



28 March 2018

ADX Finalises US\$ 2 million Investment in Parta Appraisal Program onshore Romania.

ADX Energy Ltd (ASX Code: **ADX**) is pleased to announce it has finalised the agreement announced on the 4th of December 2017 with Reabold Resources Plc (LSE AIM:RBD) (Reabold) to invest US\$2 million in the recently incorporated Danube Petroleum Limited (Danube) which, following the recent completion of transfers, holds ADX's 50% interest in the Parta exploration license ("Parta") and a 100% participating interest in the Parta Appraisal Program scheduled for late 2018.

The Parta Appraisal Program comprises two re-drill wells planned in the second half of 2018 to test 33 BCF of prospective and contingent resources defined on recently acquired 3D seismic, spread over a total of 5 gas reservoirs.

Reabold is a UK publicly listed company that invests in near-term, high growth upstream oil & gas projects where its injection of capital will facilitate near term activity. Reabold has subscribed to an initial 10% interest in Danube with the payment of £375,940 (US\$500,000) and placed £1,127,819 (US\$1.5 million) million in an escrow account which will be released upon ADX issuing an Authority for Expenditure (AFE) in preparation for the drilling of the first well in the appraisal drilling program. Upon the release of escrow funds (totaling a US\$2 million investment) Reabold will hold a 29% shareholding in Danube. The Reabold investment values ADX's 71% interest in UK registered Danube at US\$5 million. The funds will be utilised for the drilling of the first well of the two well Appraisal Program during the second half of 2018, which will target a combination of tested contingent gas resources and log derived prospective gas resources quantified by recently acquired 3D seismic.

Parta Appraisal Program Potential

Excellent economic potential is expected due to low drilling and tie in costs, availability of proximal gas infrastructure, strong gas pricing (approximately US\$6.2 per MCF) and excellent fiscal terms. Multi pay zone potential is expected in both wells. Assuming all prognosed zones are successful, approximately US\$85 million of post-tax NPV10 value may be realised from 33 BCF recoverable gas (assuming a multi well development). Additional un-risked prospective resources of approximately 300 BCF of gas and 45 MMbbl of oil have been identified on the basis of existing 2D seismic in the rest of the Parta permit which can now be targeted with recently completed 3D seismic program permitting.

The Danube Strategy.

Danube provides ADX with a funding vehicle that is attractive for UK and European investors wanting to participate in low risk, high growth opportunities in Romania and Eastern Europe. The planned Appraisal Program provides ADX and other Danube shareholders with potential to access rapid cash flow. The Parta exploration permit offers significant upside potential in a highly prospective oil and gas province which has not yet benefited from modern 3D seismic.

ADX will provide management services to Danube and continue in its role as Operator of the Parta permit to ensure cost effective continuity and technical capability. ADX will also utilize its' in-country experience and contacts to source further investment opportunities for Danube.

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ADX has appointed Mr Philip Haydn Slater and Mr Ian Tchacos to the Board of Danube. Mr Stephen Williams, Joint CEO of Reabold, has also been appointed as a director to the Board of Danube.

Summary of the Reabold Transaction

ADX has concluded the transfer of its Parta exploration and appraisal interests for a consideration of 3,759,399 shares in Danube valued at 1GBP per share (US\$5,000,000 value). Reabold has subscribed to a total of 1,503,759 shares in two tranches:

- Tranche 1 just completed being 375,940 new shares at 1 GBP per share (US\$500,000)
- Tranche 2 being 1,127,819 new shares at 1 GBP per share (US\$ 1,500,000) upon the issue by ADX (in its capacity as Operator) of an Authorisation for Expenditure (AFE) for the drilling of the first appraisal well. The funds will be held in an escrow account until the AFE is issued.

Reabold also has an option to subscribe to a further 375,940 shares in Danube at 1 GBP per share that expires on the 27 September 2018.

ADX intends to source a further US\$2 to 3 million investment in Danube by mid-2018, which will provide sufficient funding to drill a second well in the Parta Appraisal Program. This will also satisfy ADX's commitment under the agreement with Reabold to subscribe to or procure an investment into Danube Petroleum of at least £375,940 at 1 GBP per share or greater, to fund the agreed work program.

Ian Tchacos, Executive Chairman of ADX commented "We are pleased to finalise Reabold's investment in the newly formed Danube Petroleum and welcome their involvement in a vehicle focused on the pursuit of highly prospective opportunities in Romania. ADX, on behalf of Danube and its investors, is working towards the commencement of Parta Appraisal Program drilling operations as soon as practically possible."

Note 1: Refer to ASX announcements on the 4/12/17 in relation to this transaction and 8/8/2017 in relation to Contingent & Prospective Resources referenced in this release.

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Parta Appraisal Program Background

A recently acquired 3D seismic in the northern part of the ADX-operated 1,221 sqkm Parta license in Western Romania (Figure 1) has enabled ADX to delineate a number of oil and gas appraisal drilling opportunities based on historic wells which were drilled but never produced. The Parta Appraisal Program (Program) includes 2 gas redrill opportunities named after existing nearby wells and the villages of Iacea Mare (“IM”) and Carpinis (“CARP”). Due to their short distance to an active oil and gas processing facility (Satchinez – Calacea) a rapid, low cost development is expected, which ensures that even relatively small resources can be developed economically.

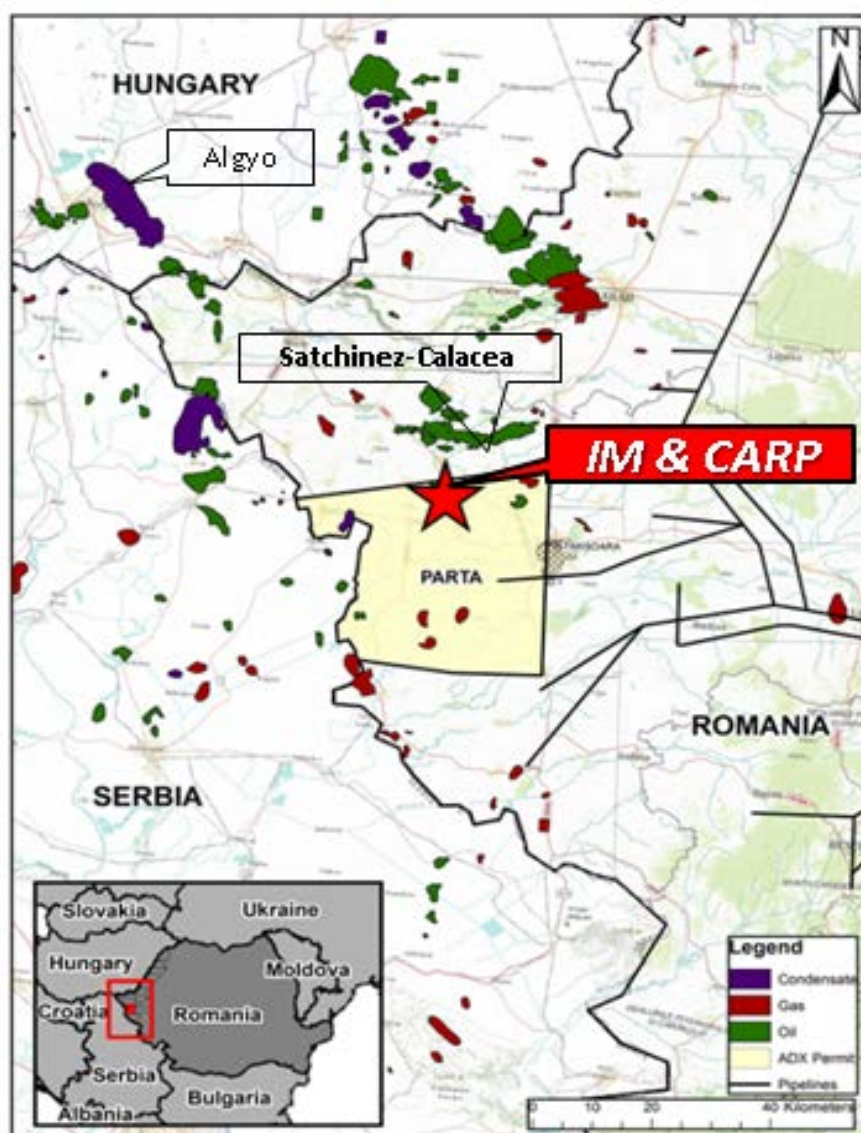


Figure 1 : Parta Licence Location Map

The Program is expected to commence in the second half of 2018 and offer access to both contingent and prospective resource targets. Each of the wells will intersect two or more potential gas accumulations; with at least one previously tested zone in each thereby offering significant, low risk appraisal and exploration potential and a fast track to early cash flow from gas production.

Of special interest is the shallowest opportunity (approx. 1600 meters) at the new CARP location (Figure 2). Excellent reservoir quality has already been proven by a well just at the edge of the bright seismic amplitude anomaly shown in the figure below. While it has some exploration character, it offers significant upside potential (32 bscf P10 GIIP) and would also de-risk several other similar follow up prospects already identified within the license.

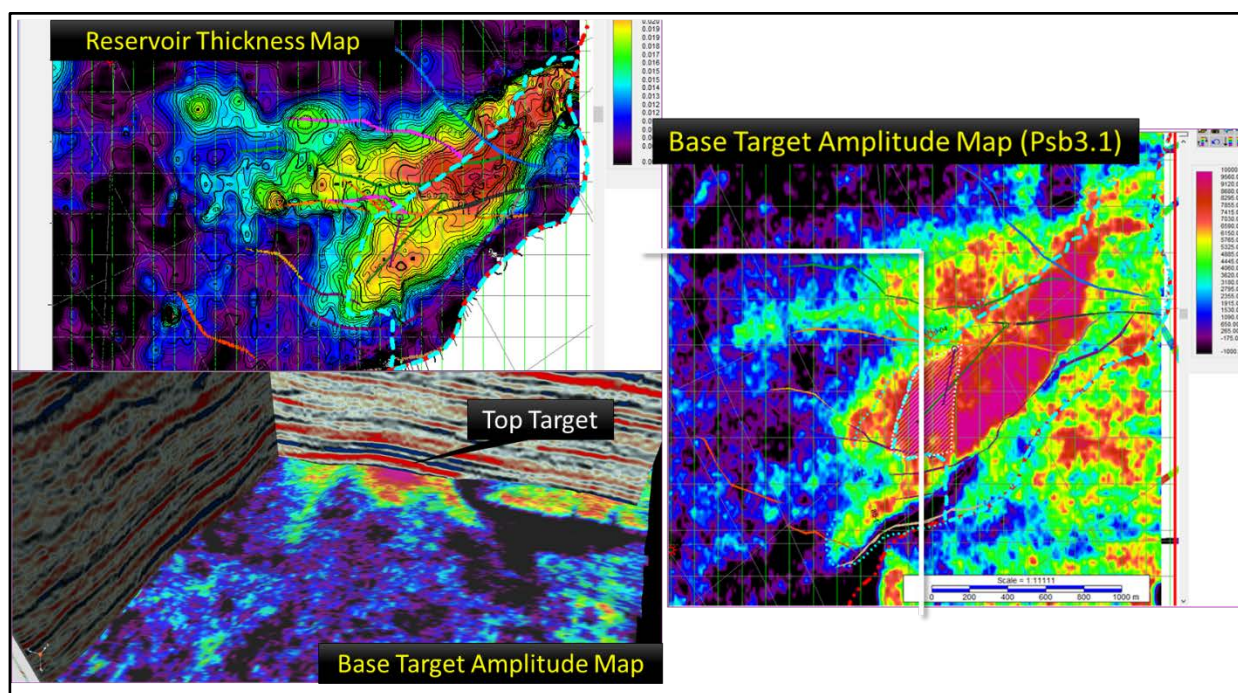


Figure 2 : CARP Location Shallow Reservoir Target

With sediment input from the north, reservoir sands are pinching out against the structural high to the south, which sets up an ideal stratigraphic trapping position and allows for excellent resource upside potential. The prospect's success chances are further enhanced because the top of the prospect features a (small) 4-way dip closure located on the greater structural nose. The table below summarizes the key five prospective and/or tested gas reservoir intervals which will be intersected by the two wells resulting in a number of possible discrete outcomes. Due to the relatively low expected drilling costs of US\$2 to \$3million per well and shallow gas pool depths (around 1600 to 2400 meters), even a single well, single pool discovery can be profitably commercialized.

Prospect	Target Reservoir	Depth meters TVD	P90 GIIP (bscf)	P50 GIIP (bscf)	P10 GIIP (bscf)
IM-35	Pa IV	2030	4	8	17
IM-35	Pa VI	2240	4	6	10
IM-35	Pa VIII inf.	2350	3	10	32
Total IM-35 (bscf)			11	24	59
CARP-55	PsB4.3	1630	4	11	32
CARP-55	Pa IV	2036	10	24	56
Total CARP 55 (bscf)			14	35	88
Total IM35 + CARP-55			25	59	147

Table 1 : Appraisal Program Reservoir Target Summary

Note 1: Refer to ASX announcement 8/8/2017 Contingent & Prospective Resources

Economic modeling indicates that should several targets be successful, a significantly higher commercial value can be realized, as per the table below, which summarizes a few selected outcome scenarios.

Opportunity	Well Cost (US\$million)	P50 OGIP (BCF)	Recoverable Gas (BCF)	NPV ₁₀ (A.T.) (US\$million)	ROI	Comment
CARP 55 Upper Zone	\$2.2	11	3.3 (Single Well)	\$7.0	2.5	Single shallow zone
CARP 55 Upper & Lower Zone	\$2.5	35	7.3 (Single Well) 25.4 (Total Field)	\$19.2 (Single Well) \$64.3 (Total Field)	4.8 5.3	Single well dual zone 5 well full development
IM 35 Upper Zone	\$2.5	8	3.2 (Single Well)	\$6.4 (Single Well)	2.3	Single shallow zone
IM 35 All Zones	\$3.2	18	8 (Single Well)	\$22.4 (Single Well)	4.9	Single well dual zone

Table 2 : Appraisal Program Potential Economic Scenarios

Note 1: Refer to ASX announcement 8/8/2017 Contingent & Prospective Resources

Prospective Resources:

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development.

Further exploration appraisal and evaluation is required to determine the existence a significant quantity of potentially moveable hydrocarbons.

Contingent Resources: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

PERSON COMPILING INFORMATION ABOUT HYDROCARBONS Pursuant to the requirements of the ASX Listing Rules 5.41 and 5.42, the technical and resource information contained in this presentation has been reviewed by Paul Fink, Technical Director of ADX Energy Ltd. Mr. Fink is a qualified geophysicist with 23 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this presentation and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

DISCLAIMER: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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