

# ASX RELEASE

29 October 2021

## Activities Report For Quarter Ended 30 September 2021

### HIGHLIGHTS FOR QUARTER INCLUDE

#### Production

##### Vienna Basin Fields - Austria

- 🔥 **Oil and Gas Production Rates** reduced by 20% due to well down time (averaging 275 BOEPD for the quarter)
- 🔥 **Revenues from Operations** decreased by 1% (A\$ 2,197,717 for the quarter)
- 🔥 **Brent Oil Price** increased by 7% (averaging USD 73.47 per barrel for the quarter)
- 🔥 **Independent Reserves Review** results including valuation pending
- 🔥 **Well Workover Operations** commenced (expected rate increase 100 to 150 BOEPD)

#### Exploration

##### Upper Austria AGS Licenses

- 🔥 **Preparations ongoing for drilling Anshof-1 well** scheduled spud in December 2021
- 🔥 **Farmout program underway** using highly experienced advisory group in the U.K.
- 🔥 **Acreage expansion discussions underway** with licensing Authorities

##### Iecea Mare Production and Parta Exploration License – Romania

- 🔥 **Parta Exploration License** appraisal and prospect review ongoing
- 🔥 **Iecea Mare Production License:** finalised side track/ appraisal portfolio

#### Renewable Energy Projects - Austria

- 🔥 **Vienna Basin Hydrogen Project** executed MOA for renewable power supply with WindKraft Simonsfeld AG and commenced discussions with green hydrogen purchasers
- 🔥 **Geothermal Pilot Project** finalised agreement with Siemens to commence project

#### Finance and Corporate

- 🔥 **Cash balance at end of quarter** total of A\$ 4.236 million
- 🔥 **Corporate structure** establishing subsidiaries for renewable project participation
- 🔥 **Financing** no new equity or debt raised and no debt repayment during the quarter

# ASX RELEASE

## PLANNED ACTIVITIES FOR QUARTER 4, 2021

### Vienna Basin Production – Austria

- 🔥 *Zistersdorf and Gaiselberg Fields* – Complete well workover program and finalise and release results of Independent Reserves Review.

### Exploration

- 🔥 *Upper Austria AGS Licences* – Continue preparations for Anshof-1 well spud in December 2021, ongoing farmout program and finalise acreage expansion in Upper Austria.

### Renewable Energy Projects - Austria

- 🔥 *Vienna Basin H<sub>2</sub> Storage Project* – Based on recently signed MOA progress discussions with Windkraft Simonsfeld AG regarding definitive agreements for green power supply and project participation. Ongoing discussions with potential large scale purchasers of green hydrogen. Establish project feasibility team for technical and commercial definition of project.
- 🔥 *Geothermal Pilot Project* – finalise test well design and planning for pilot project execution with Siemens Energy.

### Corporate

- 🔥 *Registration of subsidiaries for renewable energy projects.*

# ASX RELEASE

## OPERATIONS REPORT

### Production Activities

#### ZISTERSDORF AND GAISELBERG PRODUCTION ASSETS – Vienna Basin, Austria

**ADX is operator and holds a 100% interest in the production**

#### Production Operations

Field production rate averaged 275 BOEPD, a 20% decrease compared the previous quarter. The decrease was due to a number of well failures (pumping and well bore blockages) over the period and some decline from a new oil production zone perforated in an existing well which commenced production in April 2021.

A program of workovers commenced in early October 2021 to restore production due to pump failures, acid clean up to improve production and access behind pipe production from previously not produced reservoir intervals in existing wells. The expected increase in production rate at the completion of this work in November 2021 is approximately 100 – 150 BOEPD of incremental production.

It should be noted that the Zistersdorf and Gaiselberg fields have multi-layered reservoirs (approximately 50 reservoir layers) with the potential for ongoing reserves and production additions by accessing not previously produced layers in the field from existing wells (behind pipe reserves). Technical studies have been undertaken to identify further opportunities for production and reserves increases from behind pipe reserves. Details regarding these studies are referred to later in this report.

<b>Table 1 - Quarterly Production Summary</b>						
	July	August	September	Current Qtr Total	Past Qtr Total	%age Change
Crude Oil Sold (Barrels)	7,924	7,897	7,017	22,837	29,220	-22%
Gas Sold (M <sup>3</sup> )	123,150	113,840	116,240	353,230	397,638	-11%
<b>Total Oil Equivalent (BOE)</b>	<b>8,674</b>	<b>8,590</b>	<b>7,725</b>	<b>24,989</b>	<b>31,643</b>	<b>-21%</b>
<b>Avg Production Rate (BOEPD)</b>	<b>289</b>	<b>277</b>	<b>257</b>	<b>275</b>	<b>344</b>	<b>-20%</b>

#### Field Revenues and Product Pricing

Average Brent reference oil pricing continued to strengthen during the quarter averaging USD 73.47 per barrel (an increase 7% compared to the previous quarter). Gas prices continued strengthen substantially with an 88% increase compared to the previous quarter.

# ASX RELEASE

Total field revenues (including hedging) remained relatively stable despite lower production rates due to stronger oil and gas prices as well as revised hedging contracts at substantially higher swap pricing.

Table 3 below shows sales revenues of EUR 1,445,381 for the September 2021 quarter compared to EUR 1,613,228 in the June 2021 quarter. Hedging losses of EUR 75,105 reduced substantially resulting in net total revenue of EUR 1,370,276 for the September 2021 quarter. Approximately 70% of the proven (1P) production was hedged at average price of USD 68.87 per barrel (no hedging in place on gas production).

	July	August	September	Current Qtr Average	Past Qtr Average	%age Change
Avg Oil Pricing (US\$ / BBL)	\$ 75.03	\$ 70.81	\$ 74.58	\$ 73.47	\$ 68.83	7%
Avg Gas Price (Euro / MWh)	€ 29.13	€ 35.87	€ 44.05	€ 36.35	€ 19.36	88%

	July	August	September	Current Qtr Total	Past Qtr Total	%age Change
Oil Revenue (Euro)	€ 461,044	€ 435,375	€ 407,573	€ 1,303,992	€ 1,522,466	-14%
Gas Revenue (Euro)	€ 42,384	€ 48,508	€ 50,497	€ 141,389	€ 90,761	56%
<b>Total Sales Revenue (Euro)</b>	<b>€ 503,428</b>	<b>€ 483,883</b>	<b>€ 458,070</b>	<b>€ 1,445,381</b>	<b>€ 1,613,228</b>	<b>-10%</b>
Hedging Revenue (Euro) "Swap Contracts"	-€ 32,072	-€ 10,054	-€ 32,978	-€ 75,105	-€ 234,949	-68%
<b>Total Revenue (Euro)</b>	<b>€ 471,356</b>	<b>€ 473,828</b>	<b>€ 425,092</b>	<b>€ 1,370,276</b>	<b>€ 1,378,278</b>	<b>-1%</b>
<b>Total Revenue (A\$)</b>	<b>\$ 755,984</b>	<b>\$ 759,949</b>	<b>\$ 681,783</b>	<b>\$ 2,197,717</b>	<b>A\$/ Euro = 0.6235</b>	

## Field Reserves Review

Following the completion of an internal field reserves review, ADX has commissioned a Competent Persons Report ("CPR") for the fields based on a 30 June 2021 calculation date.

The Competent Person has considered the results of the ADX internal review incorporating:

- both historical and ongoing production field data;
- a reprocessed 3D data seismic dataset and the extensive field well data base into a 3D geological model for the field;
- a history matched reservoir simulation model; and
- the utilisation of a reservoir simulation model to forecast future production and reserves estimates.

## ASX RELEASE

ADX expects to be able to release the results of the CPR in the coming weeks which will include a valuation of the fields.

It is anticipated that the simulation model will also be used to assist in optimisation of field production including further well operations to access behind pipe reserves which may enhance field production rates at a relatively low cost thereby enhancing field profitability.

In addition to the Gaiselberg and Zistersdorf CPR, ADX has requested a review of ADX prospective resource assessment for the Anshof and OHO prospects in its AGS exploration licences in Upper Austria.

### *Well Work Over Program*

A work over program commenced in October to undertake well maintenance work as well as a program to perforate existing wells where there is potential to access previously not produced oil zones (behind pipe reserves). The combination of the well maintenance work is expected to restore recently curtailed production as well as the access of behind pipe reserves to enhance oil production rates. Additional initial production rates from the program are expected to be between 100 to 150 BOEPD.

Additional production from the fields is expected to be highly profitable given the current oil price.

The well work is expected to include the following operations:

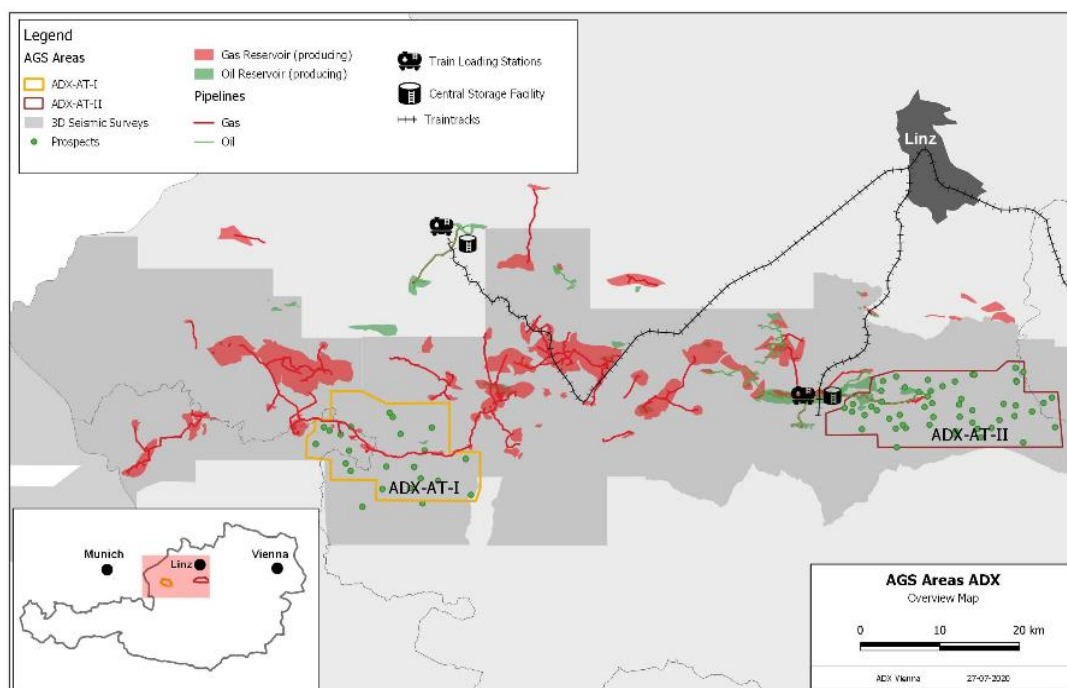
- restoration of three pump failures;
- acid clean up to improve productivity on two wells; and
- behind pipe perforations on up to three wells.

# ASX RELEASE

## Exploration Activities

### Upper Austria AGS Licenses – Austria

**ADX is operator and holds a 100% interest in the licenses**



**Map showing ADX Upper Austria AGS licenses (ADX-AT-I & ADX-AT-II) proximal to the RAG oil and gas production area of the Molasse Basin east of Munich. Green dots represent prospects & leads mapped on 3D seismic**

### Anshof-1 Well

ADX operational activities have focused on land access, planning, procurement and licensing for the Anshof-1 exploration well. Based on the work undertaken to date, ADX is targeting a spud date for the Anshof-1 well in late December 2021.

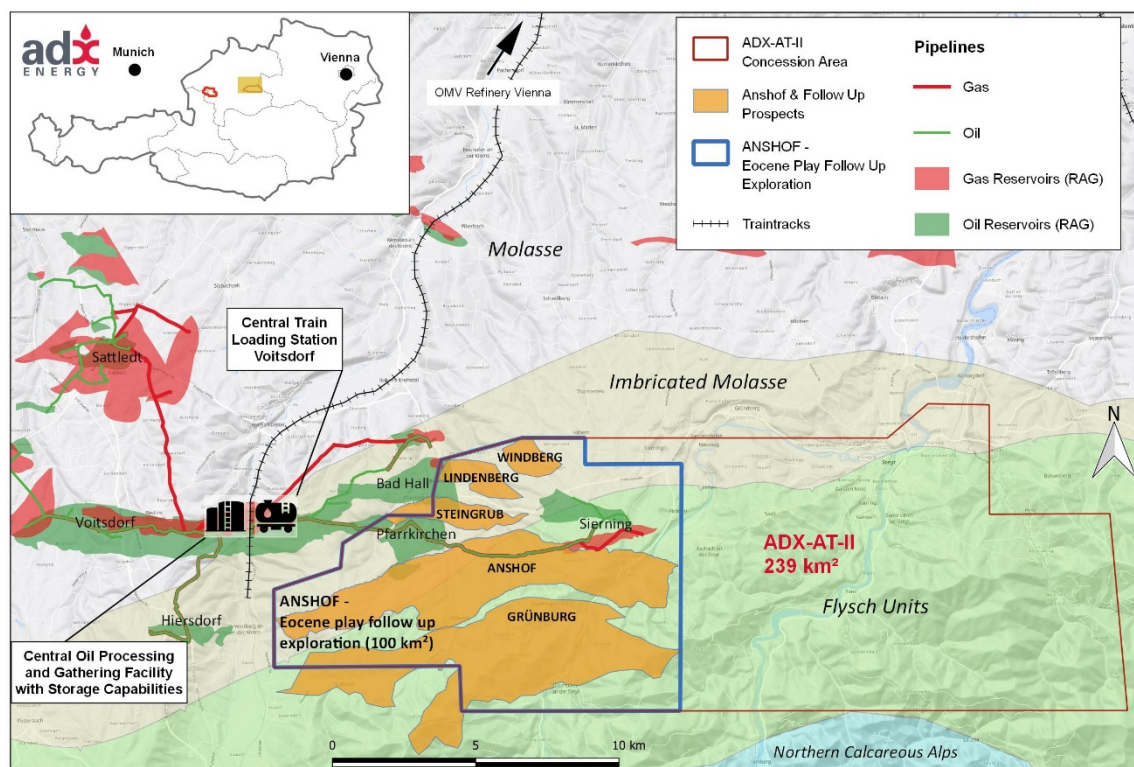
Anshof (ANS) is a 3D seismically defined prospect located updip from existing oil production from adjacent fields. It targets the proven and highly productive Eocene (primary target) and Cenomanian shallow marine sandstone reservoirs. ANS has a best technical case prospective resource potential of 6.6 MMBOE <sup>note 1</sup> with significant upside potential in the primary Eocene sandstone reservoir objective at a drill depth of only 2,000 metres MD. Following contractor engagement, the well cost including deeper Cenomanian secondary target is estimated to be EUR 2.0 million. The economic potential for this prospect is exceptional given the high chance of success, relatively low well cost and proximity to accessible infrastructure <sup>note 2</sup>.

*Note 1: Original Resources Reporting Date: Upper Austria Exploration was on 30/11/2020, Resources estimates were further revised on 30/3/21.*

# ASX RELEASE

Note 2: ADX has access and tariff arrangements with RAG Exploration & Production GmbH (RAG E&P) for infrastructure proximal to Anshof.

Success at ANS-1 will de-risk multiple follow up prospects and appraisal opportunities (Eocene Play). A substantial follow up to Anshof is the recently matured Gruenberg prospect. Updated prospective resource estimates for the Gruenberg prospect shown below immediately to the south of Anshof will be released to shareholders in the coming months.



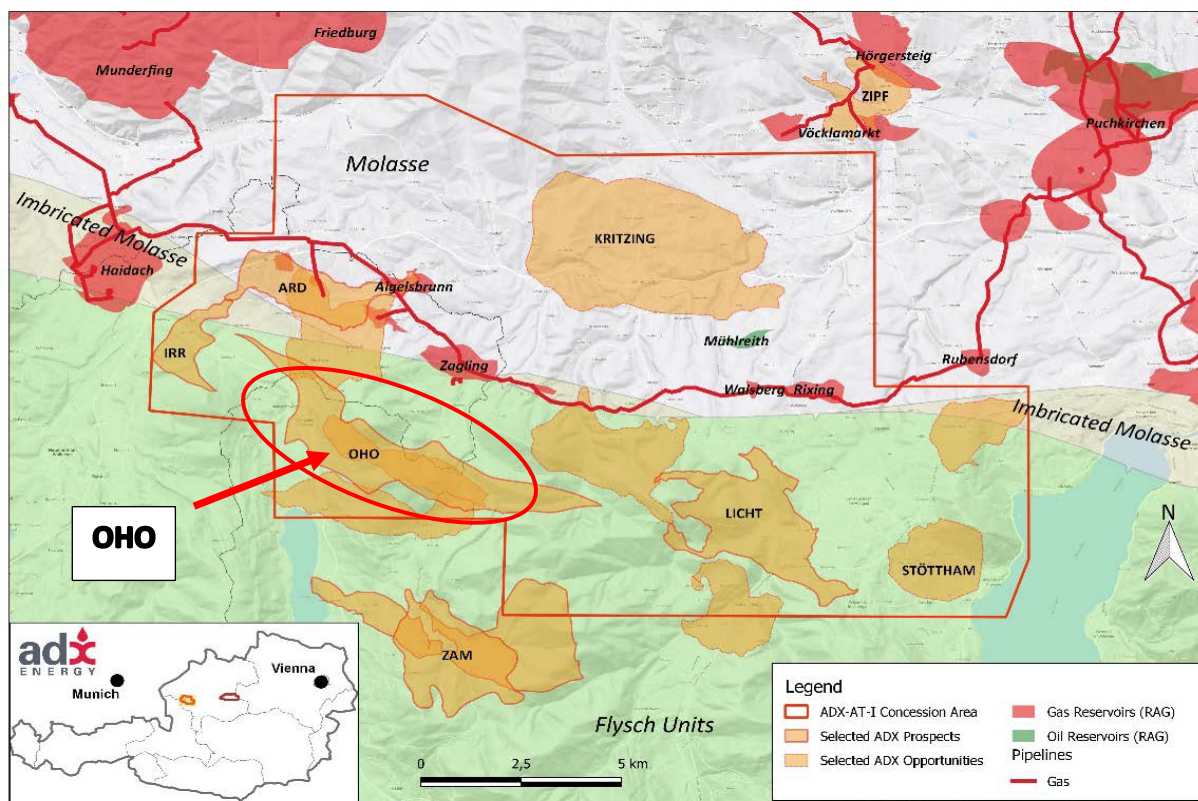
Map showing ADX Upper Austria AGS licenses (ADX-AT-II) including the Anshof and Gruenberg prospects and other Eocene Play follow up prospects and appraisal opportunities

## Oberholz-2 Prospect (OHO)

The OHO prospect is a high impact, Jurassic play opening prospect with a large best technical case prospective resource of 20 MMBOE oil potential <sup>note 1</sup>. The target depth is 4,125 metres MD and the dry hole cost is estimated at EUR 6.6 million. The well cost is significantly higher than Anshof, however with increasing oil and gas price, OHO is a very attractive exploration target. OHO is geologically analogous with the OMV operated Hoefflein field in the Vienna Basin which has approximately 80 mmboe 2P reserves. Drilling approvals and a ready to use well site are available, significantly shortening the time frame to drilling once finance is available. ADX

# ASX RELEASE

has engaged a farmout advisor to assist in securing a farminee for OHO with a view to accelerating the drilling of this highly attractive prospect.



**Map showing the OHO prospect in relation to existing producing gas fields, follow up prospects in the ADX AT-I license as well as nearby pipelines**

## Farmout Process

Given the large resource potential within ADX’ portfolio in Upper Austria, ADX has engaged a highly experienced advisor in the U.K. to assist with securing farmouts for further drilling after Anshof. The combination 3D matured prospects with potentially highly productive reservoirs in an onshore setting proximal to infrastructure with guaranteed access is expected to attract interest in the current oil and gas price environment.

## Independent Resources Review

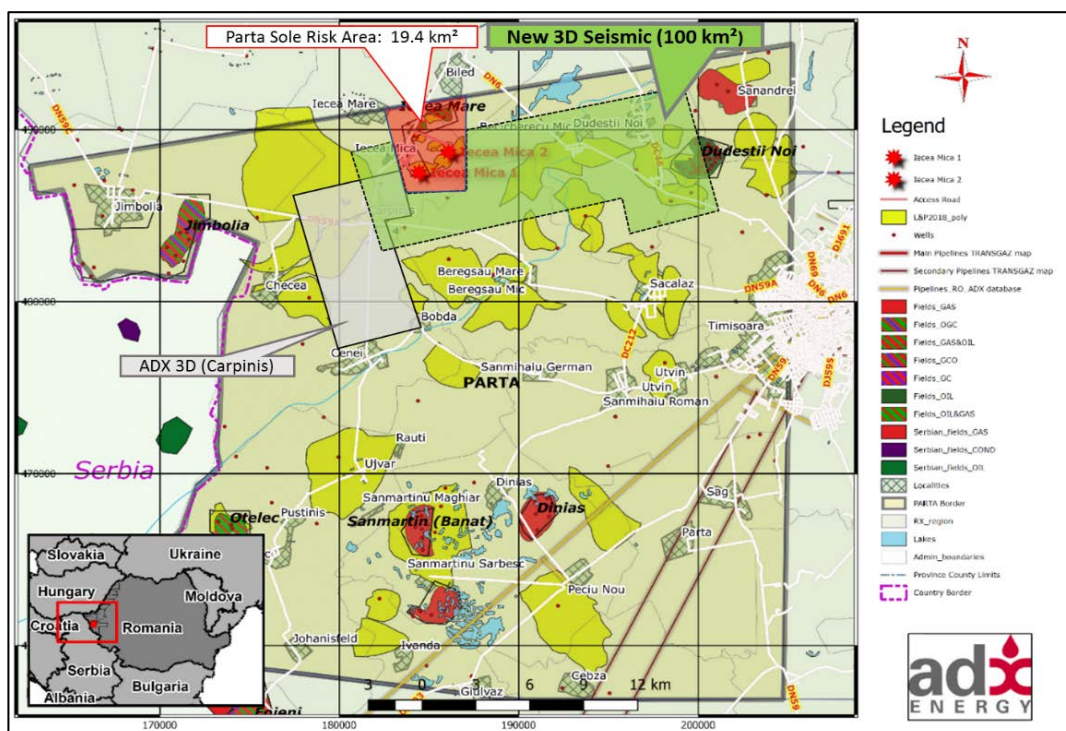
ADX has commissioned an independent consultant to undertake a review of the ANS and OHO prospects. The review will opine on ADX resources assessments and risking for the prospects. The results of the review will be provided to shareholders and potential farminees in support of the farmout process.



# ASX RELEASE

## PARTA APPRAISAL PROJECT and PARTA EXPLORATION PERMIT – Onshore Romania

**ADX holds a 49.2% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via its wholly owned 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. ADX is the operator of the permit pursuant to a services agreement with Danube.**



**Map showing Ex-10 Parta Exploration License (approx. 1,200 km<sup>2</sup>), Sole Risk Exclusion Area covering most the entire Iecea Mare production license, existing 3D seismic and planned 3D Seismic**

During the quarter ADX completed a first review of the Iecea Mare production license side-track and infill potential which is fully covered with reprocessed 3D seismic. The tables below summarise the potential for oil reservoirs already proven through nearby production. The table does not show other potentially producing reservoirs or deeper exploration potential, which are subject of currently ongoing work. Also, the large southern updip potential of the IMIC-1 gas discovery is not shown in this table. The structure map of the proven Pa IV reservoirs shows the location of the opportunities mentioned.

While the side-track and appraisal opportunities for IM-40/41 and IM31 area are small compared to the IMIC-1 upside potential (ASX release, 30 October 2020), the combination of very low risk,

# ASX RELEASE

excellent fiscal terms, shallow drill depths, good productivity and proximity to processing facilities (which can be transported by truck) provide for potentially high return on investments in the success case.

		MMBOE IN PLACE			MMBOE RECOVERABLE		
Prospect	Reservoir	Min	Best	Max	Min	Best	Max
IM 40 CREST ca. 2070 m TVDSS (without Pa VI Exp.)	Pa-IVa	0,16	0,41	0,77	0,05	0,14	0,26
	Pa-IVb	0,18	0,49	0,94	0,06	0,16	0,31
	Pa-V	0,49	0,95	1,54	0,15	0,31	0,51
<b>TOTAL IM 40 CREST</b>	<b>Pa Iva,b, PA V</b>	<b>0,83</b>	<b>1,85</b>	<b>3,25</b>	<b>0,26</b>	<b>0,61</b>	<b>1,08</b>
		MMBOE IN PLACE			MMBOE RECOVERABLE		
Prospect	Reservoir	Min	Best	Max	Min	Best	Max
IM 41 NORTH ca. 2120 m TVDSS	Pa-IVa	0,13	0,38	0,75	0,04	0,13	0,25
	Pa-IVb	0,14	0,55	1,16	0,05	0,18	0,39
	Pa-V	0,56	1,16	1,96	0,17	0,37	0,62
<b>TOTAL IM 41 NORTH</b>	<b>Pa Iva,b, PA V</b>	<b>0,83</b>	<b>2,09</b>	<b>3,87</b>	<b>0,26</b>	<b>0,68</b>	<b>1,26</b>
<b>TOTAL IM 40 - 41 - AREA</b>		<b>1,66</b>	<b>3,94</b>	<b>7,12</b>	<b>0,52</b>	<b>1,29</b>	<b>2,34</b>

Table showing prospective resources estimates for the side track and infill opportunities on the IM-40 structures

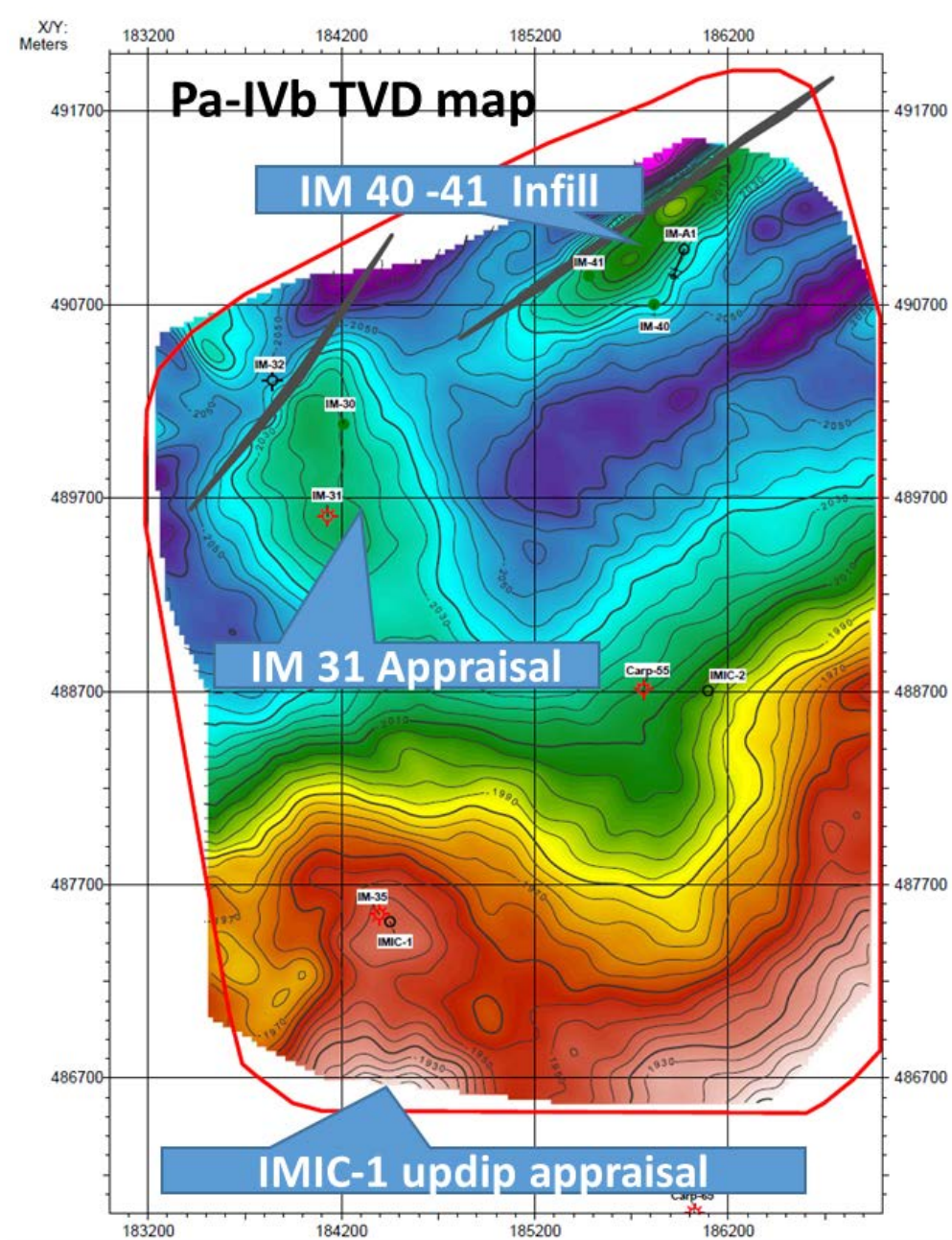
Note: The prospective resource estimates in the tables above and below are classified and reported for the first time in accordance with the PRMS – SPE Guidelines for the Iecea Mare Production licenses, in the Pannonian Basin, Romania. Refer to the end of this release for an explanation of prospective resource classifications used and the Basis on which the prospective resources were estimated.

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.

		MMBOE IN PLACE			MMBOE RECOVERABLE		
Prospect	Reservoir	Min	Best	Max	Min	Best	Max
IM 31B (ca. 2100 m TVDSS) (without Badenian Exp.)	Pa-IVa	0,42	0,64	0,91	0,14	0,22	0,32
	Pa-IVb	0,39	0,68	1,05	0,13	0,24	0,37
	Pa-V	0,26	0,47	0,74	0,08	0,16	0,25
<b>TOTAL 31 B</b>	<b>Pa Iva,b, PA V</b>	<b>1,07</b>	<b>1,79</b>	<b>2,7</b>	<b>0,35</b>	<b>0,62</b>	<b>0,94</b>
		MMBOE IN PLACE			MMBOE RECOVERABLE		
Prospect	Reservoir	Min	Best	Max	Min	Best	Max
IM 32 NORTH (ca. 2125 m TVDSS TD)	Pa-IVa	0,23	0,55	0,99	0,08	0,19	0,34
	Pa-IVb	0,21	0,36	0,55	0,073	0,13	0,19
	Pa-V	0,34	0,7	1,17	0,11	0,24	0,4
<b>TOTAL 32 NORTH</b>	<b>Pa Iva,b, PA V</b>	<b>0,78</b>	<b>1,61</b>	<b>2,71</b>	<b>0,263</b>	<b>0,56</b>	<b>0,93</b>
<b>TOTAL IM 31 &amp; 32 N</b>		<b>1,85</b>	<b>3,4</b>	<b>5,41</b>	<b>0,613</b>	<b>1,18</b>	<b>1,87</b>

Table showing prospective resources estimates for the side track and infill opportunities on the IM-31 structures

# ASX RELEASE



Map of Iecea Mare production license showing side track and infill opportunities mapped on 3D seismic as described above

## ASX RELEASE

### Nilde Oil Field Redevelopment Project (Permit d 363C.R-.AX ) – Offshore Italy

#### ***ADX is operator and holds 100% interest in the d 363C.R-.AX Exploration Permit***

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

No further activities have been undertaken on the Permit since ADX was advised on the 4<sup>th</sup> 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.

On 13 February 2021, Mr Mario Draghi was sworn in as Prime Minister of Italy pledging to oversee effective implementation of COVID-19 economic stimulus. ADX has been informally advised that Mr Draghi has requested the resumption of production and exploration activities in Italy. ADX is awaiting advice from the ministry to assess the timing of potential resumption of activities in the d 363C.R-.AX Exploration Permit.

## Renewable Energy Projects - Austria

### VIENNA BASIN GREEN HYDROGEN PROJECT

ADX has continued commercial and technical project definition activities for the project focussing on sourcing a green power provider for the production of green hydrogen as well as potential purchasers of green hydrogen.

ADX announced on the 5th of October 2021 that it had signed a Memorandum of Agreement (“MOA”) with Windkraft Simonsfeld AG (“WKS”) for the supply of green electricity and the joint development of a green hydrogen production and underground storage project in the Vienna Basin (Project).

WKS is a major Austrian based European wind power producer operating 91 wind power plants by end of this year, which will generate approximately 640 million kilowatt hours per year (equivalent to the power demand of 160,000 Austrian households). WKS operates and builds wind power plants near the Gaiselberg and Zisterdorf fields (ADX Fields) where green electricity generation capacity will be curtailed from time to time.

ADX and WKS have agreed the following roles and responsibilities for development of the Project to be incorporated in definitive agreements.

## ASX RELEASE



**A WKS operated Wind Park close to ADX Vienna Basin fields**

Based on the MOA ADX will:

- 🔴 manage and coordinate development planning and execution as well as operations;
- 🔴 supply the necessary reservoirs, wells, surface facilities and infrastructure;
- 🔴 manage the marketing and sale of green hydrogen; and
- 🔴 provide project management and operations services to execute and operate hydrogen generation (electrolyser), storage and transportation facilities.

WKS will:

- 🔴 supply electricity generated from renewable sources (wind and solar) to the Project (“Green Electricity”); and
- 🔴 provide the facilities required to supply and deliver Green Electricity to the Project.

The parties intend to invest in the Project and collaborate to secure dedicated financial incentives from the Austrian Government and the European Union to fund the Project.

The parties are well positioned to provide safe, reliable, long-term supply of green hydrogen either via the existing gas pipeline system or by direct deliveries to buyers or end-users due to the synergistic combination of WKS existing wind power assets and the ADX Fields subsurface reservoirs, production facilities and gas export infrastructure which is located in close proximity to the city of Vienna.

# ASX RELEASE

## Vienna Basin H<sub>2</sub> production and storage Project

### Project scope, phasing and responsibilities of WKS & ADX

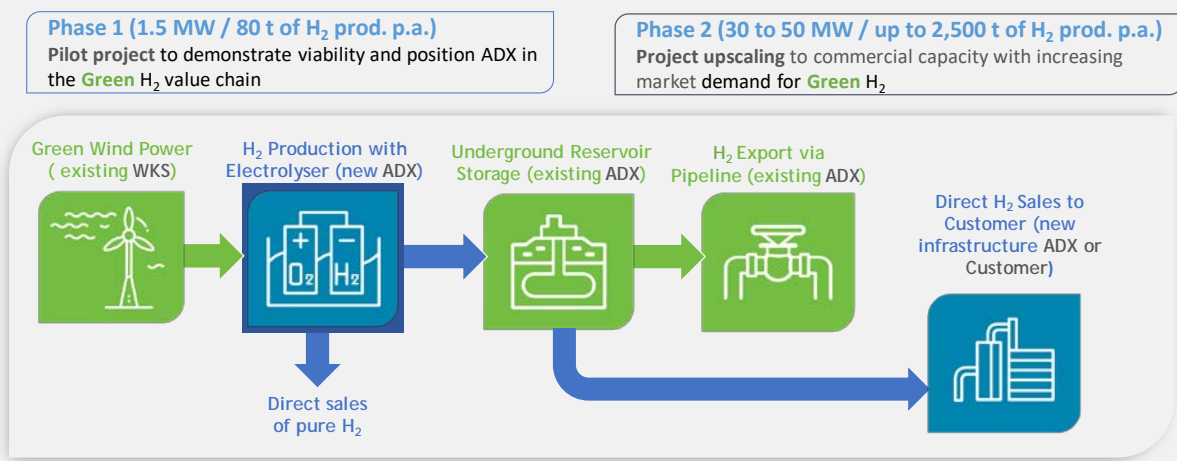


Figure 3

The figure above outlines the pilot phase and the upscaled phase of the Project as well as the various elements of the Project, many of which are already in place between ADX and WKS

The certainty of access to green power and joint development work by the parties enables the immediate technical and commercial definition of the Project with a view to capturing already identified near term hydrogen markets thereby increasing the certainty of rapid project formation.

The availability of underground field storage enables the production of green hydrogen during times when demand for Green Electricity is low or curtailed and selling green H<sub>2</sub> for competitive prices. The storage system enables intermittent production of green hydrogen to be stored and sold on a stable, long term, non-interruptible supply basis.

The ADX fields are connected to the local and national methane gas networks. Since 1 July 2021 H<sub>2</sub> can be directly delivered into existing methane pipeline system, currently at up to a 10% concentration of H<sub>2</sub>. The concentration of H<sub>2</sub> is expected to increase over time.

### Project Background

The ADX Fields are very suitable for green hydrogen storage due to their close proximity to major renewable electricity sources that can be used for electrolysis to produce green hydrogen, the availability of high-quality reservoirs at suitable depth which have proven their safe storage properties for millions of years as gas reservoirs, as well as excellent gas export infrastructure directly connected to the ADX Fields that can be used for the export of green hydrogen.

## ASX RELEASE

A number of Pannonian age high quality reservoirs have been identified which have historically contained methane. The reservoirs are ideally suited for the safe storage of green hydrogen. It is estimated that a single reservoir could hold, on average, around 60 GWh of energy in the form of hydrogen. This is the energy equivalent of powering approximately 20,000 households for an entire year. The business case for underground energy storage is enhanced by the ever-increasing capacity of intermittent wind and solar energy.

In Austria alone a six-fold increase from currently 3.8 GW in wind and solar energy is necessary to meet the minimum European Union renewable energy targets by 2030. The largest wind and solar power generation capacity in Austria, Slovakia and Czech Republic is located close to the ADX Fields.

### GEOHERMAL PILOT PROJECT

On the 15<sup>th</sup> of July 2021 ADX announced that it had entered into a Letter of Intent with Siemens Energy and RED Drilling & Services GmbH (RED) to build and operate a well test site (Pilot Project) in Austria to evaluate geothermal to power technology. Subsequently ADX announced on the 28<sup>th</sup> of September 2021 that it had finalised commercial arrangements and secured a well site for pilot project in cooperation with Siemens Energy and RED Drilling.

Under commercial arrangements ADX is the responsible party for all licensing and subsurface execution aspects of the Pilot Project, including permitting, engineering, geological analysis, operational planning and implementation.

ADX and RED have identified a suitable existing well site for the Pilot Project with the appropriate heat transfer attributes, an exceptionally high geothermal gradient and reservoirs with excellent flow capacities.

ADX is in the process of securing all necessary regulatory permits and agreements with the relevant authorities prior to commencement of pilot operations.

Siemens Energy will provide thermodynamic engineering work for the evaluation of the power generation system. RED will execute all well workover operations required and undertake well performance monitoring.

The Pilot Project is intended to provide the proof of concept for Siemens alternative geothermal energy conversion technology including improved efficiencies in generating electricity compared to conventional geothermal systems. By using an existing geothermal well, the Parties intend to develop know-how in the area of reuse-concepts for abandoned boreholes and/or reservoirs for the deployment of geothermal technology. Engineering, planning and procurement work commenced during October 2021.

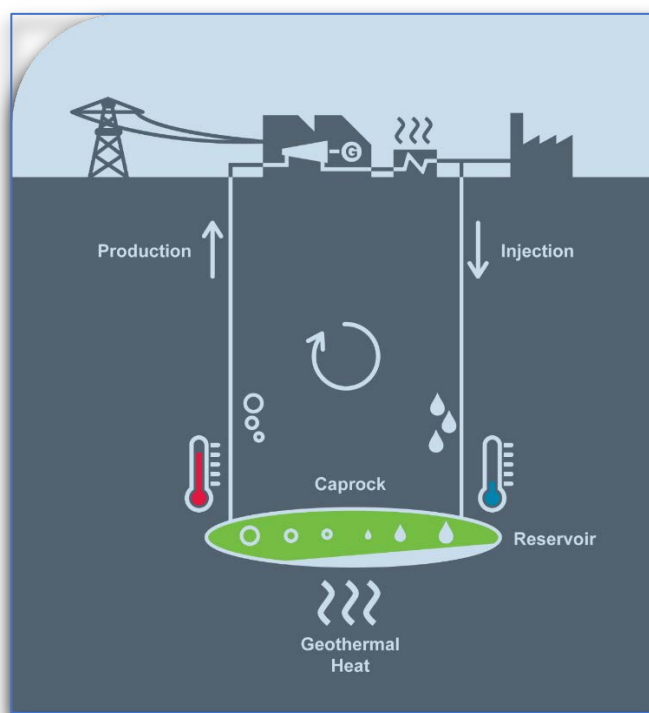
# ASX RELEASE

The Pilot Project is expected to provide ADX with increased knowledge, experience and credibility to develop and deploy suitable geothermal power generation technologies on a large scale in ADX’ operated Austrian licenses as well as other Central European jurisdictions where ADX has identified geothermal power generation opportunities.

### *Background regarding ADX role in geothermal energy*

Geothermal power generation in the appropriate geological setting is capable of providing a low-cost, constant and reliable carbon free energy source for heating or conversion to electrical power.

The geothermal industry is very well supported in Munich (Germany) which is proximal to ADX’ Upper Austria exploration acreage. The area contains proven geothermal reservoirs with large untapped potential in Austria where there is growing demand for town heating and industrial applications.



**Schematic showing geothermal power generation principles**

ADX’ role in the geothermal Pilot Project as the operator, subsurface geotechnology adviser and license holder, is an extension of ADX’ current oil and gas production and exploration activities in Austria. The execution of this Pilot Project in cooperation with highly competent parties such as Siemens and RED provides a unique opportunity for ADX to enhance its knowledge, capability and experience in anticipation of participation in commercial scale geothermal power generation projects in the near future.



## ASX RELEASE

### Finance and Corporate

#### *Operations*

During the September 2021 quarter, cash revenue received from oil and gas operations in Austria totalled A\$ 2.6 million (for sales for the period June to August). September revenue of EUR 0.46 million (A\$ 0.73 million) was received after the quarter end.

#### *Cash Balances*

ADX' cash at the end of the quarter was A\$ 4.236 million. This cash balance includes A\$ 0.56 million held by 49.2% owned subsidiary Danube Petroleum Limited and its Romanian subsidiary ADX Energy Panonia srl for Romanian operations.

Cash excludes funds secured for bonds and guarantees. Secured cash totals A\$ 0.76 million.

#### *Issue of Performance Rights*

In September 2021, ADX issued 46,086,012 performance rights to its employees in Austria. Performance criteria has been attached to these rights for the period to 31 December 2021. The quantum of shares that will be issued will be determined in January 2022 after the Board has reviewed the Performance Targets on each employee's score card and determined the percentage of each target met.

#### *Corporate Structure*

ADX is in the process of establishing a wholly owned subsidiary to hold ownership of renewable projects in Europe.

#### *Additional ASX Information*

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A\$ 194,000 excluding staff costs. Full details of exploration activity during the quarter are included in this Quarterly Activities Report.
- ASX Listing Rule 5.4.2: Production expenditure in Austria during the quarter was A\$ 620,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A\$ 88,000, excluding staff costs. Full details of production and appraisal activities during the quarter are included in this Quarterly Activities Report.
- ASX Listing Rule 5.4.3: A tenement schedule is provided at the end of this Activities Report. There were no new farm-in or farm-out agreements entered into during the quarter. ADX has no farm-in or farm-out agreements as at the quarter end which reduces the Group's 100% interest in its tenements.
- ASX Listing Rule 5.4.5: Payments to related parties of the Company and their associates during the quarter was A\$ 162,400. This consists of A\$ 7,800 paid for office rental to an

# ASX RELEASE

entity related to Director Andrew Childs, and A\$ 154,600 for executive directors consulting fees, salaries and non-executive director fees.

## Tenement Table

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

Permit	% held at the beginning of the Quarter	% held at the end of the Quarter	% change
Onshore Austria, Zistersdorf and Gaiselberg Production License	100%	100%	-
Upper Austria AGS Licenses <sup>1</sup>	100%	100%	-
Onshore Romania, Parta <sup>2</sup>	100%	100%	-
Onshore Romania, Iecea Mare Production Licence <sup>2</sup>	100%	100%	-
Offshore Italy, d363C.R-.AX <sup>3</sup>	100%	100%	-

**Note 1:** Concession agreements for exploration, production and gas storage in Upper Austria (Upper Austria AGS).

**Note 2:** ADX holds a 49.2% 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.

**Note 3:** 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.

Yours faithfully,



Paul Fink

Chief Executive Officer

+61 (08) 9381 4266

[paul.fink@adx-energy.com](mailto:paul.fink@adx-energy.com)



Ian Tchacos

Executive Chairman

+61 (08) 9381 4266

[ian.tchacos@adxenergy.com.au](mailto:ian.tchacos@adxenergy.com.au)

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

## ASX RELEASE

### 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 relating to Austria contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. 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).

### Resource Classifications used in this release.

**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.

**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.

**Low Estimate** scenario of Prospective Resources - denotes a conservative estimate of the quantity that will actually recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

**Best Estimate** scenario of Prospective resources - denotes the best estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. It is the most realistic assessment of recoverable quantities if only a single result were reported. When probabilistic methods are used, there should be at least a 50 % probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

**High Estimate** scenario of Prospective Resources - denotes an optimistic scenario of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will be equal or exceed the high estimate. ADX has only reported Best Estimate Prospective Resources Scenarios in this release.

## ASX RELEASE

**Prospective resources have been estimated on the following basis.**

ADX has calculated resource estimates probabilistically under the PRMS guidelines outlined in chapter 4.2.3 (June 2018 revision), following the interpretation of all available well data and seismic data including 3D seismic data within the licenses and within the basin.

Historical success rates for exploration in the basin have been high when utilizing 3D seismic. A similar success rate is expected for future drilling given the proximity to oil and gas fields. Given the availability of infrastructure and high-quality productive reservoirs in the basin there is a high probability that successful exploration or appraisal will result in commercial production.