

18 September 2023

Closing of Anshof Oil Development Funding and Participation Transaction with MND

“Payment of EUR 1.93 million by MND to ADX for past costs and long lead drilling equipment satisfies final transaction condition”

Summary

- The transaction announced on 7 August 2023 between ADX VIE GmbH (ADX) and MND Austria a.s. (MND) has been completed following the satisfaction of all transaction conditions precedent.
- MND has secured a 30% economic interest in the Anshof Field within the ADX-AT-II licence in Upper Austria following confirmation of acceptance of the Anshof Field Area partnership documentation by the Austrian designated authority and the payment by MND to ADX of past costs and long lead drilling expenditures of EUR 1.932 million (*A\$3.22 million*).
- MND has further Anshof development funding obligations of EUR 4.683 million (*A\$7.804 million*) for the drilling, completion and tie-in of the Anshof-2 and Anshof-1 wells as well as payment of further contingent Success Payments of EUR 1.335 million (*A\$ 2.225 million*) to ADX and EUR 3.57 million (*A\$ 5.95 million*) of further development funding if the Anshof-2 well meets agreed production performance criteria.
- ADX is the operator and retains a 50% economic interest in the Anshof Field Area with partners MND and Xstate Resources Limited (XST) holding a 30% and 20% economic interest respectively.
- ADX is making final preparations for the Anshof-2 appraisal and development well during the fourth quarter of 2023 with funding of ADX' share of drilling costs provided by MND.
- The partnership structure developed by ADX for the Anshof Field Area, and accepted by the Austrian Authorities, can be used for further co-investment opportunities in ADX Upper Austrian exploration acreage such as the Welchau Investment Area and planned investment by MND in an area within the ADX-AT-I licence.

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that the final precedent condition has been satisfied for the Energy Investment Agreement (EIA) for the Anshof Field Area between ADX' wholly owned subsidiary ADX VIE GmbH (ADX VIE) and MND Austria a.s. (MND). MND has made completion payments to ADX VIE of EUR 1,335,000 for back costs and EUR 597,353 for Anshof-1 and Anshof-2 well long lead items. The total firm and contingent investment payment obligations by MND are up to EUR 11,520,000. (Refer to the ASX release dated 7 August 2023). Under the terms of EIA, MND has secured 30% economic interest in the Anshof Field Area by the payment of past costs as well as the payment of firm and contingent investment obligations.

ADX VIE, MND and existing partner Xstate Resources Limited (XST) have finalised partnership and operating agreements covering the Anshof Field Area following the announced clearance of documentation between ADX VIE, MND and existing partner XST by the ministry of finance of the Republic of Austria (Bundesministerium für Finanzen) (BMF).

ADX is the operator and retains a 50% economic interest in the Anshof Field Area with partners MND and XST holding a 30% and 20% economic interest respectively in the partnership. ADX will retain a 100% interest in the remainder of the ADX-AT-II exploration area other than the Welchau Area where ADX holds an 80% economic

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interest. Of particular relevance to the potential expansion of Anshof, ADX has retained a 100% interest in adjacent oil prospects such as GRB which has similar resource potential to Anshof (see Figure 1).

ADX will progress with the drilling of the Anshof-2 appraisal and development well during the fourth quarter of 2023 with funding to be provided by MND under the terms of the EIA. Success at the Anshof-2 well will result in a substantial increase in oil rate from the field as well as a Success Payment from MND. The Anshof-1 development well is planned to be drilled in 2024. The combination of Anshof-1, Anshof-2 and Anshof-3 is expected to deliver in aggregate an oil rate of approximately 750 to 1,000 BOPD assisted by high angle wells which are expected to result in high productivity and reserves recovery per well.

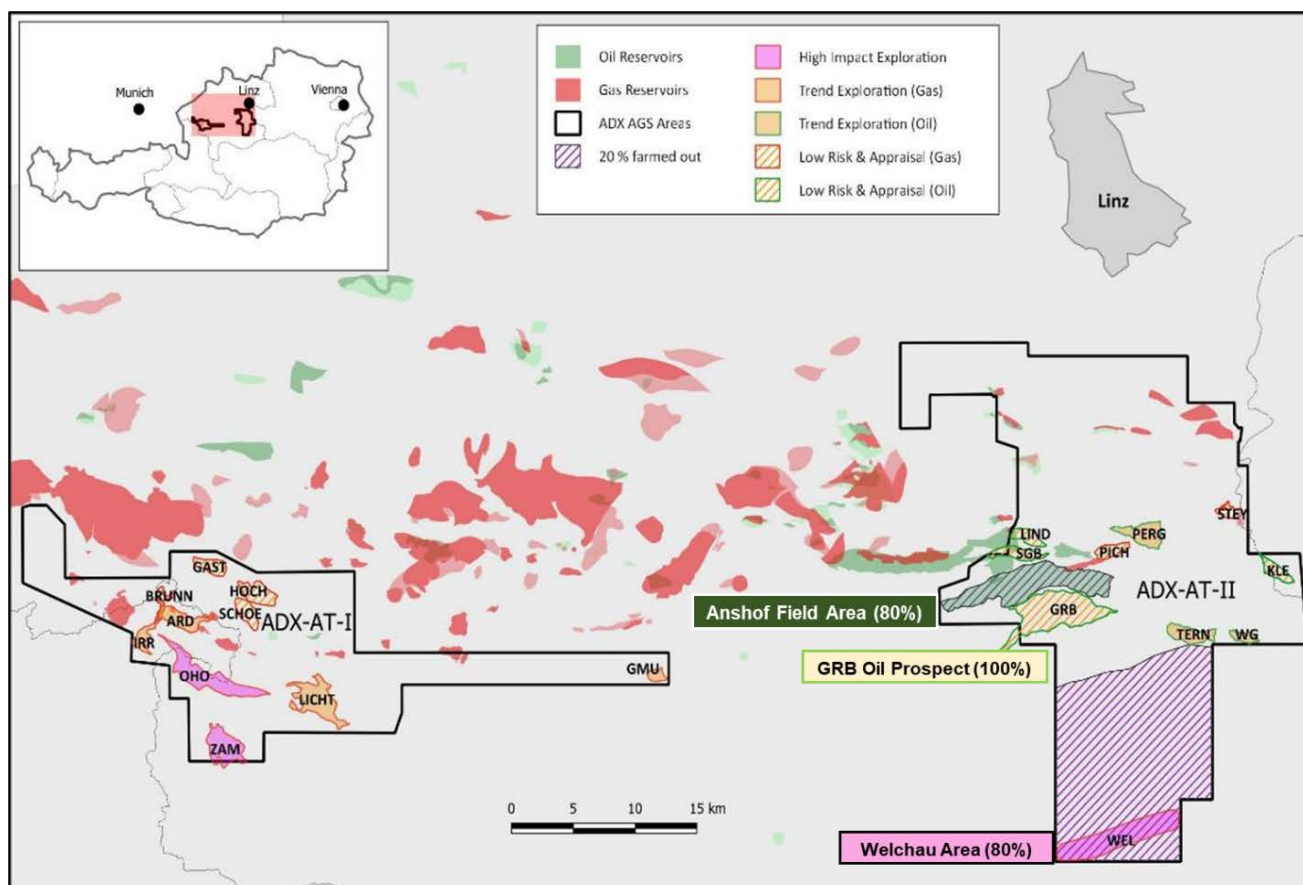


Figure 1: Map showing the ADX-AT-I licence and the ADX-AT-II licence which contains the Anshof Field Area. With the completion of the EIA with MND, ADX economic interest reduces from 80% to 50%

Partnership Documentation

The partnership documentation developed by ADX for the Anshof Field Area transaction, which has been accepted by the BMF, can be used further for co-investment opportunities in ADX' Upper Austrian exploration acreage such as the Welchau Investment Area and the planned but not yet finalised gas exploration investment program by MND in part of the ADX-AT-I licence area.

Co-investment transactions within ADX' Upper Austrian exploration acreage are an important element of ADX' funding and risk mitigation strategy for exploration. ADX has an extensive portfolio of drillable prospects which is attracting industry attention for future co-investment.

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About MND

The parent company of MND is MND a.s., a highly credentialled European energy company that generated approx. EUR 8.5 billion in revenue in 2022. MND a.s. businesses include Production & Exploration, Drilling and Services, Energy Storage and Energy Trading. The Company is active in the Czech Republic, Germany, Ukraine, Austria, Hungary, Slovakia and Hungary. Austria is a new country entry for their Exploration and Production Business.

For further details please contact:

Paul Fink

Chief Executive Officer

+61 (08) 9381 4266

paul.fink@adx-energy.com

Ian Tchacos

Executive Chairman

+61 (08) 9381 4266

ian.tchacos@adxenergy.com.au

Authorised for lodgement by Ian Tchacos, Executive Chairman

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