

11 December 2024

Operations Update

Welchau-1 Production Testing

“Ongoing well pressure monitoring, sampling and testing program for the upper part of the Reifling formation.”

ADX Energy Ltd (**ASX Code: ADX**) reported the initial results of flow testing of the upper part of the Reifling formation in the Welchau-1 discovery well on the 4th of December 2024. The Welchau-1 well is located in the ADX-AT-II licence in Upper Austria. ADX holds a 75% economic interest in the Welchau Investment Area which contains the Welchau discovery and other emerging prospects in the Northern Calcareous Alps (refer Figure 1).

Background

The upper part of the Reifling formation has been perforated and an initial flow test conducted. The initial flow test did not result in sufficient flow into the well bore for reservoir fluids to enter the tubing string and allow the Reifling reservoir fluid composition to be determined or sampled.

Sampling of the inflow has recovered primarily workover fluids (brine) and traces of black solid particles of unknown composition, which may be affecting well flow. The composition of the solid particles are being analysed at a specialist laboratory.

The well has been left shut in and the work over rig demobilised to undertake planned work at ADX Vienna Basin Fields until further sample analysis and well data become available from Welchau-1.

Forward Program

Well head pressure recording equipment of suitable accuracy will be fitted to the well head to enable the recording of the potential pressure build up due to well inflow. If sufficient inflow is observed then further sampling will be undertaken and the well will be swabbed using wire line to reduce hydrostatic pressure and induce further flow.

If hydrocarbons are recovered, it is intended that further testing of the shallowest Reifling formation will be resumed, most likely, after acidization of the reservoir to overcome well bore damage and enhance productivity in the carbonate reservoir.

In parallel with the above-mentioned activities, samples recovered from the testing of the Steinalm formation will be analysed to determine if hydrocarbons are present as well as determining the composition and likely source of solid black particles which were also encountered in the Reifling formation flow test.

The results of the well pressure monitoring, sampling and well fluid analysis are expected to be available early in the new year after which a decision on further stimulation and/or testing operations will be taken.

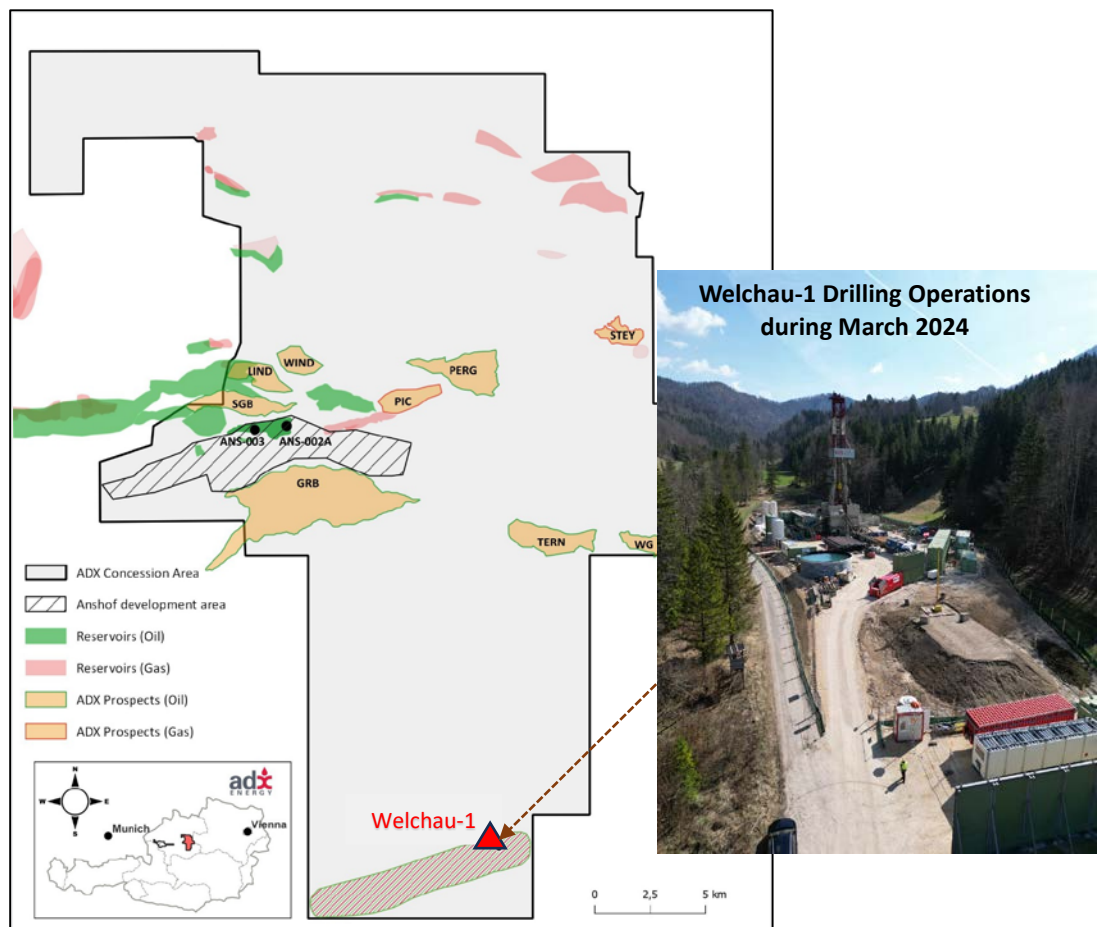


Figure 1: Location of the Welchau-1 Discovery in the Northern Calcareous Alps within the ADX-AT-II license area, as well as the Anshof oil discovery (ANS-3) and recent Anshof appraisal well (ANS-2A)

ADX Economic Participation

ADX has executed an Energy Investment Agreement (EIA) with MCF Energy Ltd. via its subsidiary MCF Energy GmbH (MCF) to fund 50% of 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 which is part of ADX' ADX-AT-II licence in Upper Austria. The Welchau Investment Area contains the Welchau discovery well and other emerging oil and gas prospects. MCF has met its earn-in funding obligations in accordance with the EIA to earn a 25% economic interest. ADX holds a 75% economic interest in the Welchau Investment Area. MCF is obliged to pay 25% of ongoing well costs as well as exploration and appraisal expenditures. ADX holds a 100% economic interest in the remainder of the ADX-AT-II licence other than the Anshof Discovery Area.

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Authorised for lodgement by Ian Tchacos, Executive Chairman

Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.41 the technical and reserves information relating to Austria contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. Mr Fink is Technical Director of ADX Energy Ltd is a qualified geophysicist with 30 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

Nomenclature and conversions used in this release

m means metric metre

BBL means US barrel

MMBLS means million US barrels

MCF means thousand cubic feet

MMCF means million cubic feet

BCF means billion cubic feet

TCF means trillion cubic feet

BOE means barrel of oil equivalent

MMBOE means million barrels of oil equivalent

MMSCFPD means million standard cubic feet per day

End of this Release