ADX Energy Ltd (ASX:ADX)

ASX RELEASE

18 June 2020

ROMANIA WELL FLOW TEST OPERATIONS UPDATE
Iecea Mica-1 Work Over Rig Mobilisation

Key Points:

- ***Workover Rig Mobilisation*** will commence on Friday 19 June 2020.
- ***Testing Operations*** are expected to commence approximately 7 days after mobilisation.
- ***Testing Programme*** includes the installation of permanent production tubing and flow control equipment in the well, underbalanced perforation and production testing of the well.
- ***Test Objectives*** are to determine the production capacity of the well and confirm the suitability of the gas composition for commercial sales.
- ***After Testing*** the well will be shut in awaiting commercial production.
- ***Gas Commercialisation Studies*** are ongoing to determine the viability of two development options including the delivery of sales gas to the grid at the nearby Satchinez- Calacea Gas Plant (a 12 km tie-in) or alternately the conversion of produced gas to power and the connection to a high voltage power line located approximately 2km from the Iecea Mica-1 (IMIC-1) location.
- ***Resource Upside*** to be further accessed using high resolution 2D seismic across IMIC-1 and potential IMIC-2 accumulations to better define the extent of gas zones where ADX has identified substantial stratigraphic upside based on existing 2D seismic data and well data. The high resolution 2D seismic will be acquired during 3rd quarter of 2020 together with a 3D seismic survey in the surrounding Parta exploration license.

IMIC – 1 Drilling Results

(Refer to ADX Release dated 9/9/2019 and note that ADX is not aware of any information or data that materially effects the original estimates)

- ***IMIC -1 well encountered gas across three zones*** with a combined **total arithmetic sum for the three zones of 20 BCF 2C contingent resources** estimated (refer to table below). The well was suspended for future completion as a producer following testing. Testing has been deferred until down hole well production equipment was manufactured and then further delayed due to border closures caused by the Covid-19 pandemic which have prevented testing operations until now.

ADX Energy Ltd (ASX Code: **ADX**), is pleased to advise that work over rig mobilisation will commence on the 19th of June 2020 in preparation for production testing the successful IMIC-1 well that was drilled in late 2019. Testing of the IMIC-1 well was deferred until down hole

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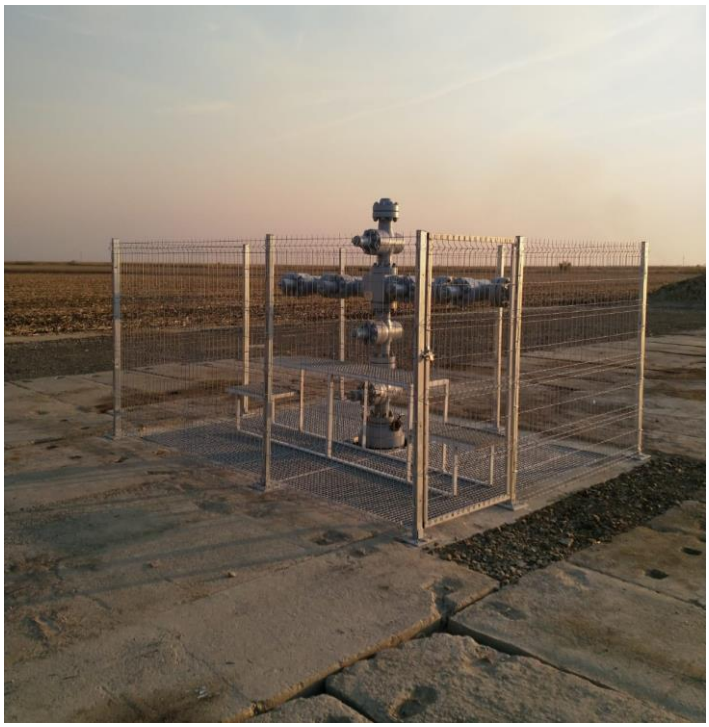
production equipment was manufactured so that the well could be optimally completed utilising underbalanced perforation with a view to maximising well productivity. Further delays have been encountered due to Covid-19 pandemic related border closures which have resulted in the inability to import required testing services from neighbouring Hungary and Germany as well as mobilising key personnel to the site.



The suspended IMIC-1 well head

Production testing will commence following set up of the work over rig, removal of the well head, installation of permanent production tubing and flow control equipment as well as the perforation of the well casing utilising underbalanced inflow techniques to maximise well production.

The testing program has been designed to determine the production capacity of the well through multiple flow rate measurements and pressure build up response measurements. Produced gas will be sampled to determine the suitability of the IMIC-1 gas composition for commercial sales. The expectation based on mudlog data and nearby analogues is that a dry gas will be produced which will require minimal processing prior to market delivery.

Testing will concentrate on the PA IV sand (Pliocene age) which is a proven reservoir and has the greatest upside reserves potential of the 3 hydrocarbon bearing reservoir intervals intersected in the IMIC-1 well (refer to table below). This reservoir unit has a large stratigraphic upside potential which will be further quantified in the near future with the planned high resolution 2D seismic program scheduled for the third quarter of 2020.

Following the completion of the production testing program the well will be shut in awaiting commercial production at a future time.

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**

(Refer ADX Release dated 9/9/2019 and note that ADX is not aware of any information or data that materially effects the original estimates)

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*

Gas Commercialisation Studies

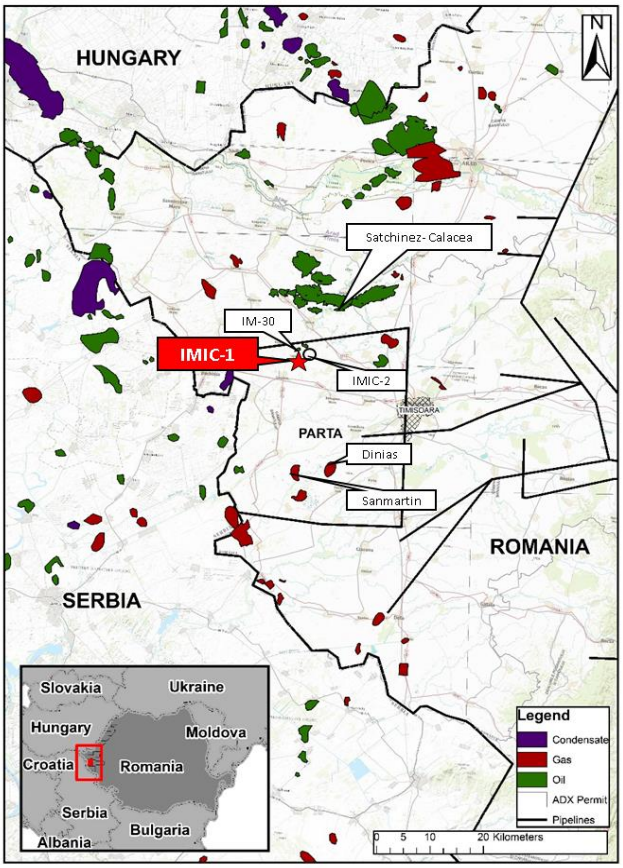
Engineering studies are ongoing to determine the potential viability of two development options including the delivery of sales gas to the grid at the nearby Satchinez-Calacea Gas Plant or alternately the conversion of produced gas to power and the connection to a high voltage power line located approximately 2km from the IMIC-1 location. The production test results will provide important information required for the finalisation of feasibility studies.

The Satchinez- Calacea oil & gas plant 12 Kms from IMIC-1 Well

Gas Resource Assessment

The resource potential of the three gas reservoirs intersected at IMIC -1 will be further assessed utilising high resolution 2D seismic that will be acquired across IMIC-1 and potential IMIC-2 accumulations. The appraisal seismic is expected to better define the extent of gas zones where

ADX has interpreted substantial stratigraphic resource upside (refer to ASX announcement on 9 September 2019) . The appraisal seismic will be acquired in conjunction with the planned 3D seismic program during the 3rd quarter of 2020 in close proximity to the IMIC -1 and the IMIC-2 wells.



Location Map showing IMIC-1 location and the surrounding Parta exploration license

Asset Ownership Structure

ADX holds a 49% 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 in Romania (including a 100% interest in the Parta Sole Risk Area). Upon completion of a farmin by Tamaska Oil & Gas Limited's subsidiary Parta Energy, Danube will hold a 50% interest in the Parta Exploration License; and
- a 100% interest in the Iecea Mare Production license in Romania (which hosts the IMIC-1 well and future IMIC-2 well).

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

Disclaimer

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Persons 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 Limited. 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).