

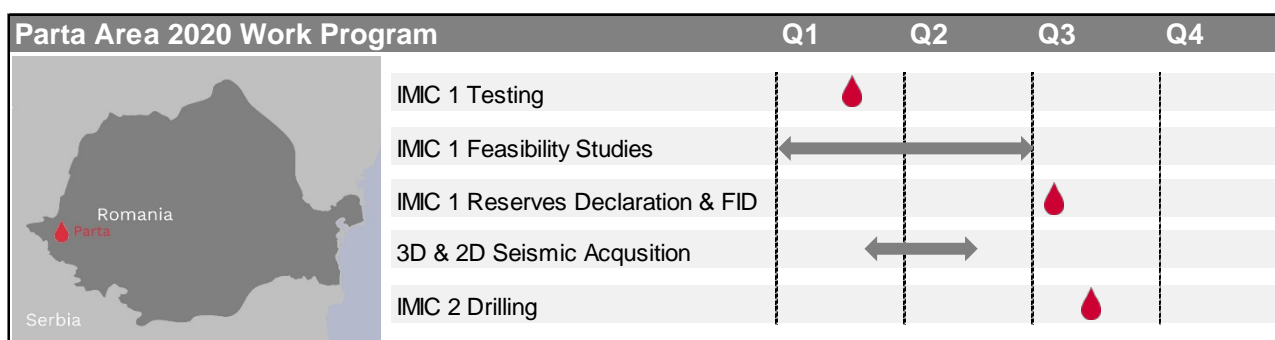
23 December 2019

High Impact Work Program For Parta Area in Romania

“IMIC-1 Testing, IMIC-1 Feasibility Studies, IMIC-2 Appraisal Drilling and Parta Exploration 3D Seismic Acquisition”

Key Points:

- A\$ 6.2 million funding package in place for Parta Sole Risk Area testing, appraisal drilling and development studies as well as the Parta Exploration License seismic acquisition.
- Production testing of IMIC-1 well planned to commence in February 2020.
- Development feasibility studies commencing to focus on gas sales via nearby gas plant or gas to power via proximal high voltage network.
- 3D seismic acquisition in Parta License and high resolution 2D seismic will commence late Q1 2020.
- IMIC-2 appraisal and exploration drilling commencing in Q3 2020.
- Extensive program focussed on commercialisation of IMIC-1 gas, further reserves development at IMIC-2 and maturation of prospects for drilling in Parta Exploration license.



ADX Energy Ltd (ASX Code: **ADX**), is pleased to advise that an extensive, firm work program is planned in the Parta Area during 2020 including production testing of the recently drilled Iecea Mica-1 (“IMIC-1”) well, feasibility studies to optimally commercialise gas from IMIC-1 and drill the Iecea Mica-2 (“IMIC-2”) appraisal well in the Parta Sole Risk Area. In parallel, ADX is finalising planning and regulatory approvals for the acquisition of 3D seismic in the surrounding Parta Exploration license and high resolution 2D seismic acquisition in the Parta Sole Risk Area.

A total of A\$ 6.2 million will be deployed in the Parta Sole Risk Area and the Parta Exploration License as a result of funding contributions to Danube Petroleum Limited (“Danube”) by Reabold Resources Plc (LSE AIM:RBD) (refer ASX announcement dated 2/12/2019) as well as the farm in funding by Parta Energy Pty Ltd a subsidiary of Tamaska Oil and Gas Ltd (“Tamaska”) (refer ASX announcement dated 8/4/2019).

ADX holds a 49.2 % interest in Danube and is Operator of Danube. Danube in turn Operates the Parta Sole Risk Area and the Parta Exploration License on behalf of Reabold and Tamaska (see Asset Ownership Structure on page 5).

2020 Work Program Summary

IMIC-1 Production Testing

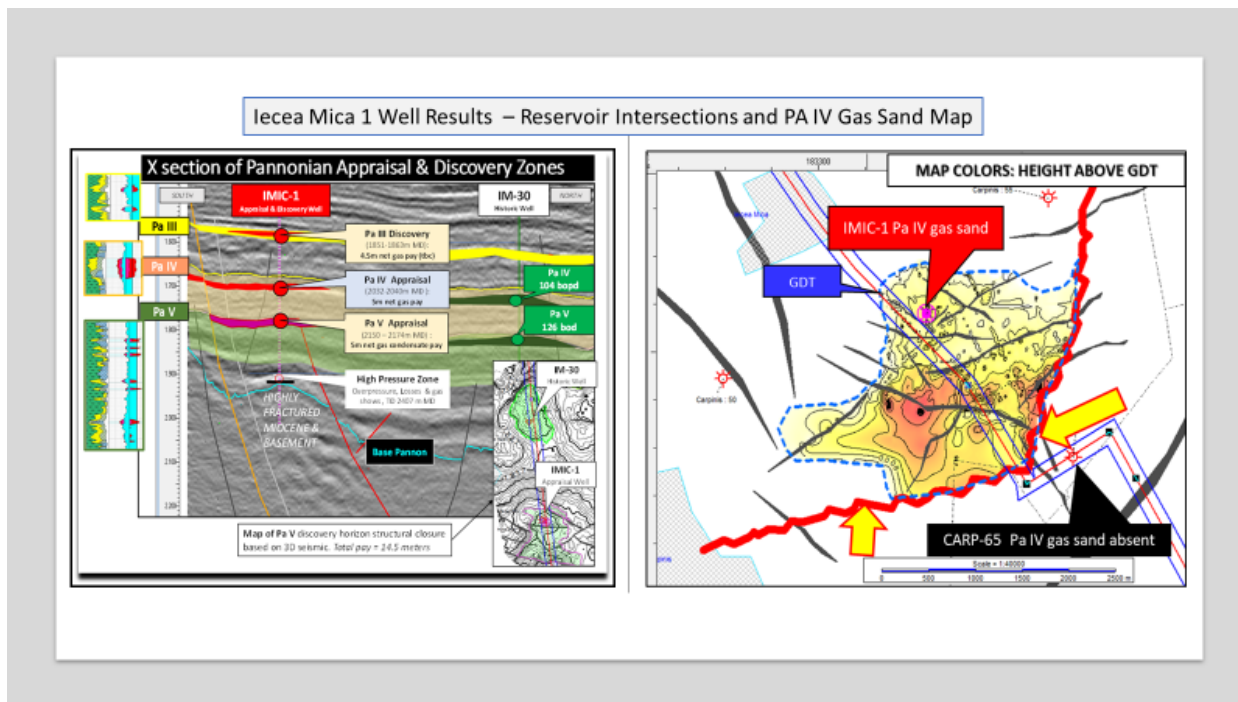
Testing of the Iacea Mica-1 (“IMIC-1”) well in the Parta Sole Risk Area, Romania, is expected to commence in late February 2020. The timing of the test has been determined by the time required to manufacture and deliver well down hole well equipment which enables the well to be completed and tested as a future production well without further intervention. Testing of IMIC-1 as a completed production well is expected to minimise the cost to prepare the well for commercial production and avoid any potential reservoir damage from further well operations. Testing will concentrate on the PA IV sand which is a proven reservoir and has the greatest reserves potential of the 3 reservoir intervals intersected in the IMIC-1 well, including the large stratigraphic upside potential which will be further quantified with the planned high resolution 2D seismic (see below).



The suspended IMIC-1 Well Head

| 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 |

Note 1: Refer ADX Release dated 9/9/2019. ADX confirms that it is not aware of any new information or data that affects the information included in that market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



IMIC-1 Feasibility Studies and Reserves Declaration

ADX, on behalf of Danube, will also commence studies for the commercialisation of IMIC-1 gas and the booking of reserves for Parta Sole Risk Area gas. Two viable commercialisation options are being progressed including delivery of sales gas to the nearby Satchinez- Calacea Gas Plant or alternately the conversion of produced gas to power and the connection to a high voltage power line located approximately 2km from the IMIC-1 location. Either option is expected to provide a viable commercial solution. The purpose of the studies is to determine the optimal option in terms of schedule, cost and return on investment. Subject to a successful production test and the determination of a viable commercialisation option, ADX expects to book reserves for the IMIC-1 well and initiate development by mid-2020.



The Calacea Oil & Gas Plant 12 Kms from Ilecea Mica-1 Well

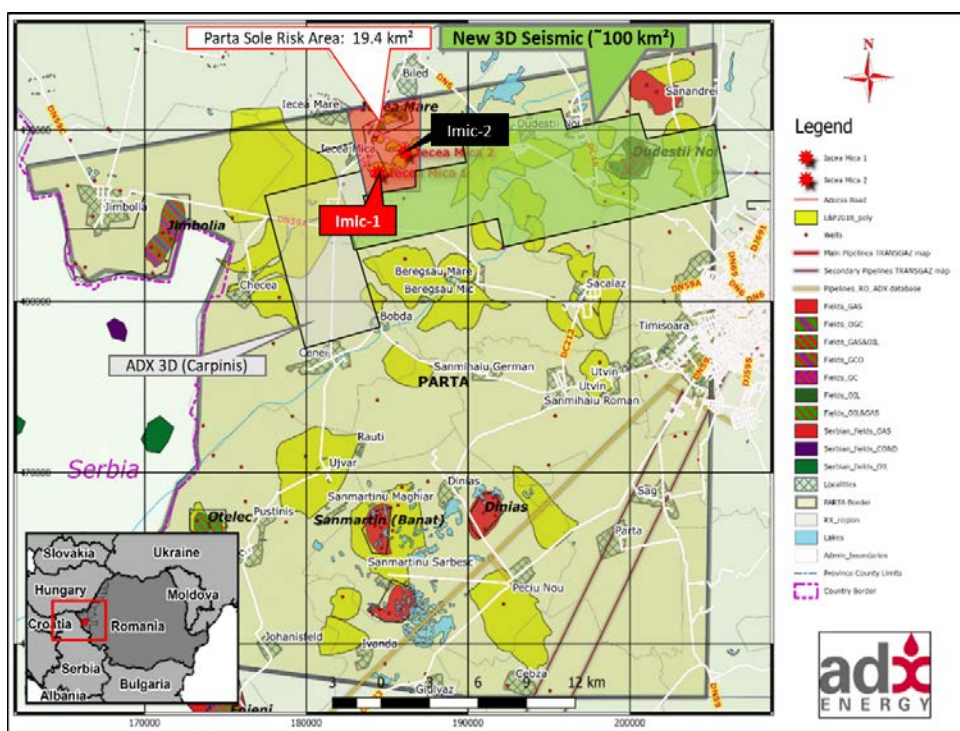
3D and 2D Seismic Acquisition

ADX is currently undertaking planning, regulatory approvals and finalising contractual arrangements for the acquisition of 100 Km² of 3D seismic in the Parta Exploration Permit as well as high resolution 2D seismic within the Parta Sole risk Area that includes the IMIC-1 well and the planned IMIC-2 well location (See map below).

The 3D seismic program will be funded by Parta Energy Pty Ltd, a subsidiary of Tamaska, pursuant to a farm in agreement where Parta Energy will fund a US\$ 1.5 million seismic program to earn a 50% interest in the Parta Exploration Licence (refer ASX announcement dated 8/4/2019). The Parta 3D Program is likely to generate high quality appraisal and exploration targets with multiple stacked oil and gas pay opportunities (at less than 2,500m depth) based on a track record of high exploration success rates by other companies drilling new 3D seismic in the basin.

The high resolution 2D seismic lines will be acquired across the IMIC-1 and IMIC-2 accumulations. The program is designed to better define the extent of gas zones where ADX has identified substantial stratigraphic upside volumes following the recent drilling of the IMIC-1 well (up to 40Bcf in the PA IV Sand – see IMIC-1 Contingent Resources Estimates Table above) which could extend south of the Sole Risk area.

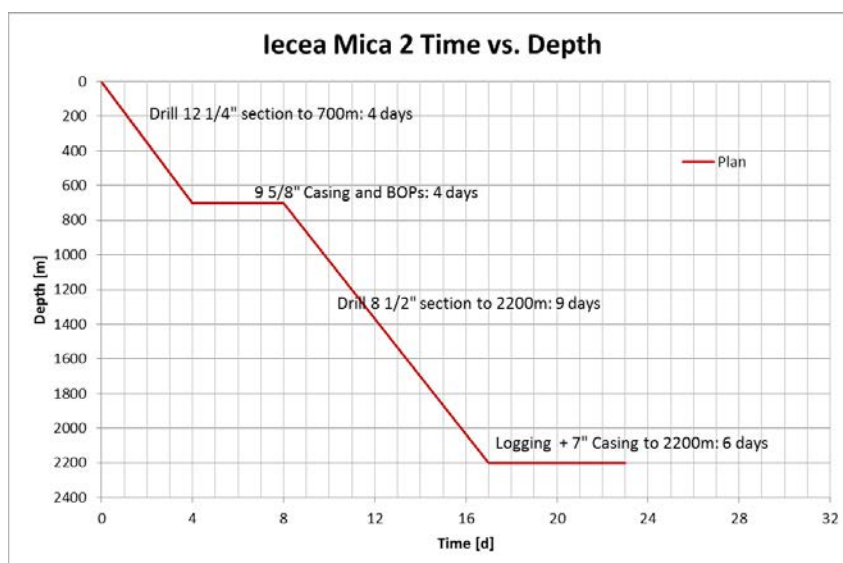
Seismic acquisition is expected to commence in February 2020 and be completed in approximately 40 days.



Map Showing Parta Sole Risk Area, Parta Exploration License, the IMIC-1 & 2 well locations and the planned Parta 3D Seismic Program location.

IMIC-2 Appraisal Drilling

ADX and Reabold have approved the IMIC-2 well in the Parta Sole Risk Area. Planning and licensing for the IMIC-2 well has already been completed and ADX will order long lead items (well heads and casing) as soon as possible to enable an early drilling date. At present ADX expects that drilling will commence during the third quarter of 2020. Commencement of operations is determined by drilling rig slot availability. This timing is also optimal from a weather perspective for site preparation. The IMIC-2 well has a planned total depth of 2200 m with approximately 23 days to drill and evaluate. It is a shallower, simpler to drill and cheaper well than the recent IMIC-1 well.



Asset Ownership Structure

ADX holds a 49% shareholding in Danube. The remaining shareholding in Danube is held by Reabold. Danube via its Romanian subsidiary, ADX Energy Panonia, holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Sole Risk Area) and a 100% interest in the Ilecea Mare Production license. Upon completion of the farmin by Tamaska subsidiary Parta Energy, Danube will hold a 50% interest in the Parta Exploration License.

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END OF THIS RELEASE - Authorised for lodgement by Ian Tchacos, Executive Chairman