the year.

Summary of Second Half of 2024 Exploration Activities in Upper Austria

A summary of planned exploration activities during second half of the year includes the following:

1. Welchau-1 operations planning and permitting for drilling and testing program;
2. The drilling of the LICHT gas exploration prospect in ADX-AT-I;
3. Revision of the Welchau-1 prospective resource estimates;
4. Testing the 450 metres of hydrocarbons shows in a giant Welchau structure; and
5. Ongoing prospect maturation and portfolio development in ADX-AT-I and ADX-AT-II licenses.

ADX ENERGY LTD
DIRECTORS' REPORT

Upper Austria Farmout Activities

ADX suspended farmout activities in Upper Austria during the reporting period, concentrating the Company's efforts on the oil appraisal drilling programme at Anshof, the ADX-AT-I gas exploration programme, the testing of the Welchau discovery during the fourth quarter as well as ongoing oil and gas prospect maturation.

ADX expects to update its prospect inventory during the fourth quarter of 2024 with a view to recommencing farmout activities early in 2025.

The combination of drill ready prospects, strong demand for hydrocarbons, a favourable regulatory framework in Austria and a proven Participation Framework developed by ADX and approved by the Austrian ministry (for the Anshof and MND transactions) is expected to provide a favourable environment for ongoing co-investment transactions.

Parta Exploration Permit and Iecea Mare Production Licence – 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 S.R.L., 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 six-month period ADX has engaged in ongoing discussions with the Regulatory Authorities in relation to options for the Parta exploration license extension. ADX has delivered a number of requested reports in support of the extension discussions. The Iecea Mare production license which has a validity (or term) of 20 years and is not affected. Options to exploit the geothermal potential of the Romanian part of the Pannonian Basin are under investigation with the authorities in combination with a subsurface review of the likely prospectivity.

The legislation for the use of Geothermal energy is under development, the regulator stated that a petroleum license needs to be transferred into a geothermal license, before any non-petroleum operations can be performed, after finalising all petroleum operations as defined in the license agreement.

Permit d 363C.R.-AX – Offshore Italy

ADX is operator and upon grant, will hold a 100% interest in the d 363C.R.-AX Exploration Permit

The d 363 C.R.-AX 'Nilde' permit in the Sicily Channel, offshore Italy is located in a water depth of 90-100 metres just over 60 km from the shore of the island of Sicily and comprises the Nilde Oil Field, which previously produced 20.5 million barrels of 39° API oil in the 1980s, two further oil discoveries Norma-1 and Naila-1, as well as an exploration inventory of 5 oil leads. Across the permit there are Contingent Resources of 19.2 to 65.6 million¹ barrels of remaining oil and Prospective Resources of 40 to 201 million barrels oil (arithmetically added)².

The total best technical prospective resource potential of five high graded gas prospects is 369 BCF (refer ASX announcement 30 August 2022). The five high graded prospects are considered as relatively low risk since they are simple 4-way dip anticline closures featuring a seismic amplitude response commonly known as Direct Hydrocarbon Indicators (DHI's).

Note 1: Contingent Resources Reporting Date for Nilde was 29.03.2018 and Prospective Resources Reporting Date for d 363 C.R.-AX was 21.04.2016 (oil) and 30.08.2022 (gas).

Note 2: Refer to Cautionary Statement in relation to **Prospective Resources** below.

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.

On May 9, 2024, the Italian ministry informed ADX that it had successfully completed a technical, financial and organisational capacity verification procedure in relation to ADX' wholly owned Italian subsidiary, Audax Energy S.r.l. (Audax) resulting in authorizing Audax to hold and operate any E&P licence in Italy. The permit is currently expected to be formally granted by the end of 2024, after a meeting has been convened with all the local authorities involved.

In addition to the granted Gas Rights, the potential exists for a reversion to the 2018 legislative position which would enable the oil potential as well as the gas potential to be exploited within d 363C.R-.AX permit area. This is the result of the recent annulment of the Plan for the Sustainable Energy Transition of Eligible Areas (PiTESAI). The PiTESAI plan limited the extent of hydrocarbon activities preventing oil redevelopment, appraisal and exploration activities including the extensive oil potential within Audax' d 363C.R-.AX permit which ADX intends to pursue after formal granting of the permit which is expected during the next reporting period.

RENEWABLE ENERGY PROJECTS - AUSTRIA

Vienna Basin Green Hydrogen and Solar Projects

During the six-month period ADX has conducted a comprehensive review of its renewable energy projects in order to define short-term and near-term objectives. The conclusion of this review was to focus the Company's resources and efforts on:

- resuming feasibility work on less capital intensive projects such as the Vienna Basin solar project and green hydrogen early production scheme which could deliver revenues and reduce the cost of producing Vienna Basin Field hydrocarbons within the next 18-24 months; and
- developing larger scale projects such as the underground storage of green hydrogen in the Vienna Basin and GMU geothermal project in Upper Austria in collaboration with industry partners with strong financial capabilities and decarbonisation targets which could be satisfied by investing in the Company's projects.

After the reporting date, ADX engaged a consultancy firm in Austria to undertake feasibility studies on the Vienna Basin solar project to bring it to a final investment decision stage. It is expected that the project will initially be focused on solar electricity generation for self-consumption by the Vienna Basin Fields' production operations with the potential to be combined with grid feed-in sales. Electricity cost is one of the main operating expenses at the Vienna Basin Fields. The generation of solar electricity at the Vienna Basin Fields would reduce ADX' carbon footprint and operating costs resulting in long-term value enhancements including higher netbacks and field life extension. Surplus electricity, not used for self-consumption, could be used as input for the production of high value green hydrogen suitable for the mobility sector through the development of a small-scale hydrogen early production scheme. Initial results of the feasibility studies are expected during the fourth quarter of 2024.

It is anticipated that future hydrogen demand in the EU and Austria will be satisfied with hydrogen imports. Austria's hydrogen imports are estimated to reach greater 1,000,000 tonnes per annum by 2032.

The Vienna Basin hydrogen storage project has the following combination of positive attributes:

- in excess of 100 GWh of hydrogen storage potential already identified in depleted gas reservoirs at the Gaiselberg field; and
- a strategic location 60 km to the North East of Vienna (main demand area) and in the middle of four hydrogen import corridors under development.

The Vienna Basin hydrogen storage project could act as a "buffer" for future hydrogen supply and demand flows as well as a "safety net" in the event of supply chain disruptions for Austria's main hydrogen importers which are likely to be gas fired power generation providers, gas distributors and industrial users. In addition to these features, the Vienna Basin storage project would leverage ADX' strengths which include an experienced geotechnical team, operating capability and existing infrastructure and land owned by ADX in the Vienna Basin. The Vienna Basin hydrogen storage project has the potential create long-term value and extend the life of the Vienna Basin Fields.

ADX ENERGY LTD

DIRECTORS' REPORT

TENEMENTS LIST

Tenements held at the beginning and the end of the half year reporting period as per below table:

Permit	Percentage held as at 1 January 2024	Percentage held as at 30 June 2024	Percentage change
Onshore Austria, Zistersdorf and Gaiselberg Production License	100%	100%	-
Upper Austria AGS Licenses ^(a)	100%	100%	-
Onshore Romania, Parta ^(b)	100%	100%	-
Onshore Romania, Iecea Mare Production Licence ^(b)	100%	100%	-
Offshore Italy, d363C.R.-AX ^(c)	100%	100%	-

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

Anshof Discovery Area

The economic interests in the Anshof Discovery Area (excluding the Anshof-2 well) are 50% ADX, 30% MND Austria a.s (MND) and 20% Xstate Resources Limited (XST).

XST elected not to participate in the Anshof-2A well. ADX and MND agreed to fund XST's share of well costs on a 50:50 basis and accordingly obtain 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 500% to well costs. In accordance with Anshof Discovery Area Partnership agreements, XST retains its 20% economic interest in the remainder of the Anshof Discovery Area with both ADX and MND's economic interests remaining at 50% and 30% respectively.

Welchau Farmin Area

ADX executed an Energy Investment Agreement with MCF Energy Ltd via its subsidiary MCF Energy GmbH (MCF) to fund 50% of the Welchau-1 well costs up to a well cost cap of EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area. Upon completion of MCF's funding obligations, ADX holds a 75% economic interest in the Welchau Investment Area.

ADX-AT-I Investment Area

ADX announced an Exploration Investment Agreement with MND Austria a.s (MND) where MND will secure a 50% economic interest in the Exploration Investment Area by providing cash payments to ADX and funding 100% of an agreed exploration work program of EUR 4.5 million. The Exploration Investment Area is part of the ADX-AT-I licence area.

ADX retains a 100% interest in the remainder of the ADX-AT-II exploration license and the remainder of the ADX-AT-I exploration license.

Note b: 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 c: ADX has commenced a process with the Italian Designated Authority to convert the exclusively awarded application to a ratified licence. The licence has been informally offered to ADX and is currently expected to be formally granted by the end of 2024, after a meeting has been convened with all the local authorities involved. .

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 Ltd 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.

ADX ENERGY LTD
DIRECTORS' REPORT

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.

SUBSEQUENT EVENTS

Additional Hedging

On 5 July 2024, ADX executed further hedging transactions with Britannic Trading Limited (trading entity of BP) ("BTL") with the following additional derivative financial instruments:

- Fixed price swaps for 6,000 barrels of oil at a fixed Brent crude oil price of USD 83.15 per barrel for November 2024 to December 2024 inclusive.

Equity Issues in Lieu of Remuneration

On 1 August 2024, ADX issued the following shares and options. These amounts were accrued in the 30 June 2024 financial statements:

- a. 188,501 shares (\$19,604) issued pursuant to ADX' Directors' Share Plan, approved by Shareholders on 22 May 2024. The shares were issued to directors in consideration of remuneration elected to be paid via shares for the quarter ended 30 June 2024.
- b. 603,468 shares (\$64,571) issued to ADX's Company Secretaries and consultants in consideration of remuneration elected to be paid via shares for the quarter ended 30 June 2024.
- c. 196,514 Options (\$20,437) granted to Director Ian Tchacos, as approved by Shareholders on 22 May 2024. The options were granted in consideration of consultancy fees remuneration elected to be paid via options for the quarter ended 30 June 2024). The options have a nil exercise price and expire on 31 July 2028.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by section 307C of *the Corporations Act 2001* is set out on page 26.

This report is made in accordance with a resolution of the directors.



Ian Tchacos
Executive Chairman
VIENNA, 13 September 2024

ADX ENERGY LTD
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of ADX Energy Ltd, I state that:

1. In the opinion of the directors:
 - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
 - ii) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the half-year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors.



Ian Tchacos
Executive Chairman

VIENNA, 13 September 2024

ADX ENERGY LTD

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of ADX Energy Ltd:

As lead auditor of the audit of ADX Energy Ltd for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ADX Energy Ltd and the entities it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd

A handwritten signature in black ink, appearing to read "G Webb", is written over a light blue horizontal line.

Graham Webb
Director

13 September 2024

In.Corp Audit & Assurance Pty Ltd
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ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Note	Half-year ended 30 June 2024 \$	Half-year ended 30 June 2023 \$
Operating revenue	3	4,971,267	7,043,474
Cost of sales	3	(5,840,837)	(6,526,200)
Gross profit/(loss)		(869,570)	517,274
Other income	3	263,239	665,380
Other Expenses:			
Administration, staff and corporate expenses, net of recoveries from exploration projects	3	(1,854,905)	(1,804,223)
Exploration expensed		(814,926)	(1,072,561)
Finance costs	3	(202,499)	(56,549)
Restoration expenses – changes in abandonment provision	9	(281,439)	(648,207)
Dry well costs		-	(387,461)
Total other expenses		(3,153,769)	(3,969,001)
Loss before income tax		(3,760,100)	(2,786,347)
Income tax benefit	5	434,152	412,672
Net loss for the half-year		(3,325,948)	(2,373,675)
Loss is attributable to:			
Owners of ADX Energy Ltd		(3,280,545)	(2,299,049)
Non-Controlling Interest	12	(45,403)	(74,626)
		(3,325,948)	(2,373,675)
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		32,483	364,790
Hedge accounting	11	13,672	64,406
Income tax relating to items of other comprehensive income	11	-	-
Other comprehensive income for the period, net of tax		46,155	429,197
Total comprehensive income for the period		(3,279,793)	(1,944,478)
Total comprehensive income is attributable to:			
Owners of ADX Energy Ltd		(3,242,583)	(2,047,553)
Non-Controlling Interest		(37,210)	103,075
		(3,279,793)	(1,944,478)
Earnings per share for loss attributable to the ordinary equity holders of the Company:		Cents Per Share	Cents Per Share
Basic loss per share		(0.70)	(0.65)

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	As at 30 June 2024 \$	As at 31 December 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		12,579,631	8,007,441
Trade and other receivables		1,743,505	3,421,979
Inventories		3,036,987	2,255,367
Total Current Assets		17,360,123	13,684,787
Non-Current Assets			
Other receivables		1,101,374	1,104,192
Oil and gas properties	7	30,504,924	25,145,587
Right of use assets		1,144,516	1,209,783
Deferred tax assets	5	1,951,863	1,490,803
Total Non-Current Assets		34,702,677	28,950,365
Total Assets		52,062,800	42,635,152
LIABILITIES			
Current Liabilities			
Trade and other payables		3,591,892	5,136,865
Borrowings	8	1,755,493	609,394
Lease liabilities – right of use assets		105,388	105,644
Provisions	9	339,204	241,701
Total Current Liabilities		5,791,977	6,093,604
Non-Current Liabilities			
Borrowings	8	-	1,403,067
Lease liabilities – right of use assets		1,055,369	1,110,752
Provisions	9	18,577,811	18,286,204
Total Non-Current Liabilities		19,633,180	20,800,023
Total Liabilities		25,425,157	26,893,627
Net Assets		26,637,643	15,741,525
EQUITY			
Issued capital	10	104,629,976	90,503,290
Reserves	11	5,486,677	5,399,490
Accumulated losses		(91,553,892)	(88,273,347)
Capital and reserves attributable to owners of ADX Energy Ltd		18,562,761	7,629,433
Non-controlling interests	12	8,074,882	8,112,092
Total Equity		26,637,643	15,741,525

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Issued Capital	Reserves	Accumulated Losses	Non- controlling Interests	Total Equity
	\$	\$	\$	\$	\$
At 1 January 2023	84,105,646	4,121,084	(84,209,138)	8,381,640	12,399,232
Loss for the half-year	-	-	(2,299,049)	(74,626)	(2,373,675)
Other comprehensive income	-	251,496	-	177,701	429,197
Total comprehensive income for the period, net of tax	-	251,496	(2,299,049)	103,075	(1,944,478)
Transactions with owners in their capacity as owners:					
Issue of share capital	175,683	-	-	-	175,683
Share based payments – options and performance rights	-	463,930	-	-	463,930
Share issue costs	(4,007)	-	-	-	(4,007)
	171,676	463,930	-	-	635,606
At 30 June 2023	84,277,322	4,836,510	(86,508,187)	8,484,715	11,090,360
At 1 January 2024	90,503,290	5,399,490	(88,273,347)	8,112,092	15,741,525
Loss for the half-year	-	-	(3,280,545)	(45,403)	(3,325,948)
Other comprehensive income	-	37,962	-	8,193	46,155
Total comprehensive income for the period, net of tax	-	37,962	(3,280,545)	(37,210)	(3,279,793)
Transactions with owners in their capacity as owners:					
Issue of share capital	14,946,570	-	-	-	14,946,570
Share-based payments – options (note 11)	-	49,225	-	-	49,225
Share issue costs	(819,884)	-	-	-	(819,884)
	14,126,686	49,225	-	-	14,175,911
At 30 June 2024	104,629,976	5,486,677	(91,553,892)	8,074,882	26,637,643

The above-consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ADX ENERGY LTD
CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

CONSOLIDATED	Half-year ended 30 June 2024 \$	Half-year ended 30 June 2023 \$
Cash Flows from Operating Activities		
Receipts in the ordinary course of activities, including net GST refunds	7,046,565	7,150,710
Payments to suppliers and employees, including exploration expenses	(8,233,672)	(7,198,251)
Interest received	26,512	1,463
Interest paid	(78,916)	(8,902)
Income taxes paid	139,720	-
Net cash flows from/(used in) operating activities	(1,099,791)	(54,980)
Cash Flows from Investing Activities		
Payments for oil and gas properties – Austrian facilities	(13,534,299)	(1,419,968)
Payments for oil and gas properties - appraisal/development	(76,502)	(64,405)
Receipts from farmouts/partners	6,586,916	463,332
Payments to partners	(945,048)	(159,807)
Net cash flows from/(used in) investing activities	(7,968,933)	(1,180,848)
Cash Flows from Financing Activities		
Proceeds from the issue of shares	13,500,000	-
Proceeds from the exercise of options	1,296,611	-
Payment of share issue costs	(819,908)	(4,007)
Bank Loans repaid	(303,959)	(308,794)
Payment of lease liabilities (right-of-use assets)	(77,988)	(114,137)
Net cash flows from/(used in) financing activities	13,594,756	(426,938)
Net Increase/(Decrease) In Cash and Cash Equivalents	4,526,032	(1,662,766)
Cash and Cash Equivalents at the beginning of half-year	8,007,441	3,569,631
Effect of foreign exchange rates	46,158	136,766
Cash and Cash Equivalents at the end of half-year	12,579,631	2,043,631

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. Basis of Preparation of Half-Year Financial Statements

ADX Energy Ltd is a company limited by shares, domiciled and incorporated in Australia. Its shares are publicly traded on the Australian Stock Exchange.

This consolidated financial report for the half-year ended 30 June 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by ADX Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

ADX Energy Ltd is a for-profit entity for the purpose of preparing the half-year financial statements.

The half year consolidated financial statements comprise the financial statements of ADX Energy Ltd and its subsidiaries ("Group") as at 30 June 2024.

Functional and presentation currency

ADX Energy Ltd has identified Australian dollars as its functional currency on the basis that all fundraising is in Australian dollars, and loans to subsidiary companies are made from Australian dollars.

ADX's subsidiaries have the following functional currencies:

AuDAX Energy Srl - EUR

Bull Petroleum Pty Ltd - AUD

Danube Petroleum Limited - GBP

ADX Energy Panonia Srl - EUR

Terra Energy Limited - GBP

ADX VIE GmbH - EUR

Kathari Energia Limited - GBP

Kathari Energia GmbH - EUR

The presentation currency of the Group is Australian dollars (AUD).

Adoption of New or Revised Standards

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. All new and amended Accounting Standards and Interpretations effective from 1 January 2024 have been adopted. None of these amended standards had a material impact on the ADX Group. The Group has not elected to early adopt any new standards or amendments.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. Basis of Preparation of Half-Year Financial Statements - continued

Going Concern

The financial statements have been prepared on the basis that the Company will continue to meet its commitments and can therefore continue normal business activities and realise assets and settle liabilities in the ordinary course of business.

As a producer in Austria, the Group expects to generate positive cash flows, however with a focus on exploration and development, the Group may need additional cashflows to finance these activities. The Group incurred a net loss of \$3,325,948 for the six months to 30 June 2024 and had a net cash outflow from operating activities of \$1,099,791. During the half-year, the financial results were lower due to the Anshof-3 well in Upper Austria being shut-in on 19 September 2023 after reaching the regulatory limit of 5,000 tonnes (36,000 Barrels) for test production and only recommenced through a Permanent Production Facility on 3 April 2024.

The ability of the Company to continue as a going concern may require additional capital fundraising, farmouts of projects or other financing opportunities. During the half-year, ADX successfully raised A\$13.5 million (before costs) under a placement. The Directors believe that the Company will continue as a going concern and has the ability to raise additional funds if required. As a result, the financial information has been prepared on a going concern basis. However, should fundraising, farmouts or any alternative financing opportunities be unsuccessful, the Company may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

2. Earnings Per Share

The Company's potential ordinary shares, being its options granted, have been excluded in the determination of diluted earnings per share as they are considered to be anti-dilutive for the periods presented.

	Consolidated	
	6 Months to 30 June 2024	6 Months to 30 June 2023
	\$	\$
3. Income and Expenses		
OPERATING REVENUE		
Oil sales	4,561,572	6,146,862
Gas sales	228,411	625,854
	<u>4,789,983</u>	<u>6,772,716</u>
Hedging gains / (losses), net	(30,138)	75,463
Other operating revenue (including reimbursements)	211,421	195,295
	<u>4,971,267</u>	<u>7,043,474</u>

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

		Consolidated	
		6 Months to 30 June 2024	6 Months to 30 June 2023
	Note	\$	\$
3. Income and Expenses - continued			
OTHER INCOME			
Income from farmouts - costs recovery		-	498,828
Option fee income		-	163,458
Interest revenue		26,499	1,463
Other		236,740	1,631
		263,239	665,380
COST OF GOODS SOLD			
Operating costs		4,228,057	4,745,087
Royalties		210,399	472,131
Depreciation		1,293,016	1,067,472
Amortisation of asset retirement obligation assets		127,542	133,269
Partner share of ANS-3 operations	13	(18,177)	108,241
		5,840,837	6,526,200
OTHER EXPENSES – Administration and corporate expenses:			
Share based payments – in lieu of cash remuneration	4	178,085	244,682
Share based payments – employee options / performance rights	4	21,100	394,930
		199,185	639,612
Less: prior period accrued share based payments		(78,419)	(140,334)
Add: accrued share based payments issued/ to be issued after period end		104,613	113,045
Net foreign exchange losses/(gains)		122,287	(110,631)
Short term lease expenses		23,094	66,129
Depreciation – right of use assets		63,404	61,541
Defined contribution superannuation/pension expense		112,235	70,642
Other administration, staff and corporate expenses		2,919,796	1,969,690
		3,466,195	2,669,694
Less: project cost recoveries		(1,611,290)	(865,471)
		1,854,905	1,804,223
OTHER EXPENSES – Finance costs:			
Interest expense		78,916	8,903
Accretion		46,879	44,477
Right of use assets - interest		28,237	3,169
Share based payments – borrowing costs		48,467	-
		202,499	56,549

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

4. Share Based Payments

(a) Value of share based payments in the financial statements

Expensed in the profit and loss:

Share-based payments – Employee Performance Rights / Options	4(b)(v)	21,100	394,930
Shares and Options issued in lieu of fees:			
Options issued in lieu of fees:			
Share-based payments – Options Issued to Directors	4(b)(ii)	28,125	69,000
Shares issued in lieu of fees:			
Share-based payments – Shares Issued to Directors	4(b)(i)	43,753	110,167
Share-based payments – Shares Issued to other KMPs	4(b)(iii)	9,600	9,600
Share-based payments – Shares Issued to consultants	4(b)(iv)	96,607	55,916
Share-based payments – Shares Issued for other services		-	-
		199,185	639,612
Options issued to loan note holders in 2023- Share-based payments – Borrowing costs			
		48,467	-

(b) Summary of share-based payments granted during the half-year:

- (i) Shares pursuant to ADXs' Directors' Share Plan, approved by Shareholders at ADX's AGM on 22 May 2024 as follows:

Date Issued	Number of Shares	Value based on 90 Day VWAP \$	In lieu of part remuneration for the quarter ended
02/02/2024	214,660	22,969	31/12/2023
23/05/2024	131,547	20,784	31/03/2024
	346,207	43,753	
Issued Subsequent to Year End			
01/08/2024	188,501	19,604	30/06/2024

- (ii) Options pursuant to ADXs' Employee Securities Incentive Plan, approved by Shareholders at ADX's AGM on 22 May 2024 as follows:

Date Issued	Number of Options	Value based on 90 Day VWAP \$	In lieu of part remuneration for the quarter ended
02/02/2024	131,425	14,062	31/12/2023
23/05/2024	89,003	14,063	31/03/2024
	220,428	28,125	
Issued Subsequent to Year End			
01/08/2024	196,514	20,437	30/06/2024

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

4. Share Based Payments - continued

(iii) Shares to company secretaries in lieu of remuneration:

Date Issued	Number of Shares	Value \$	In lieu of part remuneration for the quarter ended
02/02/2024	44,859	4,800	31/12/2023
23/05/2024	30,380	4,800	31/03/2024
	75,239	9,600	
Issued Subsequent to Year End			
01/08/2024	46,154	4,800	30/06/2024

(iv) Shares to consultants in lieu of remuneration:

Date Issued	Number of Shares	Value \$	In lieu of part remuneration for the quarter ended
02/02/2024	357,784	36,588	31/12/2023
23/05/2024	415,663	60,019	31/03/2024
	773,447	96,607	
Issued Subsequent to Year End			
01/08/2024	557,314	59,771	30/06/2024

(v) During the year the following securities were granted as equity compensation benefits to employees and consultants:

- a) 500,000 unlisted options granted and allotted on 29 February 2024 to a consultant pursuant to the Company's Employee Incentives Securities Plan (value \$21,100).

Black-Scholes option pricing model

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Consolidated	
	6 Months to 30 June 2024 \$	6 Months to 30 June 2023 \$
5. Income Tax		
(a) Income Tax Expense		
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Loss for the period	(3,760,100)	(2,786,347)
Prima facie income tax (benefit) @ 30%	(1,128,030)	(835,904)
Tax effect of non-deductible items	215,986	245,275
Tax rate differential	147,109	94,638
Tax rate change – Austria	14,252	-
Translation differences	26,346	38,397
Deferred tax assets not brought to account	290,185	44,922
Income tax (benefit)/expense attributable to operating result	(434,152)	(412,672)
	30 June 2024 \$	31 December 2023 \$
(b) Deferred tax assets not recognised relate to the following:		
Tax losses	15,584,645	15,065,555
These deferred tax assets have not been brought to account as it is not probable that tax profits will be available against which deductible temporary differences can be utilised.		
(c) Deferred tax assets and liabilities:		
Deferred tax assets:		
Temporary differences - Tax losses	3,266,486	2,769,083
Temporary differences – Other	300,052	306,660
Less: Offset Deferred Tax Liabilities		
Temporary differences - Oil and gas properties, net of partnerships	(1,331,997)	(1,271,132)
Temporary differences - Asset retirement obligations	(19,443)	(35,558)
Temporary differences – Other	(263,235)	(278,250)
Net Deferred Tax Assets	1,951,863	1,490,803

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

6. Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the period (2024: nil). Non-cash operating activities, consisting of shares and options granted in lieu of remuneration and services are disclosed in note 4.

	Consolidated	
	30 June 2024 \$	31 December 2023 \$
7. Oil and Gas Properties		
Austria		
Buildings	247,060	266,833
Undeveloped land	182,471	182,913
Field office fixtures and equipment	313,054	340,222
Plant and machinery	3,624,851	3,511,728
Wells	9,890,637	6,960,443
Retirement obligation assets	1,526,427	1,655,805
Construction in progress	5,508,948	3,072,838
Rights and other intangible assets	5,328	10,807
	21,298,776	16,001,589
Romania		
Appraisal costs	9,206,148	9,143,998
	30,504,924	25,145,587
 <i>Reconciliation of the carrying amount of oil and gas assets:</i>		
Buildings – opening balance	266,833	296,672
Depreciation	(19,439)	(38,817)
Translation differences	(334)	8,978
	247,060	266,833
Undeveloped Land – opening balance	182,913	177,793
Translation differences	(442)	5,120
	182,471	182,913
Field office fixtures and equipment – opening balance	340,222	265,259
Additions	16,168	143,408
Depreciation	(43,206)	(75,321)
Translation differences	(130)	6,876
	313,054	340,222

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Consolidated	
	30 June 2024 \$	31 December 2023 \$
7. Oil and Gas Properties - continued		
<i>Reconciliation of the carrying amount of oil and gas assets - continued:</i>		
Plant and machinery – opening balance	3,511,728	3,723,913
Additions	547,959	373,687
Transfer	(76,640)	-
Depreciation	(357,649)	(696,730)
Translation differences	(547)	110,858
	3,624,851	3,511,728
Wells – opening balance	6,960,443	4,647,644
Additions	3,800,305	94,323
Transferred from Construction in Progress	-	3,568,743
Depreciation	(867,180)	(1,459,433)
Translation differences	(2,931)	109,166
	9,890,637	6,960,443
Construction in progress – opening balance	3,072,838	4,588,376
Additions, net of partner contributions	2,443,549	3,494,943
Transferred to Wells	-	(3,568,743)
Dry well cost	-	(1,638,550)
Translation differences	(7,439)	196,812
	5,508,948	3,072,838
Rights and other intangible assets – opening balance	10,807	21,132
Depreciation	(5,542)	(11,057)
Translation differences	63	732
	5,328	10,807
Retirement obligation assets (Austria) – opening balance	1,655,805	1,441,571
Additions	-	449,456
Amortisation	(127,542)	(274,460)
Translation differences	(1,836)	39,238
	1,526,427	1,655,805

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Consolidated	
	30 June 2024 \$	31 December 2023 \$
7. Oil and Gas Properties - continued		
<i>Reconciliation of the carrying amount of oil and gas assets - continued:</i>		
Appraisal costs – Romania – opening balance	9,143,997	8,513,327
Additions	85,397	148,804
Additions – rehabilitation and restoration provision	-	237,826
Translation differences	(23,246)	244,041
	9,206,148	9,143,998
8. Borrowings		
Current		
Loan notes – interest bearing - unsecured	1,500,000	-
Loan notes – borrowing costs (options)	(145,400)	-
Loan notes – borrowing costs (options - accretion)	96,934	-
Loan notes – net	1,451,534	-
Bank loans – Loan A - interest bearing	169,464	339,751
Bank loans – Loan B - interest bearing	134,495	269,643
	1,755,493	609,394
Non-Current		
Loan notes – interest bearing - unsecured	-	1,500,000
Loan notes – borrowing costs (options)	-	(145,400)
Loan notes – borrowing costs (options - accretion)	-	48,467
	-	1,403,067

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

8. Borrowings - continued

Bank Loans

As announced on 5 August 2020, ADX' Austrian subsidiary, ADX VIE GmbH, secured banking facilities totalling EUR 1,130,000 from Volksbank Wien AG (Volksbank) and guaranteed by the Austria Wirtschafts ("Economy") Service (the Innovation and Start Up Financing bank of the Austrian state) (AWS), split between two loan facilities:

- Loan A - EUR 500,000 (A\$ 806,972): interest-free until 31 July 2022, at which point interest charged is at Euribor plus 0.75%, with the rate to be at least 0%; and
- Loan B - EUR 630,000 (A\$ 1,016,785): incurring interest at 1% per annum on the drawn down value.

- The Collateral for the loan facilities is EUR 120,000 (A\$ 193,673) (held in an ADX VIE GmbH bank account with Volksbank).
- The loans are fully drawn. Loan repayments commenced on 30 June 2022 and continue to be repaid every six months through to 31 December 2024.
- Loan covenants restrict dividends and profit distributions but do not prevent payment of intercompany recharges or loans. A negative pledge relating to other debt is limited to taking up further debt at a subsidiary level and does not restrict servicing of existing debt.

As at the date of this report, EUR 941,665 (A\$ 1,514,222) of these loans have been repaid.

Loan Notes

On 11 July 2023, ADX secured A\$1,500,000 in loan note funding. A total of 30 loan notes of A\$50,000 each totalling A\$1,500,000 (Loan Notes) were issued to a small number of supportive existing shareholders and new sophisticated investors. The Loan Notes are unsecured. The terms for the Loan Notes are summarised as follows:

	Loan Note A	Loan Note B	Total Loan Notes
Face Value of Each Loan Note	\$50,000	\$50,000	\$50,000
Number of Loan Notes Issued	20	10	30
Total Loans aggregate amount	\$1,000,000	\$500,000	\$1,500,000
Loan Term	18 Months (11 January 2025)	18 Months (11 January 2025)	18 Months (11 January 2025)
Interest Rate per annum (payable quarterly in arrears)	8%	12%	8-12%
Free Attaching Unlisted Options with an Exercise Price of \$0.10, expiring 11 January 2025	150,000 Options per Loan Note (3,000,000 in Total)	-	Total of 3,000,000 Options*
Free Attaching Unlisted Options with an Exercise Price of \$0.14, expiring 11 January 2025	150,000 Options per Loan Note (3,000,000 in Total)	215,000 Options per Loan Note (2,150,000 in Total)	Total of 5,150,000 Options*

* Post-consolidated amounts

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	30 June 2024 \$	31 December 2023 \$
9. Provisions		
Current		
Provision for employee entitlements	339,204	241,701
Non-Current		
Provision for employee entitlements	245,659	234,346
Provision for asset retirement obligations (ARO) – production assets	17,426,729	17,144,238
Provision for rehabilitation and restoration – Romania	905,423	907,620
	18,577,811	18,286,204
<i>Reconciliation of the movement in ARO provision:</i>		
Opening balance	17,144,238	15,207,275
Additions – capitalised to retirement obligation assets	-	449,456
Additions - expensed	281,439	970,159
Accretion	46,879	91,740
Translation differences	(45,827)	425,608
Provision for asset retirement obligations (non-current) – closing balance	17,426,729	17,144,238
Provision for rehabilitation and restoration – Romania – opening balance	907,620	651,046
Additions	-	237,826
Translation differences	(2,197)	18,748
Provision for rehabilitation and restoration – Romania – closing balance	905,423	907,620

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

10. Issued Capital

(a) Issued Capital Movements

Number of Shares	Summary of Movements of Shares	Note	6 Months to 30 June 2024 \$
427,865,791	Opening balance 1 January 2024		90,503,290
214,660	Issue of shares to Directors (part remuneration for 12/2023 quarter)	4	22,969
402,643	Issue of shares to Co Secs and Consultants (remuneration for 12/2023 quarter)	4	41,388
350,000	Options exercised at \$nil		-
9,943,337	Options exercised at \$0.13		1,292,634
25,000	Options exercised at \$0.16		4,000
128,571,428	Placement (T1 and T2) at \$0.105		13,500,000
131,547	Issue of shares to Directors (part remuneration for 3/2024 quarter)	4	20,784
446,043	Issue of shares to Co Secs and Consultants (remuneration for 3/2024 quarter)	4	64,819
-	Costs of shares issued - cash		(819,908)
<u>567,950,449</u>	Closing Balance as at 30 June 2024		<u>104,629,976</u>

Placement Raising A\$ 13.5 million

In May 2024, ADX advised it had successfully raised A\$13.5 million (before costs) from the issue of 128,571,428 new fully paid ordinary shares at an issue price of A\$0.105 per share. One (1) free-attaching quoted option was issued for every two (2) Placement Shares. The exercise price of the Placement Options is A\$0.15 with an expiry date of 8 May 2026.

Funds raised by the Placement are being used to fund the following asset activities;

- The evaluation and analysis of data from the recently completed Welchau-1 gas condensate discovery well leading to a post drill reassessment of Welchau's resource potential, as well as the planning and execution of production testing of the 450 metre gas column that was encountered based on gas shows;
- The assessment of the prospectivity of exploration potential below the current total depth of the Welchau-1 well and the potential deepening of the well;
- Planning, permitting and drilling of a gas exploration well in the ADX-AT-I exploration licence which will be jointly funded via a farmout with MND;
- The planning, permitting, drilling, completion and tie-in of the Anshof-2A sidetrack appraisal well which is expected to be produced via the recently installed and commission permanent production facility at the Anshof-3 drill site location;
- The upgrade of gas processing facilities including a CO₂ reduction plant at ADX' Vienna Basin oil and gas fields; and
- General working capital.

Options Exercised

In March 2024, ADX received \$ 1.296 million from the exercise of 9,943,337 options at 13 cents each, and 25,000 options at 16 cents each.

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

10. Issued Capital - continued

(b) Options on issue as at 30 June 2024

	Number	Exercise Price	Expiry Date
Unlisted Options	13,231,674	13 cents	10/08/2024
Unlisted Options	161,608	Nil cents	31/10/2024
Unlisted Options	31,865,000	16 cents	31/12/2024
Unlisted Options	3,000,000	10 cents	11/01/2025
Unlisted Options	5,150,000	14 cents	11/01/2025
Unlisted Options	725,000	Nil cents	31/01/2025
Unlisted Options	6,350,000	17 cents	30/04/2025
Unlisted Options	314,584	Nil cents	31/05/2025
Unlisted Options	245,625	Nil cents	31/07/2025
Unlisted Options	500,000	17 cents	31/03/2026
Unlisted Options	329,465	Nil cents	31/10/2025
Unlisted Options	185,796	Nil cents	31/01/2026
Listed Options (ASX: ADXO)	64,285,731	15 cents	08/05/2026
Unlisted Options	311,719	Nil cents	31/05/2026
Unlisted Options	269,532	Nil cents	31/07/2026
Unlisted Options	380,358	Nil cents	31/10/2026
Unlisted Options	283,929	Nil cents	31/01/2027
Unlisted Options	275,893	Nil cents	31/05/2027
Unlisted Options	300,000	Nil cents	31/07/2027
Unlisted Options	332,291	Nil cents	31/10/2027
Unlisted Options	131,425	Nil cents	31/01/2028
Unlisted Options	89,003	Nil cents	31/05/2028
Total Options	<u>128,718,633</u>		

	Note	Number of Options
Summary of Movements of Options during the year		
Opening balance 1 January 2024		73,780,811
Issue of Director Share Purchase Plan Options (approved by Shareholders 22/2/2024)		250,000
Issue of Consultant ESS Options		500,000
Options exercised at \$Nil		(350,000)
Options exercised at \$0.13		(9,943,337)
Options exercised at \$0.16		(25,000)
Issue of unlisted options in lieu of remuneration to Directors Ian Tchacos – Dec 2023 quarter	4	131,425
Issue of unlisted options in lieu of remuneration to Directors Ian Tchacos – March 2024 quarter	4	89,003
Issue of Listed options with Placement	10(a)	<u>64,285,731</u>
Closing Balance as at 30 June 2024		<u>128,718,633</u>

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Consolidated	
	30 June 2024	31 December 2023
	\$	\$
11. Reserves		
Share-based payments reserve	6,687,334	6,638,109
Foreign currency translation reserve	(1,214,329)	(1,238,619)
Hedging Reserve	13,672	-
	5,486,677	5,399,490
<i>Reconciliation of the movement in Share-based Payments Reserve:</i>		
Balance brought forward	6,638,109	5,724,244
Share-based payments (options granted to Directors)	28,125	913,865
Share-based payments (ESS options granted to consultant)	21,100	-
Movement for the period	49,225	913,865
Balance at the end of the period	6,687,334	6,638,109
<i>Reconciliation of the movement in Hedging Reserve:</i>		
Balance brought forward	-	-
Change in value of hedging instruments recognised in Other Comprehensive Income for the period	13,672	-
Balance at the end of the period	13,672	-

12. Non-controlling Interests

ADX's subsidiaries that have non-controlling interests:

Name of Controlled Entity	Place of Incorporation	% Held by ADX Group	
		30 June 2024	31 December 2023
Danube Petroleum Limited	England (U.K.)	49.18%	49.18%
<u>Danube's 100% owned subsidiary</u>			
ADX Energy Panonia Srl	Romania	49.18%	49.18%

Danube Petroleum Limited (Danube), via its' Romanian subsidiary, 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 ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Consolidated	
	30 June 2024 \$	30 June 2023 \$
12. Non-controlling Interests - continued		
<i>Non-controlling Interests</i>		
Opening balance as at 1 January	8,112,092	8,381,640
Share of loss for the period	(45,403)	(74,626)
Share of other comprehensive income	8,193	177,701
	8,074,882	8,484,715

13. Partnership – Anshof Eocene Oil Project

Under ADX's upper Austria AGS licence, ADX must retain 100% ownership of the licence and is required to act without restrictions from partners. ADX is permitted to establish a partnership with other parties to allow an economic participation within the licence area.

ADX has an Anshof Partnership with MND Austria a.s. (MND) and Xstate Resources Limited (ASX: XST) (Xstate). ADX is the operator and holds a 50% economic interest in the Anshof Discovery Area. MND and Xstate holds a 20% and 30% economic interest respectively. For the period prior to 8 September 2023, ADX held 80% and Xstate held 20%.

As ADX provides the Partners with an interest in the operating result of Anshof, ADX recognises 100% of all sales revenue and 100% of expenses associated with the operations and also recognises an expense representing the Partners share of operating results.

	Consolidated	
	30 June 2024 \$	30 June 2023 \$
<i>Partner Share of Operations (included as cost of goods sold)</i>		
Partners share of ANS-3 operations included (note 3)	(18,177)	108,241
<i>Operations – ANS-3</i>		
Sales revenue	1,033,350	2,308,000
Cost of Goods Sold (excluding depreciation and amortisation)	(1,069,703)	(1,766,795)
	(36,353)	541,205
Profit allocated:		
ADX VIE GmbH	(18,176)	432,964
MND Austria a.s.	(10,906)	-
Xstate Resources Limited	(7,271)	108,241
	(36,353)	541,205

ADX ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

14. Derivative Financial Instruments

As at 30 June 2024, the following derivative financial instruments are in place:

- Fixed price swaps for 12,000 barrels of oil at a fixed Brent crude oil price for July 2024 to October 2024 at USD 85.31 per barrel.

Subsequent to year end, on 5 July 2024, ADX executed the following additional derivative financial instruments:

- Fixed price swaps for 6,000 barrels of oil at a fixed Brent crude oil price of USD 83.15 per barrel for November 2024 to December 2024 inclusive.

15. Commitments and Contingencies

Since the last annual reporting date, there have been no material changes to commitments or contingencies.

16. Related Party Transactions

There were no new related party transactions during the half-year.

17. Subsequent Events

Additional Hedging

On 5 July 2024, ADX executed further hedging transactions with Britannic Trading Limited (trading entity of BP) ("BTL") with the following additional derivative financial instruments:

- Fixed price swaps for 6,000 barrels of oil at a fixed Brent crude oil price for November 2024 to December 2024 at USD 83.15 per barrel.

Equity Issues in Lieu of Remuneration

On 1 August 2024, ADX issued the following shares and options. These amounts were accrued in the 30 June 2024 financial statements:

- a. 188,501 shares issued pursuant to ADX' Directors' Share Plan, approved by Shareholders on 22 May 2024. The shares were issued to directors in consideration of remuneration elected to be paid via shares for the quarter ended 30 June 2024 (\$19,604).
- b. 603,468 shares issued to ADX's Company Secretaries and consultants in consideration of remuneration elected to be paid via shares for the quarter ended 30 June 2024 (\$64,571).
- c. 196,514 Options granted to Director Ian Tchacos, as approved by Shareholders on 22 May 2024. The options were granted in consideration of consultancy fees remuneration elected to be paid via options for the quarter ended 30 June 2024 (value \$20,437). The options have a nil exercise price and expire on 31 July 2028.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

ADX ENERGY LTD
INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ADX Energy Ltd

Conclusion

We have reviewed the accompanying half-year consolidated financial report of ADX Energy Ltd (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date and notes to the financial statements, including material accounting policy information, and the directors’ declaration.

Based in our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the half-year ended; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (“the Code”) that are relevant to our review of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company.

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ADX ENERGY LTD

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Responsibilities of the Directors for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

13 September 2024