

ASX RELEASE

31 October 2023

Activities Report For the Quarter Ended 30 September 2023

ADX Energy Ltd (ASX: ADX, “ADX” or “the Company”) is pleased to provide an update on its activities for the quarter ended 30 September 2023.

HIGHLIGHTS

Past Quarter Overview

- *Austrian production and sales revenue increased by 2%, averaging 324 BOEPD and totalling A\$ 3,293,593 for quarter¹*
- *Ongoing test production from the Anshof-3 oil well continued exceeding expectation¹*
- *Operational readiness and rig available to spud Anshof-2 appraisal well in early November*
- *Engineering, procurement and preparations to replace Anshof early production unit with permanent facility capable of up to approx. 3000 BOPD production capacity*
- *Operational readiness to commence Welchau-1 explorational well, drilling permit received awaiting environmental clearance to commence drilling*
- *Completion of investment agreement with MND Austria a.s (MND) for A\$19 million (firm and contingent) funding to earn 30% economic interest in Anshof Oil Development project (Anshof Investment Agreement).*
- *Anshof Investment Agreement documentation received ministerial acceptance providing proforma documentation framework for future Austrian farmouts and co-investment*
- *Geological and applied science research funding (A\$0.6 million) contribution for ADX Welchau prospect area joint studies*

Note 1: *The Anshof-3 well was shut in on the 19th of September 2023 upon reaching the regulatory limit of 5,000 Tonnes (ca. 36,000 Barrels) of test production. Anshof-3 production will recommence after the drilling of the Anshof-2 well and the installation of a permanent production facility in February 2024. Anshof-2 will be drilled from the same wellsite as Anshof-3.*

Production

Vienna Basin Fields and Anshof- 3 Production

- **Sales Revenues** (ADX share) **and Hedging Revenue** decreased by 3% (A\$ 3,184,467 for the quarter)
- **Oil Equivalent Production Rates** increased by 2% (averaging net 324 BOEPD)
- **Brent Oil Price** increased by 11% (averaging USD 86.76 per barrel)

ASX RELEASE

- **Gas Price** decreased by 17% (averaging EUR 31.27 per MWh)

Appraisal and Development

Anshof Field – Upper Austria

- **Anshof-3 Test Production** continued (until temporary shut-in) at a stable rate exceeding reservoir performance assumed in recent reserves audit
- **Anshof-2 Appraisal Well** ready and rig available to spud in early November 2023
- **Anshof-1 Development Well** procurement and planning work continued for potential drilling in Q2 2024
- **Anshof Field Permanent Production facility** design, planning, procurement and permitting work for the permanent production facilities to be installed in January 2024 and commissioned in February 2024
- **Appraisal and Development Funding** secured with completion of the Anshof Investment Agreement with MND providing cash payments and work program funding for the Anshof-2 and Anshof-1 well. MND to provide A\$19 million (firm and contingent) funding to earn 30% economic interest in the Anshof Oil Development project

Exploration

Upper Austria – Exploration Licenses

- **Welchau 807 BCFE gas prospect** achieved a major permitting milestone by securing the drilling permit from the Mining Authority by mid-August. Significant financial project support of A\$ 600,000 to be provided by Austrian Science Fund
- **ADX AT-I Farmout** following the completion of the Anshof Investment Agreement transaction, MND and ADX commenced finalisation of agreements for MND to fund a gas exploration program in the ADX AT-I licence
- **Low risk, shallow gas prospect portfolio** developed with AI (Artificial Intelligence) software enhancing prospects identified in the ADX AT-I and ADX AT-II areas. The stratigraphic trapping mechanism of the new prospects providing large resources upside potential

Romania – Iecea Mare Production License and Parta Exploration License

- **Parta Exploration License** ADX is in discussions to secure options for license extension with the regulatory authority and has delivered a number of reports in that regard.

ASX RELEASE

Italy – Sicily Chanel Exploration

- ***New License Award Process for Gas Exploration*** Nothing further to report this quarter

Renewable Energy Projects – Austria

- ADX remains positive about the prospects for the *Vienna Basin Green H₂ Project, Vienna Basin Solar Project and the Geothermal, Oil and Gas stacked pay project* in Upper Austria and continues to assess their feasibility in light of dynamic energy markets and changing European regulations. Given the above-mentioned factors and limitations in the organisational resources of the Company, ADX focussed on its oil and gas activities during the quarter and will continue to do so in the near term.

Finance and Corporate

- ***Cash Balance*** at the end of the quarter was A\$ 5.708 million.
- ***Farmout Funding*** of EUR 1,932,353 (A\$ 3.167 million) received for past costs and long lead items
- ***Loan Note Financing*** of A\$1.5 million completed during the quarter to fund high impact drilling procurement
- ***Consolidation of Capital*** by conversion of every ten (10) existing Shares to one (1) Share.

PLANNED ACTIVITIES FOR QUARTER 4, 2023

Vienna Basin Production – Austria

- ***Zistersdorf and Gaiselberg Fields*** work over program to reinstate further oil production

Anshof Field Development – Upper Austria

- ***Anshof-2 Appraisal Drilling*** to commence in early November 2023
- ***Permanent Facility*** procurement, installation and commissioning in preparation for Anshof-3 and Anshof-2 combined production

Exploration

Upper Austria AGS Licences

- ***Welchau 807 BCFE gas prospect*** drilling operations to commence in late November to mid-December subject to an environmental permit expected to be issued in late October to early November
- ***ADX AT-1 Gas Prospect Permitting*** commenced for the drilling of one of up to three gas prospects in mid-2024 drilling. The first drilling permit including an environmental permit is expected to be issued in November 2023

ASX RELEASE

- **Participation Framework Agreements** developed by ADX and approved by the ministry (for Anshof Investment Agreement transaction) that can be used for future farmin and co-investment transactions

- **Gas Prospect Generation (ADX AT-I Licence)**
 - Mature and peer review low-risk, shallow gas prospect portfolio that provide opportunity for rapid commercialisation and high rates of investment return.
 - Mature the large, 3D seismic covered, high impact **ZAM** gas prospect with state-of-the-art structural modelling work with a view to adding a low to mid risk prospect with very large resource potential to the farmout portfolio.

Italy Sicily Chanel Exploration

- **New License Award Process for Gas Exploration** awaiting ministerial response to submission in relation to technical and financial capability after examination by an independent reviewer

Romania

- **Parta Exploration License** engagement with the Authorities for preparation of government decision on license extension
- **Romania – New Ventures** ongoing review of a combined production, appraisal and exploration opportunity

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

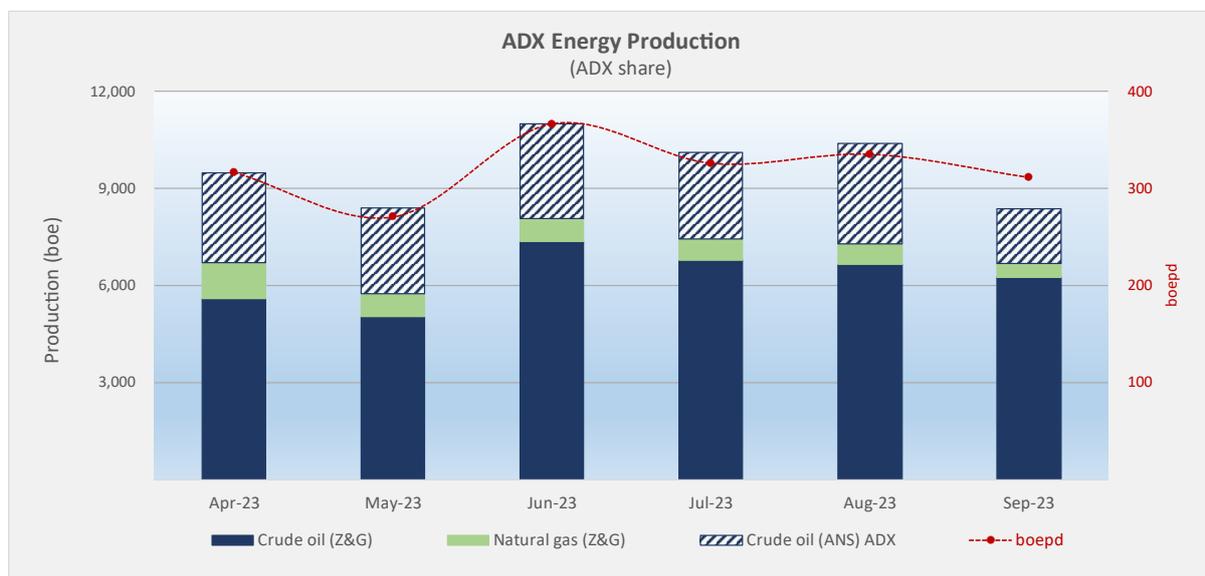
ANSHOF OIL DISCOVERY (Long Term Well Testing) – Upper Austria

ADX is operator and held an 80% economic interest in the production which was reduced to 50% following the finalisation of Anshof Investment Agreement on the 15th of September

Production Operations

Oil sales continued during the quarter with stable, uninterrupted production from the Anshof -3 long-term well test in Upper Austria and stable oil and gas production at the Vienna Basin fields following the initiation of a workover program to reinstate of production from shut in wells. Net oil production at Anshof-3 was reduced in September due to the reduction of net interest to 50% following completion of the Anshof Investment Agreement with MND and the shut in of the well after reaching the regulatory limit of 5,000 Tonnes (approx. 36,000 Barrels) of test production on the 19th of September 2023.

The combined oil and gas production rate averaged 324 BOEPD during September ending 2023 quarter (compared to 317 BOEPD in the previous quarter), an 2% increase compared to the previous quarter.

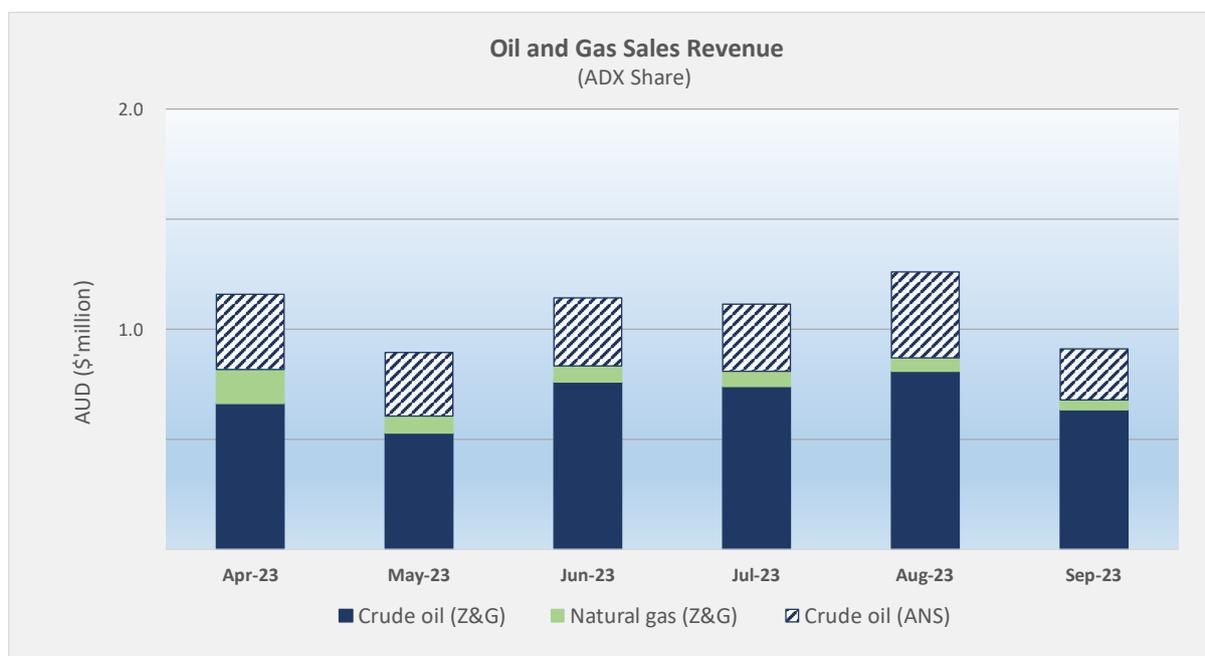


Production histogram showing production from the Vienna Basin fields and ongoing contribution to production from the Anshof-3 long term test

ASX RELEASE

Field Revenues and Product Pricing

Average Brent reference oil pricing strengthened during the quarter averaging USD 86.76 per barrel, an increase of 11% compared to the previous quarter. Gas prices during the June quarter averaged EUR 31.27 per MWh a decrease of 17% compared to the previous quarter.



Oil and gas revenue histogram showing impact of oil and gas price on production from the Vienna basin fields and the Anshof-3 oil well

Australian dollar Sales revenues were slightly higher due to an increase in oil production, an increase in oil price and a decrease in gas price (see tables below).

	July	August	September	Current Qtr Total	Past Qtr Total	%age Change
Crude Oil Produced (Barrels) - Vienna Basin	6,765	6,642	6,250	19,657	17,987	9%
Crude Oil Produced (Barrels) - Anshof (ADX Share)	2,672	3,093	1,679	7,444	8,352	-11%
Gas Delivered (M ³)	108,588	106,614	71,595	286,798	412,667	-31%
Total Oil Equivalent (BOE)	10,099	10,384	8,365	28,848	28,853	0%
Avg Production Rate (BOEPD)	326	335	311	324	317	2%

ASX RELEASE

Table 3 below shows sales revenues of EUR 1,981,410 for the September 2023 quarter compared to EUR 1,938,451 in the March 2023 quarter. Net hedging losses amounted to EUR 65,649 for the September quarter.

Table 2 - Quarterly Sales Price Summary							
	July	August	September	Current Qtr Total	Past Qtr Total	%age Change	
Avg Oil Pricing (US\$ / BBL)	\$ 80.05	\$ 86.21	\$ 94.00	\$ 86.76	\$ 78.39	11%	
Avg Gas Price (Euro / MWh)	€ 31.94	€ 28.87	€ 33.00	€ 31.27	€ 37.90	-17%	

Table 3 - Quarterly Sales & Hedging Revenue Summary							
	July	August	September	Current Qtr Total	Past Qtr Total	%age Change	
Oil Revenue (Euro)	€ 449,192	€ 481,715	€ 388,002	€ 1,318,909	€ 1,183,509	11%	
Oil Revenue (Euro) - ANS (ADX Share)	€ 183,783	€ 232,191	€ 140,334	€ 556,308	€ 570,844	-3%	
Gas Revenue (Euro)	€ 42,908	€ 35,007	€ 28,278	€ 106,193	€ 184,099	-42%	
Total Sales Revenue (Euro)	€ 675,883	€ 748,913	€ 556,613	€ 1,981,410	€ 1,938,451	2%	
Hedging Revenue (Euro) "Swap Contracts"	€ 4,898	-€ 18,013	-€ 52,535	-€ 65,649	€ 46,133	-242%	
Total Revenue (Euro)	€ 680,781	€ 730,901	€ 504,079	€ 1,915,761	€ 1,984,584	-3%	
Total Revenue (A\$)	\$ 1,131,626	\$ 1,214,937	\$ 837,904	\$ 3,184,467	A\$/ Euro =	0.6016	

Hedging

Due to volatile market conditions and in line with its rolling hedging strategy seeking to provide visibility on near revenue generation, ADX hedged on 5 April 2023 a total of 16,440 barrels for the period between 1 April 2023 to 30 September 2023 under a swap contract at a fixed price of USD 82.94 per barrel (Dated Brent price). The hedging counterparty for this transaction is Britannic Trading Limited (trading entity of BP) ("BTL").

On 27 July 2023, ADX executed further hedging transactions with BTL with a fixed price swap contract for 15,810 barrels of oil at a fixed Brent crude oil price for August 2023 to December 2023 at USD 81.45 per barrel.

The quantity of hedged oil for Q4 2023 is approximately 100 BOPD.

The balance of the crude oil production from the Vienna basin fields and all of ADX' share of the crude oil production from the Anshof field remain unhedged allowing ADX to maintain exposure to upside in Brent crude oil pricing. Gas production from the Vienna basin fields is also not hedged.

Appraisal & Development Activities

ANSHOF EOCENE OIL PROJECT – ADX-AT-II LICENCE, Upper Austria

ADX is operator and held an 80% economic interest in the production which was reduced to 50% following the finalisation of Anshof Investment Agreement on the 15th of September - Refer to ASX release on 18 September 2023 regarding finalisation of the Anshof Investment Agreement with MND.

ASX RELEASE

Anshof-3 Extended Production Testing

Anshof-3 production continued through the quarter at a stable rate of 114 barrels per day over 81 production days.

The total production of 9,305 barrels for this quarter was an 11% decrease on the previous quarter (10,440 barrels) due to well shut-in on the 19th of September 2023.

The Anshof-3 well was shut in after reaching the regulatory limit of 5,000 Tonnes (36,000 Barrels) of test production. Anshof-3 production will recommence after the drilling of the Anshof-2 well and the installation of a permanent production facility in February 2024. Prior to shut in there were 2.75 days of production shut-in for storage tank installation and 1.2 days during the quarter covering planned equipment servicing.

Anshof-3 production performance continued to exceed expectations with strong pressure support and deliverability. Anshof crude oil quality continues to meet all the required specifications of the transporter and the buyer (OMV-refinery near Vienna).

Anshof-2 Appraisal and Anshof-1 Development Drilling

Anshof-2 Appraisal Well is operationally ready and the rig will be available to spud in early November 2023. The drilling permit for the Anshof-2 well is tied to two specific rig types including a drilling rig (to drill and suspend the well) and a work over rig (to test and complete the well) provided by drilling contractor RED Drilling & Services GmbH (RED) with whom ADX has a rig services contracts in place. ADX used the RED drilling rig to drill the Anshof-3 well. Anshof-3 was drilled without any lost time safety incidents and within budget.



Running casing on Anshof-3 well using the RED E-200 rig

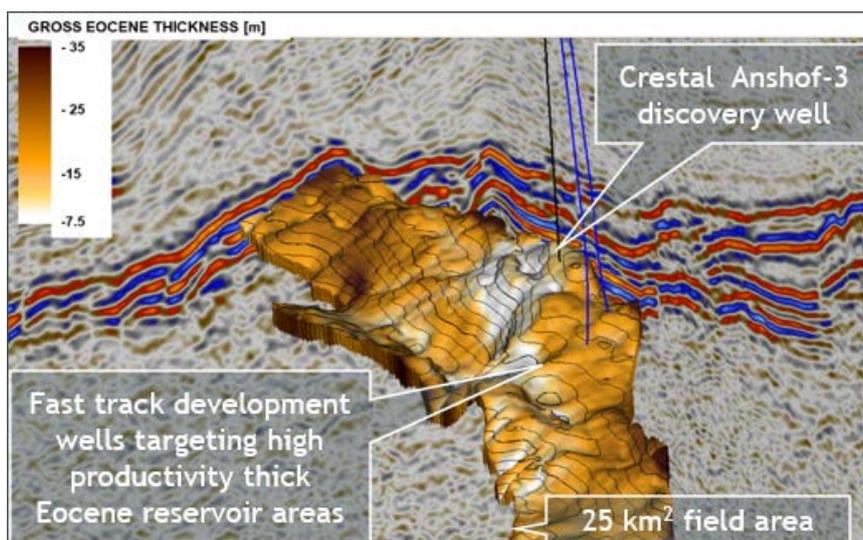
ASX RELEASE

Procurement and planning work continued for Anshof-1 development well with a view to its potential drilling in Q2 2024. The Anshof-2 and Anshof-1 development wells will be drilled from the same drilling and production site as the Anshof-3 well. Siteworks construction including well cellar installation has been completed for both Anshof-2 and Anshof-1. The long lead items (LLI) including well casings and the wellheads have been delivered for Anshof-2 and LLI's for Anshof-1 well are expected to be delivered during November 2023.



Anshof-3 well and Early Production Unit as well as Anshof-2 and 1 drilling locations

The wells are planned to progressively target thicker reservoir intersections in the 25 km² mapped Anshof structure. A large upside potential area remains to be appraised and developed at Anshof.



Anshof field outline based on 3D model utilising 3D seismic and offset well data showing the Anshof-3 well and the Anshof-2 and Anshof-1 well locations (shown in blue)

ASX RELEASE

The Anshof-2 well will appraise the extent of the downdip oil in the structure since no oil water contact was intersected in the initial Anshof-3 exploration well. It will be a high angle well with its meterage penetration of the Eocene reservoir maximising both the well oil flow rate and potential reserves recovered by the well.

Anshof-1 well will be drilled as a producer in a more crestal part of the structure and as with Anshof-2 in a thicker part of the Eocene reservoirs relative to the Anshof-3 well located in the western part of the structure. The bottom hole location of Anshof-1 will be optimised utilising data obtained from the Anshof-2 well.

Permanent Production Facilities Procurement, Planning, Permitting and Engineering

Procurement, planning and design work continued during the quarter for the installation of Anshof field permanent production facilities (PPF) after the drilling of Anshof-2. It is intended that the PPF will be installed in January 2024 and commissioned in February 2024

The PPF will enable the simultaneous production of the Anshof-2 and Anshof-3 wells in Q1 2024 as well as the Anshof-1 well when drilled and completed in Q2 or Q3 2024. The capacity of the planned facility is approx. 3000 BOPD providing further capacity to utilise the PPF as a central processing facility for further Anshof development wells.

Production from the PPF will initially be trucked to a nearby train loading facility as has been the case with the Anshof-3 well. In the longer term it is intended to construct new production pipelines to nearby export facilities less than 4km from the Anshof-3 location.

The PPF will be configured to enable mostly unmanned 24 hour field production operations and replace the current early production system which had limited production capacity and storage.

A summary of the activities during the quarter are as follows;

- Preparation for dismantling and demobilisation the existing Anshof Early Production rental unit ahead of the commencement of Anshof-2 drilling.
- Assessment and finalisation of commercial terms for a PPF.
- Cost and schedule estimates for PPF installation as well as a truck loading arm, an export pump and a gas-powered generator.
- PPU contract finalisation with an as new facility based on a 24 month rental and purchase option.
- PPU inspection in nearby Bavaria, operational planning for dismantling and mobilisation to Anshof.
- Engineering, planning and permitting work for the PPF with a view to mobilisation of the facility to Anshof in December after the drilling of the Anshof-2 well.

In addition to the PPF facility design and procurement, preparation commenced for the purchase and installation of a generator gas engine, an oil top loading tank and an oil loading pump required to optimise oil transport operations and minimise emissions.

ASX RELEASE

Exploration Activities

Upper Austria AGS Licenses – Austria

ADX is operator and holds a 100% interest in the ADX-AT-I and ADX-AT-II exploration licenses other than in the Anshof Discovery Area where ADX is operator and holds an 50% economic interest and the Welchau Farmout area where ADX holds an 80% economic interest

Welchau Giant Gas Prospect

A major milestone was achieved by securing the drilling permit from the Mining Authority by mid-August (refer to ASX release from 16 August 2023). This allows ADX to go ahead with certain operations such as drilling a water well to ensure local water supply for the drilling operations and additional resources for any firefighting required.

The environmental permit process is essentially an exemption from conducting a full EIA (Environmental Impact Assessment). Progress has been steady during the period but in a slower than usual fashion (i.e. compared to the very fast Anshof site permitting) due to several expert opinion's being requested by the authority who intends to deliver a decision and a detailed report which is legally and technically competent thereby ensuring that it cannot be contested. The well is located several kilometres away from a major Austrian National park but is relatively close to a small nature protection area thereby requiring additional permitting processes than would normally be the case.

ADX AT-I Farmout and 2024 Gas Exploration Drilling

Following the completion of the Anshof Investment Agreement with MND, MND and ADX has commenced the finalisation of agreements for MND to fund a gas exploration program in ADX AT-I. ADX and MND expect to be able to finalise the transaction in November, prior to a submission for regulatory approval.

Although the finalisation of legal documentation for MND's participation is ongoing, ADX has been working on securing drilling permits for potential future drilling projects in 2024 which will be considered by MND and ADX. It is expected that the first drilling permit including the environmental permit for one of up to three gas prospects will be issued in mid to late November 2023. The parties plan to select the first drilling prospect after finalisation of the transaction with a view to drilling during Q3 2024.

In addition to permitting ADX has focused its work during the quarter on maturing the low risk gas exploration portfolio such as the combined HOCH and GAST and SCHOE prospects shown below in the exploration prospect inventory table. (Note that the table was first presented and discussed in detail in the ASX release from 22 June 2023). The map below shows the location of the three above mentioned prospects in the northern part of ADX AT-I.

ASX RELEASE

Revision of resources by prospect				
20 Prospects	Prospect	Fluid (Expected)	Best Technical Recoverable (MMboe)	Best Technical Recoverable (BScfe if gas)
HIGH IMPACT EXPLORATION	WEL	GAS	134	807
	OHO	GAS	20,4	122,4
	ZAM	GAS	16,7	100,2
TREND EXPLORATION	GMU	GAS	3,9	23,4
	IRR	GAS	6,3	37,8
	TERN	OIL	3,2	na
	LICHT	GAS	2,7	16,2
	WOLF	OIL	2,2	na
	PERG	OIL	2,5	na
	ARD	GAS	2,2	13,2
DISCOVERIES & APPRAISAL	SGB	OIL	2,8	na
	GRB	OIL	9,5	na
	LIND	OIL	0,8	na
	KLE	OIL	0,8	na
LOW RISK & COST TIE IN GAS APPRAISAL & EXPLORATION	SCHOE	GAS	1,1	6,6
	HOCH	GAS	0,8	4,8
	GAST	GAS	0,6	3,6
	PICH	GAS	1	6
	BRUNN	GAS	0,8	4,8
	STEY	GAS	0,5	3
Total Exploration (MMboe)			195	
Total Exploration + Appraisal (MMboe)			213	
Total Exploration + Appraisal - GAS only (BScf)				1 149
Total Appraisal & Low Risk - GAS only (BScf)				29

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

Further surface analysis and subsurface work has led to the conclusion that all three prospects can be drilled from the same surface location thereby substantially reducing costs and improving economics further. The prospects are very close to tie in gas infrastructure and are expected to contain dry natural gas (methane) only.

A detailed review of the HOCH and GAST prospects has revealed that they could be two connected parts of the same much larger combined accumulation. The subsequent estimated technical prospective resources¹ are shown in the table below.

ASX RELEASE

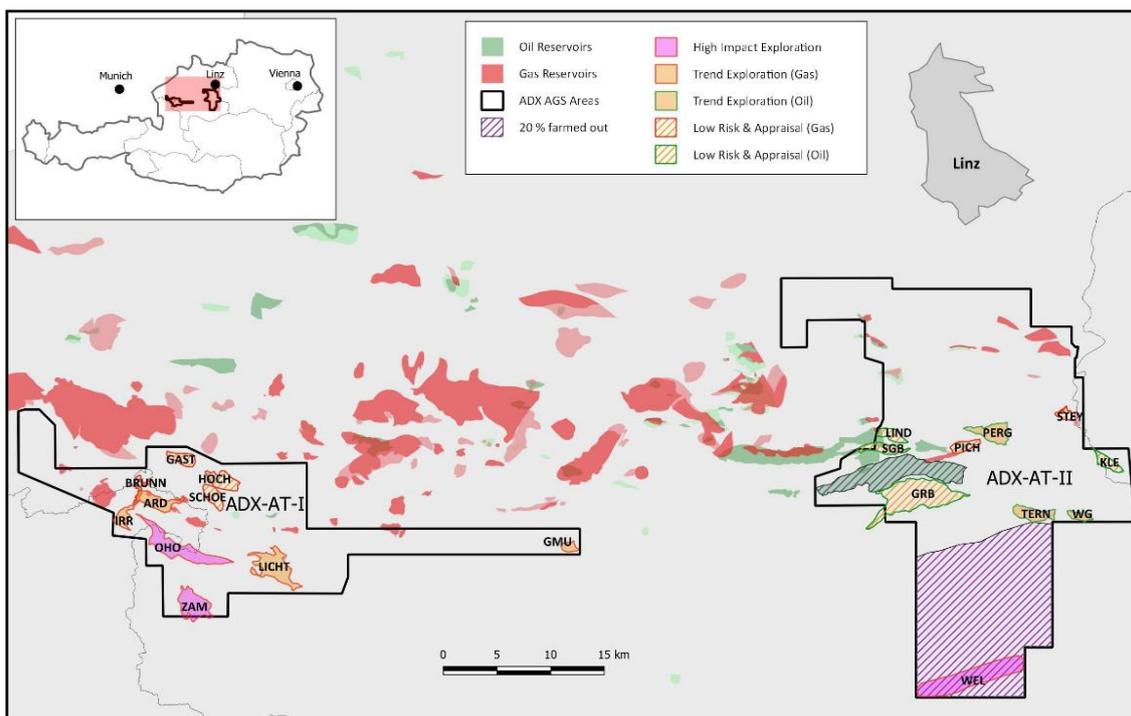


Table showing the prospective resources estimates of the combined HOCH and GAST prospect:

HOCH-GAST - Prospective Resources			
	Min (P90)	Best Technical	Max (P10)
mboe	0,3	1,4	3,1
Bscf	1,5	8,0	17,3

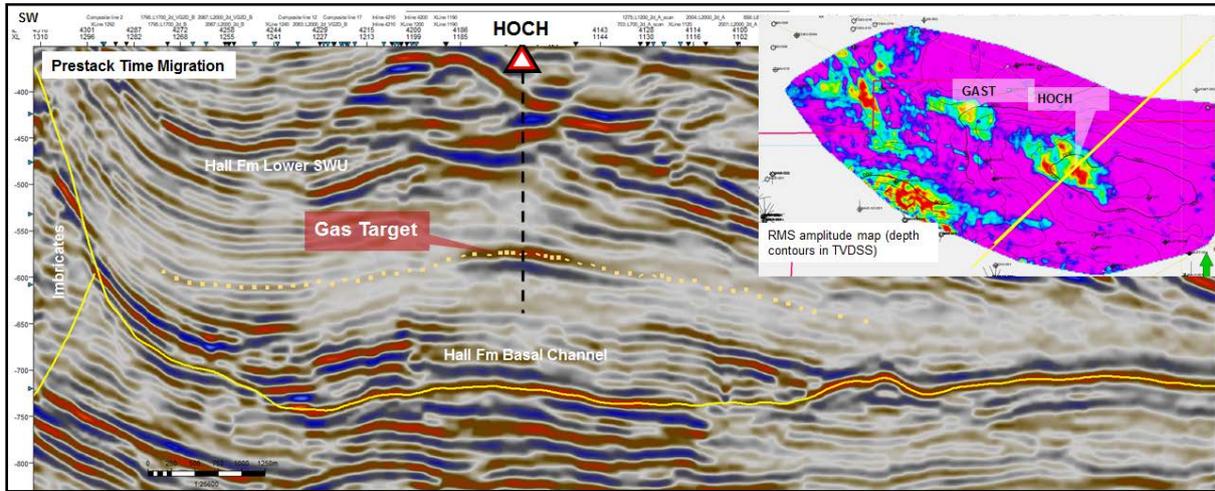
Refer to Cautionary Statement in relation to **Prospective Resources** on Page 12 of this report

In combination with the SCHOE prospect one new exploration well plus a side track could explore best technical prospective resources of 15 bscf² with an upside potential (P10 as per PRMS) of 31 bscf².

Note 2: Refer to Cautionary Statement in relation to Prospective Resources on Page 12 of this release.

The 3D seismic section below and the inserted reservoir amplitude map is indicative of gas reservoir presence and summarize the most important technical features of the combined HOCH-GAST prospect. The depth contours also show that the prospect has a very low risk 4 way dip closure component and a large structural – stratigraphic upside being located in the axis of a structural nose plunging to the NW.

ASX RELEASE



In parallel work was ongoing to be able to drill at least one of the high impact gas prospects in ADX AT-I by mid 2024. During the quarter work was successfully undertaken to obtain land access rights for both the “IRR” and “LICHT” prospect (refer to the location overview map). Both offer significant resource potential and are fully covered by high quality 3D seismic and supported by seismically generated direct hydrocarbon indicator responses.

The IRR prospect is an example of a high impact gas prospect in the portfolio which also includes LICHT, ZAM and OHO in ADX AT-I. IRR is featured in the montage (Figure A) below. It shows the large (stratigraphic) resources upside potential and the strong analogy with a close by gas field which had approximately produced around 155 bscf during its field life prior to its conversion to a large gas storage facility.

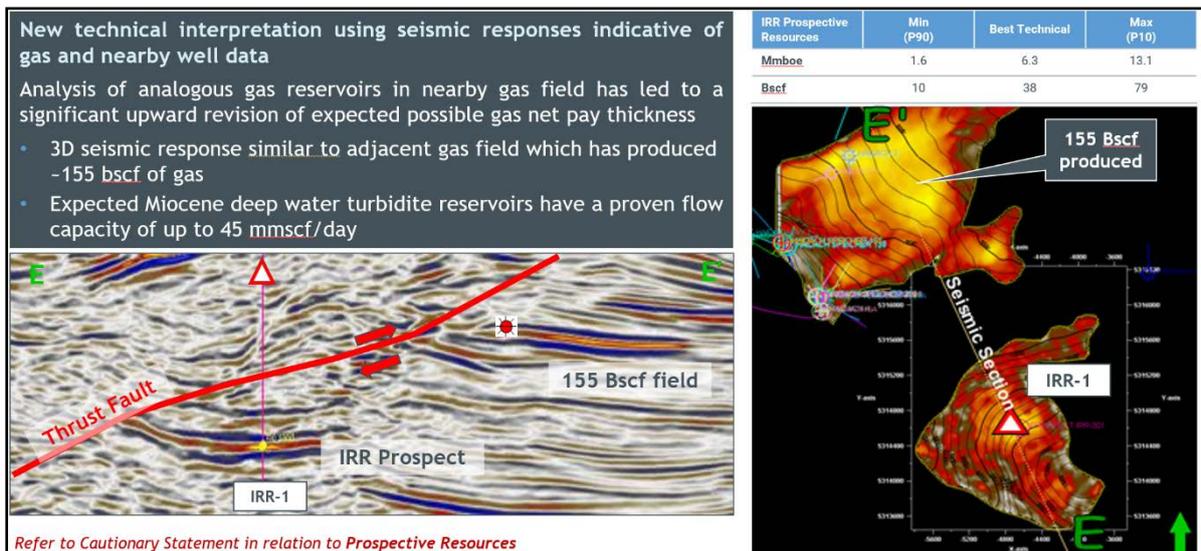


Figure A

Refer to Cautionary Statement in relation to Prospective Resources on Page 12 of this report

ASX RELEASE

Upper Austria Farm-out Activities

ADX has completed multiple farmout transactions including with MCF Energy Ltd in relation to Welchau, the recently announced Anshof Investment Agreement as well as the yet to be finalised investment agreement for MND to fund a gas exploration program in ADX AT-I, ADX has been engaged in on-going discussions with multiple parties to fund further exploration and appraisal programs in Upper Austria. This has resulted in a number of farm in proposals currently under discussion and further prospect generation to attract further investment in the extensive ADX exploration portfolio. The Participation Framework Agreements developed by ADX and approved by ministry (for the Anshof transaction) can be readily used as a template for future farm-in and co-investment transactions.

PARTA EXPLORATION PERMIT AND IECEA MARE PRODUCTION LICENSE – 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.

ADX is engaged in ongoing discussions with the Regulatory Authorities in relation to options for the Parta exploration license extension. ADX has delivered a number of requested reports in support of the extension discussions. The Iecea Mare production license which has a validity (or term) of 20 years and is not affected.

Permit d 363C.R-.AX – Offshore Italy

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

ADX is awaiting ministerial response following the submission of several technical, commercial and financial capability documents for the award of a gas exploration and exploitation license. ADX has been informed by the Italian ministry during the quarter that the documents are currently under a final review by an independent group of experts outside of the ministry.

New Ventures

Portfolio Expansion Opportunities

ADX has successfully participated in the evaluation and offer process for a highly complimentary production, appraisal and exploration opportunity for an onshore Europe opportunity. As one of the preferred bidders ADX will continue to further evaluate the opportunity which would have significant synergies with the Company's current portfolio and operations.

ASX RELEASE

Renewable Energy Projects – Austria

Vienna Basin Green Hydrogen Project

Wholesale electricity prices in Austria remain very high despite lower natural gas prices impacting the competitiveness of renewable hydrogen as an energy source. The power futures market suggests that electricity prices in Austria will remain elevated which will influence green hydrogen economics in the short term.

ADX is awaiting further regulatory advances in relation to renewable gases in pipelines which will favour green hydrogen.

Given the above-mentioned factors and limitations in the organisational resources of the Company, ADX is focussing on its oil and gas activities in the near term.

Vienna Basin Solar Project

ADX has continued to explore the potential synergies of the Vienna Basin Solar Project for power generation for self consumption at the ADX Vienna Basin fields as well as green hydrogen generation. Depending on the configuration retained, the Vienna Basin Solar Project could supply electricity at a cost estimated between EUR 25 per MWh to EUR 60 per MWh. In addition, this feedstock complies with the EU regulatory requirements for the production of green hydrogen for the mobility sector.

ADX is continuing to evaluate the development of a green hydrogen early production scheme (Green Hydrogen EPS) to develop a first mover advantage and generate early revenues. For this purpose, a small-scale electrolyser with a capacity of ≤ 250 kW (able to produce up to 50 m³ of hydrogen per hour at full utilisation) could be used. Such configuration would:

- initially considerably reduce the need to secure supply of renewable electricity from external sources and the upgrade of the electricity network; and
- allow monetisation of renewable electricity generated from the Vienna Basin Solar Project which cannot be supplied into the grid.

Hydrogen is currently available in 5 filling stations in Austria. However, various marketing networks are interested in developing this segment. In addition, green hydrogen (even in small quantities) has multiple industrial applications and an extensive target customer base within a 100-km radius of the Vienna Basin Fields.

A Green Hydrogen EPS concept will be reviewed and developed in the first half of next year.

The Green Hydrogen EPS concept and the Vienna Basin Solar Project are complimentary to the development of larger scale hydrogen storage in depleted reservoirs with in ADX Vienna Basin Fields. Such storage can be used for larger scale hydrogen production by ADX or third party hydrogen storage

ASX RELEASE

when the planned European Hydrogen Backbone² is constructed to connect nearby Vienna to a major hydrogen network.

It remains ADX' long-term plan to make the Vienna Basin Fields a multi-energy hub combining low emissions oil and gas production operations, renewable energy production and hydrogen storage activities.

As is the case of the Vienna Basin Hydrogen Project, due to limitations in the organisational resources of the Company, ADX is focussing on its oil and gas activities in the near term.

Oil, Gas and Geothermal Multi Energy Project in Upper Austria

The GMU prospect located in the Eastern part of the ADX-AT-I exploration licence in Upper Austria (Molasse basin) was highlighted, presented and discussed in detail in the ASX release on the 22 June 2023. It combines a geothermal opportunity (fractured Jurassic limestone with 110°C reservoir temperature) and stacked overlying oil and gas targets defined on high quality 3D seismic.

The GMU prospect provides the combination geothermal potential representing 18 MW of thermal power together with overlying oil and gas potential identified on high quality 3D seismic. The combination of geothermal and hydrocarbon potential is increasingly attractive due increasing energy prices and increasing local industry demand seeking sustainable long term alternatives to expensive oil, gas and electricity.

As is the case of the Vienna Basin Hydrogen Project and the Solar Project, due to limitations in the organisational resources of the Company, ADX is focussing on its oil and gas activities in the near term.

Finance and Corporate

Operations

During the September 2023 quarter, cash revenue received from oil and gas operations in Austria totalled A\$ 3.9 million (for oil and gas sales for the period June 2023 to August 2023). Gross September 2023 oil and gas revenue of EUR 0.61 million (A\$ 1 million) was received after the quarter end. Revenues and production costs are based on 100% of operations, with net distributions to partners to be shown as a separate outflow. During the quarter, no distributions were paid to partners.

² The European Hydrogen Backbone (EHB) initiative is a group of European energy infrastructure operators which initially published a vision paper for a dedicated hydrogen pipeline infrastructure, to a large extent based on repurposed natural gas pipelines in July 2020, with maps covering nine EU Member States plus Switzerland, home to the eleven Transmission System Operators (TSOs) participating at that time. Since then, the EHB initiative has grown to 31 European network operators with infrastructure covering 25 EU Member States plus Norway, the United Kingdom, and Switzerland. The EHB as currently contemplated is a geographically extended vision for a dedicated hydrogen infrastructure stretching across these 28 European countries including Austria.

ASX RELEASE



Cash Balances

ADX' cash at the end of the quarter was A\$ 5.708 million.

Cash excludes funds secured for bonds and guarantees. Secured cash totalled A\$ 1.1 million at the end of the quarter.

Funds from Farmouts and Partners

During the quarter, the following funds were received from partners:

- On 6 July 2023, EUR 58,972 (A\$ 96 k) was received from MCF Energy Ltd. For study costs in relation to the Welchau prospect.
- On 13 September 2023, a total of EUR 1,932,353 (A\$ 3.167 million) for past costs and long lead drilling expenditures was received from MND Austria a.s. (MND) to secure a 30% economic interest in the Anshof Field within the ADX-AT-II licence in Upper Austria.

Loan Notes

On 11 July 2023, ADX announced that it had secured A\$1.5 million in loan note funding for the ongoing pre-investment in equipment and services to drill up to 4 wells, as well as engineering and services for the installation of a permanent production facility to replace an early production unit currently in operation at the Anshof-3 production well.

ASX RELEASE

A total of 30 loan notes of A\$ 50,000 each totalling A\$ 1.5 million (Loan Notes) were issued to a small number of supportive existing shareholders and new sophisticated investors. The terms for the Loan Notes are summarised as follows:

	Loan Note A	Loan Note B	Total Loan Notes
Face Value of Each Loan Note	\$50,000	\$50,000	\$50,000
Number of Loan Notes Issued	20	10	30
Total Loans aggregate amount	\$1,000,000	\$500,000	\$1,500,000
Loan Term	18 Months (11 January 2025)	18 Months (11 January 2025)	18 Months (11 January 2025)
Interest Rate per annum (payable quarterly in arrears)	8%	12%	8-12%
Free Attaching Unlisted Options with an Exercise Price of \$0.1, expiring 11 January 2025	150,000 Options per Loan Note (3,000,000 in Total)	-	Total of 3,000,000 Options*
Free Attaching Unlisted Options with an Exercise Price of \$0.14, expiring 11 January 2025	150,000 Options per Loan Note (3,000,000 in Total)	215,000 Options per Loan Note (2,150,000 in Total)	Total of 5,150,000 Options*

* Post-consolidated amounts

Additional Hedging

On 27 July 2023, ADX executed further hedging transactions with Britannic Trading Limited (trading entity of BP) ("BTL") with the following additional derivative financial instruments:

- Fixed price swaps for 15,810 barrels of oil at a fixed Brent crude oil price for August 2023 to December 2023 at USD 81.45 per barrel.

Consolidation of Capital

On 29 August 2023, ADX announced that a General Meeting would be held on Thursday 28 September 2023, to consolidate the issued capital of the Company through the conversion of every ten (10) existing Shares into one (1) Share (Consolidation).

ADX previously had long history (over 25 years) originating as a gold and base metal company before becoming an Energy company. Consolidation was proposed by the Company in order to reduce the number of Shares on issue as the Board considered it appropriate for ongoing growth with a capital structure that is more in line with ADX' size, peer group companies and the increasing European shareholder presence on the Company's share register.

ASX RELEASE

Upon receiving Shareholders approval, the capital consolidation was completed, with an effective date of 28 September 2023.

Additional ASX Information

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A\$ 15,000 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\$ 2,565,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A\$ 3,000, 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.
- ASX Listing Rule 5.4.5: Payments to related parties of the Company and their associates during the quarter was A\$ 282,000. This consists of A\$ 7,259 paid for office rental to an entity related to Director Ian Tchacos and A\$ 274,769 for executive directors consulting fees and 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 ^(a)	100%	100%	-
Onshore Romania, Parta ^(b)	100%	100%	-
Onshore Romania, Iecea Mare Production Licence ^(b)	100%	100%	-
Offshore Italy, d363C.R-.AX [©]	100%	100%	-

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

ADX announced a farmout to ASX listed Xstate Resources Limited (Xstate) to earn a 20% economic interest in the Anshof Discovery Area. Xstate have earned their 20% economic interest.

ADX announced a subsequent Anshof Investment Agreement with MND Austria a.s (MND) where MND has secured a 30% economic interest in the Anshof Discovery Area by providing cash payments to ADX and funding 60% of the Anshof work program funding.

ASX RELEASE

ADX announced a subsequent farmout to KPFG to earn 20% economic interest and ADX will retain an 80% economic interest in the Welchau Farmin Area.

ADX retains a 100% interest in the remainder of the ADX-AT-II exploration license and the entire ADX-AT-I exploration license.

Note b: 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 c: 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,

A handwritten signature in blue ink, appearing to read 'Paul Fink'.

Paul Fink

Chief Executive Officer

+61 (08) 9381 4266

paul.fink@adx-energy.com

A handwritten signature in blue ink, appearing to read 'Ian Tchacos'.

Ian Tchacos

Executive Chairman

+61 (08) 9381 4266

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 and Italy 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 30 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).

Previous Estimates of Reserves and Resources:

ADX confirms that it is not aware of any new information or data that may materially affect the information included in the relevant market announcements for reserves or resources and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

PRMS Reserves Classifications used in this release:

Developed Reserves are quantities expected to be recovered from existing wells and facilities.

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Developed Non-Producing Reserves include shut-in and behind-pipe reserves with minor costs to access.

Undeveloped Reserves are quantities expected to be recovered through future significant investments.

A. **Proved Reserves (1P)** are those quantities of Petroleum that by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will be equal or exceed the estimate.

B. **Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. **Possible Reserves** are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or

ASX RELEASE

exceed the 3P estimate. Possible Reserves that are located outside the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project

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.

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.