

31 October 2019

Activities Report

Quarter Ended 30 September 2019

HIGHLIGHTS

Corporate Overview

ADX has made significant progress during the quarter to further implement its strategy to transform from an opportunity driven explorer into a strategically focused production and exploration company:

- The successful completion of the IMIC-1 well in Western Romania (Parta License) has delivered several gas bearing reservoirs in line with and partly above pre-drill expectations which will be tested in the near future with a view to fast tracking production through a tie in to a close by oil and gas processing plant.
- The completion of a US\$1.5 million farmout to Parta Energy Pty Ltd to fund a 3D seismic program in the Parta License which will, in addition to de-risking previously on 2D seismic identified prospects, also further delineate follow up prospects to the IMIC-1 well. This includes a potential updip-appraisal well to prove the 40 bscf (3C) (refer to ASX release from 9th September 2019) upside potential of a gas reservoir intersected at the successful IMIC-1 well.
- The successful completion of the sales and purchase agreement with Austrian oil and gas producer RAG in relation to its Lower Austria oil production and its Upper Austria exploration data and good progress with the regulatory Authorities for the closing of these agreements. This transformational acquisition will deliver oil production in the order of 350 bopd ascribed to ADX from 1st January 2019 and provide exclusive access to a large 3650 km² 3D seismic dataset within a prospective exploration area of approximately 10,000 km² in area with excellent oil and gas infrastructure. ADX also successfully secured a A\$5.5 million in funding commitments to facilitate completion of the transformational acquisition of long-life, oil and gas production assets in Austria.

Onshore Romania – Iecea Mare Production License and Parta Exploration License

- The successful completion of the IMIC-1 exploration and appraisal well has put ADX further on track to become a near term producer in Romania. The discovered conventional gas reservoirs exceeded pre – drill expectations (further details below) in terms of presence, reservoir quality and likely resource size. The deeper higher risk exploration target with

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significant overpressure, associated gas kick and fluid losses due to a fractured reservoir, has demonstrated the potential of a large fractured basement play in the Parta license.

- A Farmin Agreement with Australian private company Parta Energy Pty Ltd for a farmin to the Parta Exploration License was completed on the of 17th July 2019. Parta Energy will fund 1.5 MM USD to acquire a 3D seismic program to earn a 50% interest in the license.
- Good progress was made to obtain governmental approval for the 3D seismic acquisition and ADX has entered into contract negotiations with a well-established and experienced seismic contractor for the Pannonian basin, where the Parta license is situated.

RAG Production and Exploration Data Acquisition

- On 2 July 2109, ADX entered into binding agreements with RAG for oil and gas assets and paid a Euro 400,000 deposit for the assets on 15 July 2019. The assets include the 350 BOEPD Zistersdorf and Gaiselberg producing fields as well as 3D seismic, 2D seismic and geological data from yet to be licensed exploration areas covered by the data. The prospective exploration area is in the order of 10,000 km² and embedded within excellent oil and gas infrastructure owned by RAG, enabling rapid monetization of any future exploration or appraisal discoveries via access and tariff arrangements already agreed with RAG.
- The agreement with RAG assigns all production from the above-mentioned fields to ADX from 1st January onwards. Production has since met expectations and will accordingly reduce the final purchase price.
- In order to fast track the delivery of both developed (approx. 1 million barrels) and undeveloped (approx. 0.51 million barrels) 2P reserves (refer to page 11 from ASX announcement dated 6 September 2019) RAG and ADX have progressed regulatory approvals for a new production well and a sidetrack well post acquisition.
- Substantial progress was made in relation to closing the transaction in terms of regulatory and governmental approval. Several discussions with the Austrian Authorities and support from RAG have facilitated the efficient preparation of documents and proposals for a number of regulatory bodies.

Offshore Italy – Nilde Oil Field Redevelopment

- No further activities have been undertaken since ADX was advised on the 4th of February 2019 that the Italian Parliament passed legislation to suspend exploration activities in permits that have been approved or are in the process of being approved for a period of up to 18 months to enable the government authorities to evaluate the suitability of exploration areas for sustainable hydrocarbon exploration and production activities.
- Since that time ADX has been informally advised by the Italian Licensing Authorities that it has demonstrated sufficient financial capability for the ratification of the permit upon resumption of oil and gas activities following earlier announced Farmin by SDP Services Limited (SDP).

ADX believes it will be in a strong position to commence appraisal operations on the Nilde Oil Redevelopment project upon resumption of oil and gas activities given the funding provided by the Euro 20.8 million by SDP.

Offshore Tunisia – Dougga Appraisal and Development

- ADX has continued to engage with Middle Eastern and North African focussed companies in relation to the Dougga project however the current political situation post elections in Tunisia on 6th October 2019 does not bode well for a quick formation of newly formed coalition government to provide the required strong support for the Dougga project.

Finance

- On 16 July 2019 the Company finalised Convertible Loan Facility Agreements which are convertible to shares in ADX to raise A\$1,205,000 of new funding. Included in this new funding was \$150,000 provided equally by ADX’s Directors Ian Tchacos, Paul Fink and Robert Brown.
- During the quarter, Reabold and ADX contributed funding to partly owned subsidiary, Danube Petroleum Limited, by subscribing to 396,397 Danube Shares at an issue price of £1.00 per share for ongoing appraisal and development activities in Romania.

Subsequent to Quarter End

- In October 2019, Reabold and ADX contributed funding to partly owned subsidiary, Danube Petroleum Limited, by subscribing for an additional 954,955 Danube Shares at an issue price of £1.00 per share for ongoing appraisal and development activities in Romania. ADX now holds a 58% shareholding in Danube.
- A\$ 3.5 million Loan Note funding was secured for the acquisition of the Zistersdorf and Gaiselberg oil and gas fields in the Vienna Basin as well as agreements for exploration data and infrastructure access arrangements.
- A\$ 2 million institutional and sophisticated investor Placement was completed at 1 cent per share. Each Placement subscriber will receive one free attaching quoted option (Option) for every three new Shares issued. The Options will be exercisable at 1.5 cents with an expiry date of 20 November 2020. The Options are subject to approval by shareholders at a General Meeting (expected to be 6 December 2019).
- A Share Purchase Plan (SPP) to raise up to A\$ 1.5 million to allowing shareholders to invest on equivalent terms has been offered to eligible shareholders. The SPP closes on 15 November 2019.

OPERATIONS REPORT

PARTA APPRAISAL PROJECT and PARTA EXPLORATION PERMIT – Onshore Romania

ADX is operator and holds a 58% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via its' Romanian subsidiary, ADX Energy Panonia Srl, 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.

Appraisal Program Update (Iecea Mare Production License and surrounding Parta Sole Risk Area)

During the quarter ADX successfully drilled and completed (suspended) the IMIC-1 well for further testing. The well was an excellent success in terms of hydrocarbons encountered that exceeded pre drill expectations. The ADX operations team also demonstrated a high degree of competency in controlling and securing the well following a difficult deep gas kick zone which was encountered with very high overpressure and losses. The well control incident was safely contained in a short amount of time and without major cost overrun.

IMIC-1 Well Results summary

Please refer to ASX announcement dated 9 September 2019 for further details.

The petrophysical interpretation of high-quality modern logs by reputed oilfield services company Weatherford was in very good agreement with the encouraging gas shows observed on mud logs during drilling of the well. As a result, three hydrocarbon bearing zones have been identified which are candidates for testing in the near future and subsequent development. The below table (refer to ASX announcement from 9 September 2019) summarizes the results in terms of contingent resources. The results exceed pre drill expectations, mainly due to better reservoir quality than expected for the Pa IV gas reservoir as well as a surprisingly large gross gas column in the deeper Pa V reservoir which could contain condensate in addition to methane gas based on mud log data.

IMIC-1 Contingent Recoverable Resources Estimates ^(Note 1)					
Discovery Well	Hydrocarbon Reservoir	Reservoir Top Depth (meters MD)	1C (bscf)	2C (bscf)	3C (bscf)
IMIC-1	Pa III	1851	1.9	2.7	3.9
IMIC-1	Pa IV	2033	3.0	11.0	40.0
IMIC-1	Pa V	2140	2.3	6.3	10.8
TOTAL Arithmetic Sum of Recoverable Volumes (bscf)			7.2	20.0	54.7

It should be noted that the 3C case for the PA IV sand represents credible stratigraphic potential based partially on mapping using 2D seismic and well control data from a further up dip (well Carinis-65) from IMIC 1.

Note 1: Contingent Resources are those quantities of petroleum estimated, as at 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. 1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the estimates that have a respectively 90% (P90), 50% (P50) and 10% (P10) probability that the quantities actually recovered will be exceeded

Note 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.

Although the gas reservoir Pa V was the deepest logged and petrophysically proven hydrocarbon zone in the well, an expected overpressure zone was encountered at 2407 meters TVD which could not be evaluated due to well conditions. The over pressure zone was associated with a strong drilling break indicating formation porosity and permeability as well as associated hydrocarbons indicated from an instant increase in mud gas shows and 3% trip gas. Severe mud losses experienced subsequently indicate open fractures in the formation. The presence of highly permeable fractured zones proximal to the basement target and together with the gas shows encountered has upgraded the prospectivity of the play in the Parta license. For technical, commercial and safety reasons the drilling of the basement play which was not originally a pre drill target has been deferred to a later date with a well appropriately designed to successfully test the play.

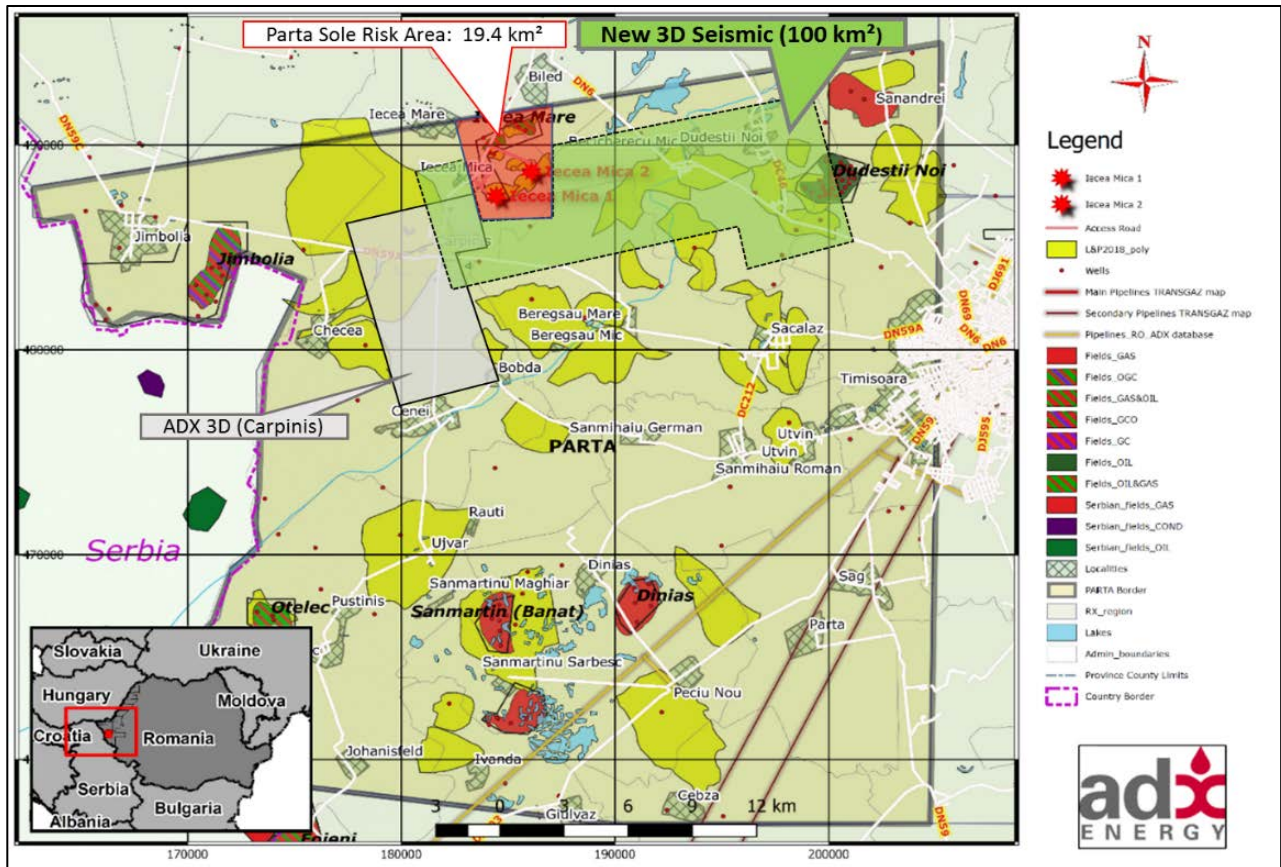
Parta Exploration License Farm in Agreement

Danube, via a wholly owned subsidiary ADX Energy Panonia SRL (Panonia), holds a 100% interest in the Parta Exploration License.

A Farmin Agreement was finalised with Parta Energy Pty Ltd (Farminee) to fund a US\$ 1.5 million 3D Seismic program to secure a 50% interest in the License during the quarter. The farm-in rights include the Parta Exploration License but exclude any rights relating to the Sole Risk Area which includes the Iacea Mare Production license where ADX drilled the IMIC 1 appraisal well in August 2019 (“Parta Farmin Rights”).

The acquisition of the 3D seismic comes at a good time to provide further seismic definition following the successful IMIC-1 well which has also de-risked the nearby future IMIC-2 well in terms of the confirmation of reservoir quality and gas charge for the proven gas bearing Pa IV reservoir and the shallower Pa III sandstone exploration target had good gas shows in the nearby (approx. 2km) IMIC-1 discovery well and also gas interpreted pay on petrophysical logs for the stratigraphically equivalent PA III zone.

The map below shows the prospect inventory, the planned new 3D area and the Parta Sole risk area (in red) to which the farminee has no rights. The Parta wells IMIC-1 and IMIC-2 (“Iacea Mica”) are also shown.



During the quarter ADX progressed required government permitting for seismic acquisition and also the consent from owner OMV- Petrom to acquire 3D seismic over the Dudestii Noi oil field in the eastern part of the Parta license. The field is structurally complex and is not covered with any modern seismic data. Several undrilled compartments have already been identified outside the field license perimeter and there is good reason to assume that 3D seismic will deliver several very low risk satellite prospects which can be quickly tied into existing facilities.

A seismic contract with an experienced and highly credentialed international seismic acquisition company is currently under review with the objective of starting acquisition in late 2019.

RAG Asset Acquisition, Austria

ADX entered into binding agreements with RAG Exploration & Production GmbH (REP) on the 1st of July 2019 for the acquisition of RAG Production Assets as well as RAG Exploration Data which includes exclusive access to 3D seismic, 2D seismic, drilling data and geological data (including 3650 km² of modern 3D seismic) over soon to be available for licensing exploration areas proximal to RAG's main production assets in upper Austria. In addition to the RAG Exploration agreements, ADX has entered into access and tariff arrangements with RAG for production infrastructure in the Molasse Basin.

The RAG acquisition provides ADX the following asset attributes;

- 350 BOPD production and 1 million barrels 2P reserves generating approximately US \$2.7 million per annum of post tax free cash flow net to ADX with a very modest decline rate of approximately 2% per annum (refer to ASX announcement from 2nd October 2019, page 11)
- Contingent Resource (2C) upside of 8.5 million barrels (same reference as above) by developing already producing reservoirs
- Drill ready walk in exploration portfolio with access to adjacent infrastructure
- Multiple growth and value creation opportunities ranging from low risk reserves development to high reward exploration.

In addition to the above the assets satisfy following strategic objectives;

- Transformation to an onshore European producer with low risk predictable revenues
- First foreign publicly listed oil and gas player in the Austrian oil and gas sector (currently dominated by two majority state owned companies)
- Ability to focus on rapid cash flow growth and high return investments in low cost pro development jurisdictions.

The RAG Asset acquisition is a unique opportunity to secure a mature but very stable, long lived and predictable production asset combined with a large drill ready, 3D seismic covered exploration portfolio. ADX has gained access to portfolio which provides significant resource potential and ready to tie in infrastructure ensuring economic success even for small discoveries.

ADX was introduced to the opportunity through a close technical and management relationship developed with RAG who were co-venturers in the ADX operated Parta Exploration Permit in Romania.

Upon establishing it was likely to be preferred bidder for the RAG Assets ADX focused its resources on the diligence and the negotiation of legal documentation for the purchase of the Zistersdorf and Gaiselberg producing fields (350 BOEPD 100% equity) located in the Vienna Basin onshore Austria as well as securing the rights to 3D seismic, 2D seismic and geological data from for yet to be licensed exploration areas covered by the data.

During the quarter substantial progress was made in relation to closing the transaction including securing regulatory and governmental approvals. Several discussions have been conducted with the Austrian Authorities supported from RAG senior personnel who have facilitated the efficient preparation of documents and proposals to a number of regulatory bodies. More specifically ADX and RAG have obtained positive feedback on approvals relating to foreign companies land ownership and foreign investment reviews (the equivalent of the Australian FIRB process). Therefore the governmental approval of the production asset transfer (Zistersdorf and Gaiselberg) is expected within the next few weeks.

The extensive documentation required for the transfer of a large exploration license position in Upper Austria surrounding RAG's oil and gas production licenses has also been submitted to the authorities following several discussions with the governing authorities. Due to the fact that this is the first time that a foreign company has applied for exploration licenses for large parts of a highly prospective and producing basin with excellent infrastructure it is expected that the process to grant the exploration acreage will take around 2 months from now.

Production Asset Performance

In accordance with sales and purchase agreement with RAG all production sales from Zistersdorf and Gaiselberg fields since 1st January 2019 (effective date) are assigned to ADX. To date the field has produced almost perfectly in line with expectations (2P production profile) and it is likely that production will slightly surpass the production forecast by year end following the rectification of a few relatively small facility bottlenecks. Up until the 6th October 2019 the sales revenues were in the order of 8 million A\$. Accordingly, it is expected that the final purchase price will be reduced from Euro 4 million at 1 January 2019 to approximately Euro 2.4 million in mid-November 2019.

ADX with the assistance of RAG production asset team have finalised documentation for the sidetrack of an existing well as the drilling of a new infill well and have requested the relevant authorities for approval to drill during 2020. Approvals from landowners have also been successfully obtained. These additional wells are targeting additional 2P undeveloped reserves in the order of **0.53 mmboc**. (Upgrading the total 2P reserves to **1.51 MMBOE** ^{NOTE 1}). The additional wells are also expected to increase field production rate as well as resulting cash flows. (Refer to pages 14 & 18 or slide 12 & 16 respectively from ASX announcement 2nd October 2019).

NOTE 1:

PRMS Reserves Classifications used above

1P Denotes low estimate of Reserves (i.e., Proved Reserves). Equal to P1.

2P Denotes the best estimate of Reserves. The sum of Proved plus Probable Reserves.

3P Denotes high estimate of Reserves. The sum of Proved plus Probable plus Possible Reserves.

1. **Developed Reserves** are quantities expected to be recovered from existing wells and facilities.
 - a. *Developed Producing Reserves* are expected to be recovered from completion intervals that are open and producing at the time of the estimate.
 - b. *Developed Non-Producing Reserves* include shut-in and behind-pipe reserves with minor costs to access.
2. **Undeveloped Reserves** are quantities expected to be recovered through future significant investments.

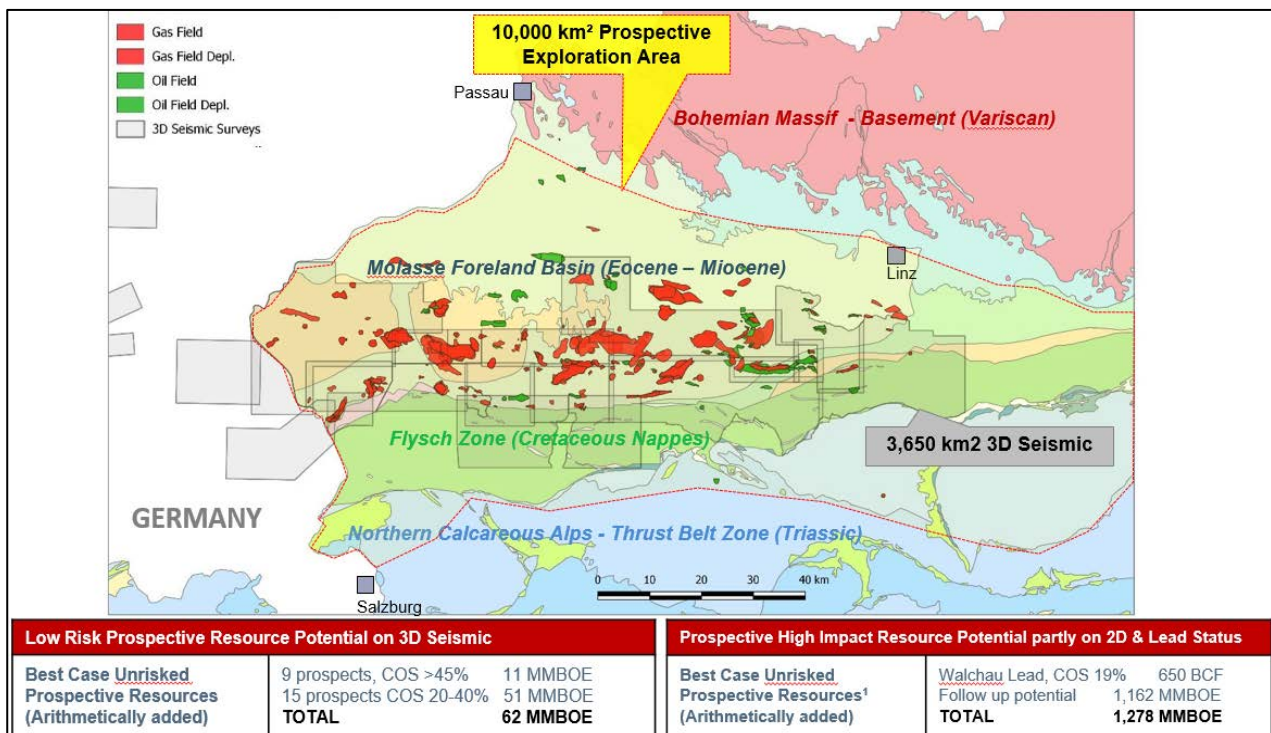
A. **Proved Reserves** are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

B. **Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. **Possible Reserves** are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside of the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project.

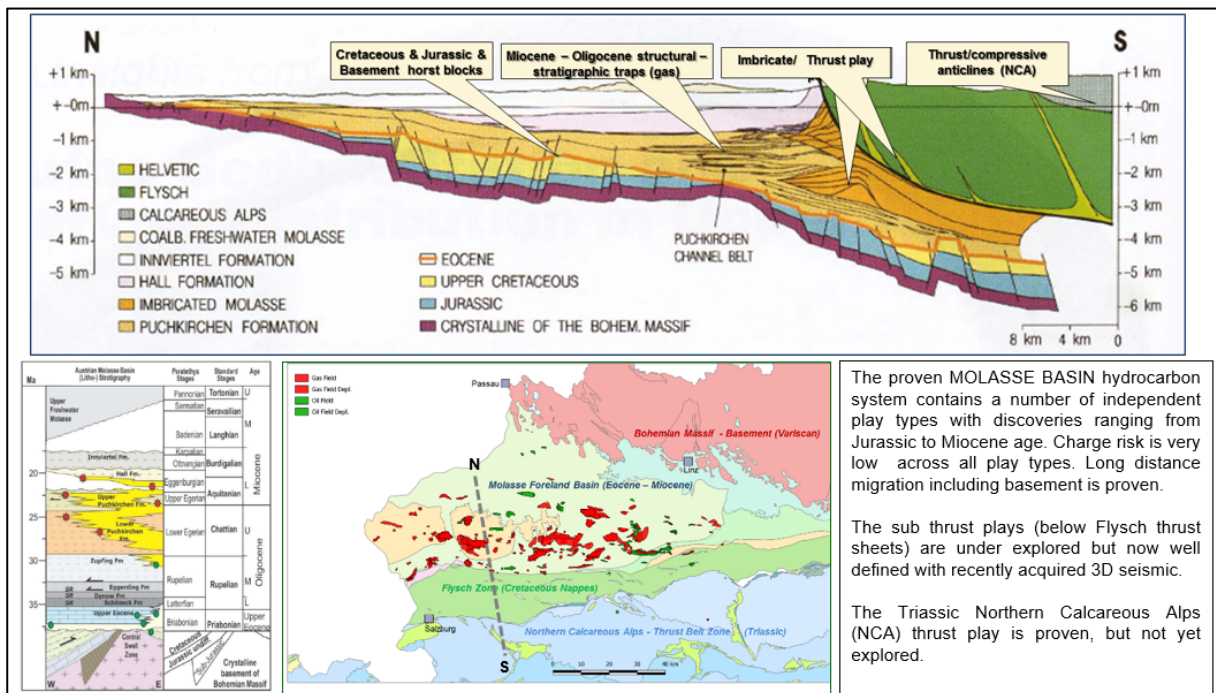
Exploration Licenses

During the quarter ADX and RAG completed a very comprehensive documentation process to secure government approvals for the award of exploration licenses government. As part of this process the entire exploration portfolio was reviewed in detail and a tentative drilling program was generated for the next 4 years. The program contains a balanced mixture of very low risk appraisal wells, low to medium risk larger size exploration wells and a classic exploration well in the overthrust area of the Northern Calcareous Alps targeting prospective resources in excess of 600 bscf (best case, prospective, unrisks, refer to ASX announcement 2nd October 2019, page 21). The map below provides an overview proven and highly prospective “Molasse” basin which covers an area of approximately 10,000 km². The tables summarize the prospects and leads which are already in a relatively mature status, eight of which have already been permitted with partly constructed well sites.



During the detailed review of the large appraisal and exploration opportunities portfolio it also became evident that the largely 3D seismic covered portfolio is not only well balanced in terms of risk / reward ratio as well as dependency by featuring a large number of different geological prospective zones and play types as is summarized in the figure below. The combination of four

different tectonic provinces with proven hydrocarbons ranging from Jurassic, Cretaceous, Eocene, Oligocene and Miocene aged reservoirs provides for a wealth of different play types.



NEW VENTURES

The ADX acquisition of certain RAG assets in Austria has delivered on the renewed focus on onshore European New Venture opportunities providing a combination of production as well as significant upside potential from fast to monetize appraisal and exploration opportunities.

ADX is currently preparing for possible further production and appraisal opportunities provided by RAG in Austria, field rejuvenations in Romania and the largest ever onshore exploration licensing round in Romania which has been already announced and where bids are expected to be due to be submitted early to mid-next year.

FINANCE

Convertible Loan Financing

During the quarter ADX finalised convertible loan facility agreements ('Loan Agreements') which are convertible to shares in ADX with 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 was 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 2 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. Conversion by Directors of ADX Energy Ltd or related parties (including associates) will also be 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.

Up to 31 October 2019 \$75,000 of the loan facility has been converted by Loan Agreement holders.

Danube Funding Contributions

During the quarter ADX and Reabold Resources Plc made funding contributions to Danube Petroleum Limited (Danube). The immediate funding contribution is for the suspension and preparation for well testing of the Iacea Mica-1 appraisal well (including purchase of long lead items, planning and services contracting), the approvals and planning work for the Iacea Mica-2 appraisal well, high resolution 2D seismic acquisition in the Iacea Mare production license as well as data acquisition and review of new venture gazettal opportunities onshore Romania.

Reabold and ADX made funding contributions to Danube Petroleum Limited by subscribing to 396,397 Danube Shares at an issue price of £1.00 per share for ongoing appraisal and development activities in Romania. In October 2019, Reabold has made an additional funding contribution by subscribing to 572,973 Danube Shares at an issue price of £1.00 per share and ADX in turn has made a funding contribution by subscribing to 381,982 Danube Shares at an issue price of £1.00 per share.

RAG Acquisition and Romanian Funding Package

Subsequent to the quarter, in October 2019 ADX secured binding commitments for a A\$5.5 million funding package to complete the acquisition of the Zistersdorf and Gaiselberg oil and gas fields located onshore in the Vienna Basin, Austria (RAG Production Assets) as well as agreements for

exploration data and access arrangements from RAG Austria AG (RAG) to RAG's production infrastructure in Upper Austria as announced on the 2 July 2019.

The funding package comprised of binding commitments for A\$ 3.5 million in Loan Notes (Loan Note Funding) from a small number of existing supportive shareholders, as well as a \$2.0 million placement of new shares to professional and sophisticated investors at a price of 1 cent per share (Placement). In addition to the Placement and Loan Notes, the Company announced a Share Purchase Plan (SPP) on the terms as the Placement to raise up to A \$ 1.5 million.

The Placement of 200 million fully paid ordinary shares at 1 cent per share was well subscribed by existing and new investors and the fundraising was completed under a prospectus. Each Placement subscriber will receive one free attaching quoted option (Option) for every three new shares issued. The Options will be exercisable at 1.5 cents with an expiry date of 20 November 2020. The Options are subject to approval by shareholders at a General Meeting. The Company will seek to have the Options listed on ASX subject to satisfaction of ASX listing criteria.

Placement funds will be used for the set up and administrative costs in relation to the RAG Production assets, applications for the planned exploration acreage in Austria related to the RAG Acquisition, funding of the Company's Romanian drilling, testing and development activities and general working capital.

The Placement was undertaken using a Shareholder approval obtained by ADX on 20 September 2019 to issue up to 500 million Shares to sophisticated and professional investors. QA Capital acted as Lead Manager to the Placement.

Binding agreements were entered into for 35 loan notes of \$100,000 each totalling A\$ 3.5 million Loan Notes. For each Loan Note, ADX will issue the subscriber 3,857,143 unlisted options, with an exercise price of 1.8 cents per option and expiring 2 years after the subscription date. Interest is paid quarterly at 6% per annum with 50% of the principal repaid after 12 months, and the remainder after 24 months. The drawdown of funds from the Loan Notes is subject to receipt of approvals by ADX from the Mining Authority in Austria for the transfer of the RAG Production Assets to ADX in accordance with the binding asset purchase agreements with RAG. This is expected in November 2019.

In addition to the Placement and Loan Notes, the ADX initiated a Share Purchase Plan (SPP) which allows eligible shareholders to acquire up to \$30,000 worth of Shares under the SPP at 1 cent per Share. This is the same price as the offer price under the Placement. SPP participants will also receive one free attaching quoted Option for every three new Shares issued. The Options will be exercisable at 1.5 cents with an expiry date of 20 November 2020. The Options are subject to approval by shareholders at a General Meeting. The Company will seek to have the Options listed on ASX subject to satisfaction of ASX listing criteria. The total number of Shares to be issued under the SPP is

expected to be up to approximately 150 million Shares, being the number of Shares required to raise \$1,500,000.

Cash Balances

ADX's cash at the end of the quarter was \$1.623 million. This cash balance includes \$ 0.8 million held by 58% owned subsidiary Danube Petroleum Limited and its' Romanian subsidiary ADX Energy Panonia srl for drilling of Iecea Mica 1 and Parta Appraisal Operations.

TENEMENT TABLE

Tenements held at the end of the quarter, their location, ADX's percentage held at the end of the quarter and changes thereof:

	% held at the beginning of the Quarter	% held at the end of the Quarter	% acquired
Permit			
Offshore Tunisia, Kerkouane	100%	100%	-
Offshore Italy, d363C.R-.AX ¹	100%	100%	-
Onshore Romania, Parta ²	100%	100%	-
Onshore Romania, Iecea Mare Production Licence	100%	100%	-

Note 1: ADX has commenced a process with the Italian Designated Authority to convert the exclusively awarded application to a ratified licence. This process was commenced after the award by the Ministry of Industry.

Note 2: ADX holds a 58% 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.

Yours faithfully,



Paul Fink

CEO/Technical Director



Ian Tchacos

Executive Chairman

Persons compiling information about Hydrocarbons.

Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and reserves information contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. In addition, the technical and resource information contained in this release has also been reviewed by Paul Fink. Mr. Fink is Technical Director of ADX Energy Limited 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 release 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 hydrocarbon

Additional Information Required under Chapter 5 of the Listing Rules

LR 5.31.1 Material Economic Assumptions

The **Zistersdorf & Gaiselberg** - RAG Fields are located near Zistersdorf in the Vienna basin. The fields consist of two Miocene age clastic high poro-perm reservoir accumulations. The fields are currently producing from conventional reservoirs into optimised and well maintained surface facilities. Production trends and operating cost trends are well established enabling the reliable prediction future production by decline curve analysis, the estimation of future revenue from oil and gas sales as well as the forecasting of future costs. Economic life of reserves takes into account oil and gas revenues based on prevailing commodity pricing as well estimated operating costs, capital costs, royalties and taxes.

These assets conventional assets and Reserves have been calculated in accordance with the SPE PRMS system of reporting as updated in June 2018. Reserves associated with producing wells are Proved Developed as well Proved and Probable Developed have been estimated. Additional value exists in Proved and Probable Developed and Undeveloped Reserves which have been estimated. Proved and Probable Developed and Undeveloped Reserves require further capital investment for infill drilling and side tracks of existing wells to access reserves identified on electric line logs and confirmed through pressure measurement. Further Proved, Probable and Possible Developed and Undeveloped Reserves potential has been identified and estimated in conjunction with the necessary capital investment. All estimates have been made in accordance with the PRMS system of reporting as updated in June 2018.

The reserves estimated are based on a 100% equity interest with only 1% royalty levied on gross production. After the closing date of the reported transaction ADX will become the owner and operator of the fields. Economics used for the calculation of reserves including economic life for the above producing properties are based on the prevailing Brent Oil Price of US\$67.00 per barrel flat with a 7.9% quality differential. Operating costs are based on three year historical averages provided by the operator and include the cost of all personnel, maintenance costs, IT control costs and pipeline tariffs. These costs are estimated to be US\$ 31 per barrel. Corporate tax is the only other impost in Austria which is levied at a rate of 25% however no license fees are paid for these production licenses. No forward looking valuations are included in this release other than reserves in the Proven and Probable Developed Category.

LR 5.31.2 Overview of Operatorship of production

Subject to closing of the described transaction.

ADX will assume operatorship of the Zistersdorf and Gaiselberg fields following license transfer and closing of the transaction with the asset owner.

LR 5.31.3 Types of Permits held by ADX in respect to the reported petroleum

Subject to closing of the described transaction.

Mining Plot Name	ADX interest*	Area (km ²)
Zistersdorf Field, Vienna Basin, Austria	100%	2,503
Gaiselberg Field Vienna Basin, Austria	100%	2,523

Subject to Mining Authority Approval. The licenses will be held ADX VIE GmbH a company incorporated in Austria which is a 100% subsidiary of ADX Subject to Mining Authority Approval.

LR 5.31.4 Basis for Determining Petroleum Reserves

All reserves estimates are calculated probabilistically using the relevant PRMS Reserves Classifications. Production trends are predictions of future production determined by decline curve analysis. Oil and gas reserves are expressions of judgement based on experience and industry practice. ADX has had the benefit of the previous Operators extensive data base during due diligence. Estimates valid when originally calculated but may alter significantly when new information or techniques become available.

END OF RELEASE