

11 November 2019

## **Austrian Production Asset Acquisition Completion and Exploration Access Arrangements Update**

*“Completion of production asset purchase expected within weeks, field production exceeding expectation and exploration portfolio applications submitted”*

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### **Key Points:**

- **Austrian Foreign investment approval to enable the transfer of RAG assets to ADX has been achieved.**
- **Transfer of the production licence for the Zistersdorf and Gaiselberg fields expected within the next few weeks.**
- **Transfer of majority of the property assets including agricultural land associated with fields has been concluded with remainder expected within weeks.**
- **Oil and gas field production performance currently exceeding expectation.**
- **Exploration license submissions have been made for the portfolio in upper Austria utilising the RAG exploration data.**

ADX Energy Ltd (ASX Code: **ADX**), is pleased to advise that it is nearing the completion date for 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<sup>nd</sup> of July 2019. A number of important conditions have been met and the remaining transfers and approvals of property and licenses by the relevant Austrian Authorities are expected within the coming weeks.

The “Bundesministerium Digitalisierung and Wirtschaftsstandort” (Ministry for Digitization and Economic Affairs) has granted approval of the RAG production Assets transactions under the foreign trade act, which is a key approval required for the relevant Mining Authority to approve transfer of the assets. This is also an important milestone which is required for all asset transfers in Austria to foreign non-European Union entities. ADX has also been advised that the approvals for the transfer of vineyards and agricultural land acquired associated with the Zistersdorf and Gaiselberg oil and gas fields will be finalised in the coming weeks.

The Board of ADX now expects receipt of approvals from the relevant Mining Authority (residing within the “Bundesministerium für Nachhaltigkeit und Tourismus” (Sustainability and Tourism) for the transfer of RAG Production Assets to ADX by the end of November 2019. The above-mentioned approvals and transfers constitute the conditions precedent for finalisation of the RAG Production Assets acquisition.

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ADX Energy Ltd

[www.adxenergy.com.au](http://www.adxenergy.com.au)

ABN 50 009 058 646

Address: Level 2, Suite 14, 210 Bagot Road, Subiaco WA 6008

Postal: PO Box 63, Subiaco WA 6904

Telephone: 08 9381 4266 Facsimile: 08 9381 4766 Email: [admin@adxenergy.com.au](mailto:admin@adxenergy.com.au)

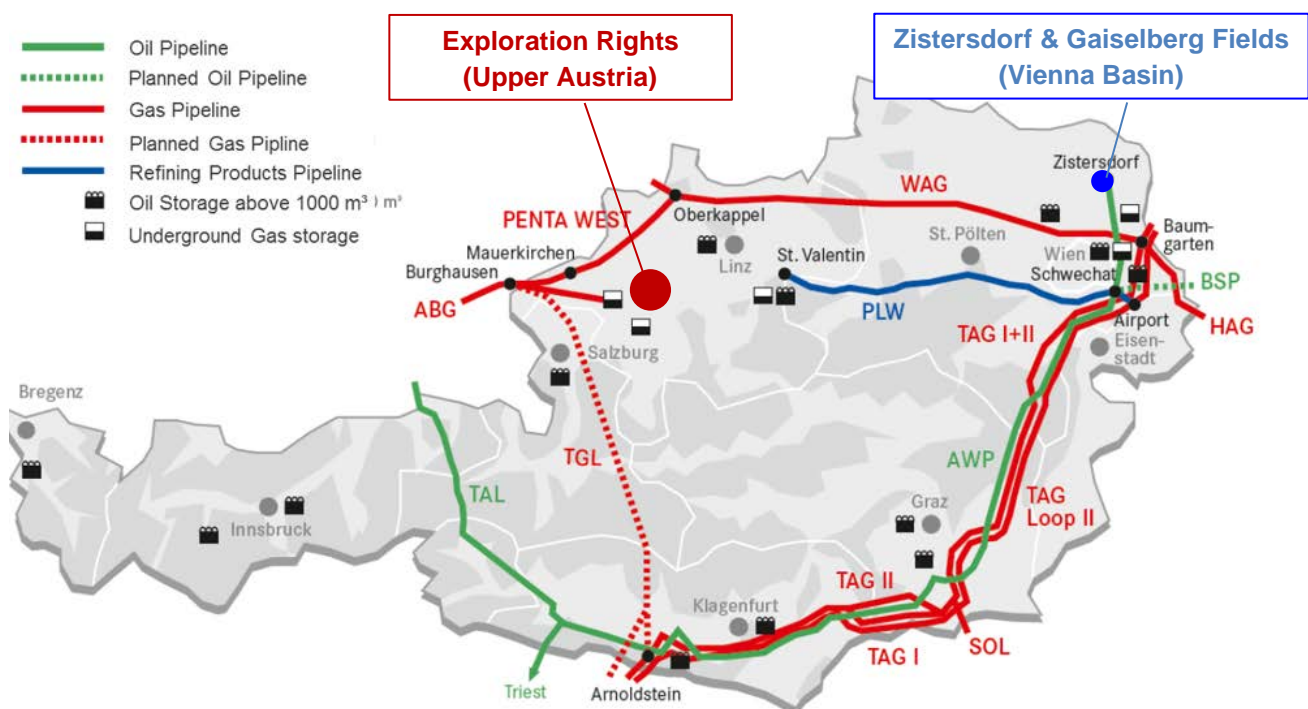
Field performance is currently exceeding expectation with barrels of oil equivalent production during the week commencing 28<sup>th</sup> October 2019 at 346 BOEPD versus the expected production rate of 269 BOEPD based on the Proven and Probable (2P) developed production forecast used for the acquisition valuation. Despite some facilities bottlenecks and reduced gas production during recent months total production is approximately 29% above the business plan case for the respective 2P developed production profile. **(As announced on 2 July 2019 ASX release)**

Note that “Developed” refers to the 2P production profile case which can be likely achieved without the drilling of new wells or side track wells to access new production intervals identified to be hydrocarbon bearing with in the field.

In addition to the above mentioned progress in relation to completion of the RAG Production Assets acquisition, ADX utilising the RAG exploration data and the local expertise of RAG’s personnel has submitted exploration license applications for exploration acreage in upper Austria. The application acreage surrounds RAG’s oil and gas fields where ADX has access arrangements to RAG’s extensive production, processing and transportation infrastructure. ADX expects to secure the Upper Austria acreage position in early 2020.

ADX Executive Chairman, Mr Ian Tchacos, said “The Board of ADX is very pleased that we are nearing the completion of the RAG Production Acquisition due to the efforts of our Vienna based CEO Paul Fink with the expert assistance of RAG. Importantly the field is performing above expectation which is very pleasing for ADX first production asset.

In addition to finalising the RAG Production Acquisition, ADX has made the necessary submissions required to secure a very prospective portfolio of drill and mostly tie – in ready prospects in Upper Austria surrounding RAG’s oil and gas production infrastructure. With a very valuable, state of the art exploration data set and infrastructure access arrangements in place, ADX expects to be able to commence an immediate program of appraisal and low risk exploration that can readily deliver cash flow. The pieces are falling into place for ADX to become only the third producer and only one of two explorers in Austria, the other one being OMV.”



Map Showing RAG Asset Acquisition Production (Vienna Basin) & Exploration assets (upper Austria)

**For further details please contact:**

**Paul Fink**  
**Chief Executive Officer**  
+61 (08) 9381 4266

**Ian Tchacos**  
**Executive Chairman**  
+61 (08) 9381 4266

[www.adxenergy.com.au](http://www.adxenergy.com.au)

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