



FINALISATION OF LOAN NOTE FINANCING Raises A\$1.2 million

ADX Energy Ltd

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ADX Energy Ltd (ASX Code: **ADX**), is pleased to advise it has finalised Loan Note Financing Agreements ('Loan Agreements') which are convertible to shares in ADX to several key existing shareholders and new investors to raise A\$1,205,000 of new funding. Included in this new funding is \$150,000 provided equally by ADX's Directors Ian Tchacos, Paul Fink and Robert Brown.

The funding will be utilised to fund the deposit, asset structure formation (see below) and transaction costs for the Zistersdorf and Gaiselberg Fields located onshore in the Vienna Basin, Austria (RAG Production Assets) from RAG Exploration & Production GmbH (refer ASX announcement 1 July 2019) as well as ongoing activities across the rest of ADX asset portfolio.

The key terms for the Loan Agreements are summarised as follows:

1. **Loan Term:** 6 months commencing 12 July 2019, extendable by mutual agreement in writing at least 15 days prior to expiry of Loan Term.
2. **Loan Interest:** 10% per annum; Payable at Termination.
3. **Loan Conversion Rights:** The lender has the option to convert part or all of the loan into ADX shares prior to Termination. The conversion price is determined the lower of:
 - a. the share price used for any capital raising by issue of ADX shares during the term of the Loan Agreement; and
 - b. A\$0.007 per share.

If the price under 3 (a) is less than A\$0.007, then the conversion to shares is subject to Shareholder approval.

All conversion rights of Directors of ADX Energy Ltd and their related parties (including associates) are subject to Shareholder approval.

4. **Early Termination by ADX:** ADX may terminate the loan at any time from 12 October 2019 to expiry by repayment of Loan Amount plus accrued interest. ADX will provide the Lender with three (3) business days notice prior to allow the Lender time to elect conversion.

ADX's Executive Chairman, Ian Tchacos, stated:

"These Loan Agreements demonstrate strong support and commitment from the new investors, key existing shareholders and Directors in the transformational RAG Production Assets acquisition. It is a very exciting time for ADX as we approach the commencement of drilling of the Iacea Mica 1 appraisal well in Romania. We look forward to further reporting the Company's activities over the coming months as we progress to develop a sustainable producing, development and exploration asset base onshore Europe that complements our offshore Italian and Tunisian assets."

RAG Production Assets Acquisition Structure

ADX has set up a financial structure for the acquisition and financing for the acquisition of RAG Production Assets. A UK special purpose vehicle (Terra Energy Limited) has been incorporated as the holding Company for an Austrian Subsidiary (ADX VIE GmbH). ADX VIE GmbH will be the owner, operator and licensee for the Production Assets as well as the planned exploration license holder and operator. The ownership structure is similar to that successfully deployed in Romania (Danube Petroleum Limited) to fund ADX Romanian appraisal activities. ADX has commenced discussions with multiple parties for finance and third party investment in Terra Energy Limited to fund the remainder of the RAG Production Assets acquisition.

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