

**ADX ENERGY LTD**  
**ACN 009 058 646**

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**PROSPECTUS**

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For the offers of:

- (a) up to approximately 35,714,286 Options exercisable at \$0.15 each on or before 8 May 2026 (**Tranche 1 Placement Offer**); and
- (b) up to approximately 28,571,428 Options exercisable at \$0.15 each on or before 8 May 2026 (**Tranche 2 Placement Offer**),

(together, the **Offers**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

**The Options offered by this Prospectus should be considered as highly speculative.**

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## CORPORATE DIRECTORY

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### Directors

Ian Tchacos  
*Executive Chairman*

Paul Fink  
*Technical Director & CEO*

Edouard Etienvre  
*Non-Executive Director*

John Begg  
*Non-Executive Director*

### Joint Company Secretaries

Amanda Sparks  
Peter Ironside

### Share Registry\*

Computershare Investor Services Pty Ltd  
Level 17  
221 St George's Terrace  
PERTH WA 6000

### ASX Code

ADX

### Registered Office

29 Bay Road  
CLAREMONT WA 6010  
Telephone: +61 8 9381 4266

Email: [admin@adxenergy.com.au](mailto:admin@adxenergy.com.au)  
Website: [www.adxenergy.com.au](http://www.adxenergy.com.au)

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Auditor\*

InCorp Audit & Assurance Pty Ltd  
Level 1, Lincoln Building  
4 Ventnor Avenue  
WEST PERTH WA 6005

\* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

## 1. TIMETABLE AND IMPORTANT NOTES

### 1.1 Timetable\*

Action	Date
Lodgement of Prospectus with the ASIC and ASX	6 May 2024
Opening Date of the Offers	6 May 2024
Issue of Tranche 1 Placement Shares under the Placement	8 May 2024
Closing Date of the Tranche 1 Placement Offer	9 May 2024
Issue of Tranche 1 Options under the Tranche 1 Placement Offer	10 May 2024
Official Quotation of Tranche 1 Options issued under the Tranche 1 Placement Offer	13 May 2024
Date of Annual General Meeting	22 May 2024
Closing Date of the Tranche 2 Placement Offer	27 May 2024
Issue of Tranche 2 Placement Shares and Issue of Tranche 2 Options under the Tranche 2 Placement Offer	28 May 2024
Official Quotation of Tranche 2 Placement Shares and Tranche 2 Options issued under the Tranche 2 Placement Offer	29 May 2024

\* The above dates are indicative only and may change without prior notice.

### 1.2 Important Notes

This Prospectus is dated 6 May 2024 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### 1.3 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on

the Company's website ([www.adxenergy.com.au](http://www.adxenergy.com.au)). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

#### **1.4 Risk factors**

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

#### **1.5 Taxation implications**

The Directors do not consider it appropriate to give Shareholder's advice regarding the taxation consequences of applying for Options under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Options under this Prospectus.

#### **1.6 Overseas Investors**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

#### **1.7 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

### **1.8 Website – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.adxenergy.com.au](http://www.adxenergy.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be a resident of Australia, New Zealand, Singapore, Hong Kong, the United Kingdom, the European Union or the United States and must only access this Prospectus from within Australia, , New Zealand, Singapore, Hong Kong, the United Kingdom, the European Union or the United States.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **1.9 Disclaimer**

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

### **1.10 Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Options under this Prospectus.

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## 2. BACKGROUND TO THE OFFERS

On 2 May 2024, the Company announced that it had finalised the placement of 128,571,429 Shares to sophisticated, institutional and professional investors, at an issue price of \$0.105 per Share, together with one (1) free attaching Option for every two (2) Shares issued, exercisable at \$0.15 each on or before 8 May 2026 to raise \$13,500,000 (**Placement**).

The Placement is structured as follows:

- (a) 71,428,571 Shares and approximately 35,714,286 Options will be issued on or about 8 May 2024 utilising the Company's placement capacity under ASX Listing Rule 7.1 (27,720,784 Placement Shares and 35,714,286 Options) and ASX Listing Rule 7.1A (43,707,788 Shares) (**Tranche 1 of the Placement**); and
- (b) 57,142,857 Shares and approximately 28,571,428 Options will be issued, subject to shareholder approval being sought at the Company's Annual General Meeting to be held on 22 May 2024 (**AGM**) (**Tranche 2 of the Placement**).

Further details in relation to the Placement are set out in the ASX announcement released on 2 May 2024.

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### **3. DETAILS OF THE OFFERS**

#### **3.1 The Offers**

The Tranche 1 Placement Offer is an offer of approximately 35,714,286 Options (subject to rounding of allocations), being one (1) free attaching Option for every two (2) Shares issued under the Tranche 1 of the Placement, exercisable at \$0.15 each on or before 8 May 2026.

The Tranche 2 Placement Offer is an offer of approximately 28,571,428 Options (subject to rounding of allocations), being one (1) free attaching Option for every two (2) Shares issued under the Tranche 2 of the Placement, exercisable at \$0.15 each on or before 8 May 2026.

The Tranche 2 Placement Offer is conditional on the Company obtaining the approval of Shareholders to issue the Securities the subject of Tranche 2 of the Placement. If this Shareholder approval is not obtained, the Tranche 2 Placement Offer will not proceed and the Company will not issue any Options under the Tranche 2 Placement Offer.

The Options offered under the Offers will be issued on the terms set out in Section 5.1. All of the Shares issued upon exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offers is set out in Section 4.1.

No funds will be raised from the issue of Options under the Offers as the Options are free attaching to Shares issued under the Placement on a one for two basis.

#### **3.2 Minimum subscription**

There is no minimum subscription to the Offer.

#### **3.3 Not underwritten**

The Offers are not underwritten.

#### **3.4 Broker fees**

There is no lead manager or broker to the Offers. Canaccord Genuity (Australia) Limited acted as lead manager of the Placement.

#### **3.5 Applications**

The Options will be placed to those participants in the Placement. Application Forms for the Offers will be provided to the Placement participants.

Completed Application Forms under the Offers must be returned to the address set out in the Application Form with sufficient time to be received by or on behalf of the Company by no later than the date specified by the Company when providing Applicants with a copy of this Prospectus and an Application Form.

#### **3.6 Issue of Securities**

Options issued under the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.



The Directors will determine the recipients of all the Options and/or the number of Options issued under the Offers in accordance with this Prospectus. The Directors reserve the right to reject any application or to allocate any applicant fewer Options than the number applied for.

### **3.7 ASX listing**

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus, in accordance with the timetable set out in Section 1.1.

If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered.

### **3.8 Restrictions on the distribution of the Prospectus**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offers are not being extended and Options will not be issued to investors with a registered address which is outside Australia, New Zealand, Singapore, Hong Kong, the United Kingdom, the European Union or the United States.

Residents of countries outside Australia, New Zealand, Singapore, Hong Kong, the United Kingdom, the European Union or the United States should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

#### ***New Zealand***

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offers and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### **United Kingdom**

Neither this Prospectus nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Options.

The Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this Prospectus relates are available only to, and offer or agreement to

purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

### **European Union**

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Options be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Options in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors);  
or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### **United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Options and the underlying Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Options will only be offered and sold in the United States to a limited number of "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act.

### **Singapore**

This document and any other materials relating to the Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Options, may not be issued, circulated or distributed, nor may the Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document may be given to "institutional investors" and "accredited investors" (as such terms are defined in the SFA) as well as less than 50 other persons known to the Company in Singapore. If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Options being subsequently offered for sale to any other party in Singapore. There are on-sale restrictions in Singapore

that may be applicable to investors who acquire Options and the underlying ordinary shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

In connection with Section 309B of the SFA, the Company has determined that the Options and underlying shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

### **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the Options may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **3.9 Enquiries**

Any questions concerning the Offers should be directed to the Company on +61 8 9381 4266.

## 4. PURPOSE AND EFFECT OF THE OFFERS

### 4.1 Purpose of the Offers

The purpose of the Offers is to remove any trading restrictions attaching to the Options issued under the Offers and any Shares issued on exercise of these Options, given that the Options offered under the Offers are being issued with disclosure under this Prospectus.

Subject to ASX granting Official Quotation of the Options, this will allow holders to trade the Options on the ASX and ensure that any Shares issued on exercise of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised directly under the Offers as the Options are being issued free attaching at a nil issue price in accordance with the terms of the Placement. However, if all of the Options are exercised, the Company will receive approximately \$9,642,857 in aggregate, by virtue of payment of the exercise price.

The principal effect of the Offers, assuming all Options offered under the Offers are issued, will be to increase the total number of Options on issue by 64,285,714 Options on completion of the Offers.

### 4.2 Financial effects of the Offers

The Options to be issued pursuant to the Offers will be issued at a nil issue price. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the Options are exercised, which will affect the Company's balance sheet.

The Company is unable to specify with any certainty the extent of any change to the balance sheet, given that there is no certainty if or when any of the Options will be exercised.

The expenses of the Offers will be met from the Company's existing cash reserves.

### 4.3 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue <sup>1</sup>	438,801,431
Shares to be issued under the Offers	Nil
Shares to be issued under Placement <sup>2</sup>	128,571,429
<b>Total Shares on issue on completion of the Offers and Placement<sup>2</sup></b>	<b>567,372,860</b>

#### Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5.2.
2. The issue of 57,142,857 Shares under Tranche 2 of the Placement remain subject to Shareholder approval.

Options	Number
Options currently on issue <sup>1</sup>	64,343,899
Options to be issued under the Offer <sup>2,3</sup>	

	64,285,714
<b>Total Options on issue on completion of the Offers and Placement</b>	<b>128,629,613</b>

**Notes:**

1. Comprising:
  - (a) 13,231,674 Unlisted Options exercisable at \$0.13 each on or before 10 August 2024
  - (b) 311,719 Unlisted Zero Exercise Price Options Expiring 31 May 2026
  - (c) 31,865,000 Unlisted Options exercisable at \$0.16 each on or before 31 December 2024
  - (d) 6,350,000 Unlisted Options exercisable at \$0.17 each on or before 30 April 2025
  - (e) 131,425 Zero Exercise Price Options Expiring 31 January 2028
  - (f) 161,608 Zero Exercise Price Options Expiring 31 October 2024
  - (g) 380,358 Zero Exercise Price Options Expiring 31 October 2026
  - (h) 332,291 Zero Exercise Price Options Expiring 31 October 2027
  - (i) 283,929 Zero Exercise Price Options Expiring 31 January 2027
  - (j) 3,000,000 Unlisted Options exercisable at \$0.10 each on or before 11 January 2025
  - (k) 5,150,000 Unlisted Options exercisable at \$0.14 each on or before 11 January 2025
  - (l) 245,625 Zero Exercise Price Options Expiring 31 July 2025
  - (m) 269,532 Zero Exercise Price Options Expiring 31 July 2026
  - (n) 329,465 Zero Exercise Price Options Expiring 31 October 2025
  - (o) 500,000 Unlisted Options exercisable at \$0.17 each on or before 31 March 2026
  - (p) 300,000 Zero Exercise Price Options Expiring 31 July 2027
  - (q) 185,796 Zero Exercise Price Options Expiring 31 January 2026
  - (r) 725,000 Zero Exercise Price Options Expiring 31 January 2025
  - (s) 314,584 Zero Exercise Price Options Expiring 31 May 2025
  - (t) 275,893 Zero Exercise Price Options Expiring 31 May 2027
2. The rights and liabilities attaching to the Options are summarised in Section 6.2.
3. The issue of 28,571,428 Options under Tranche 2 of the Placement remain subject to Shareholder approval.

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## 5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the Options and Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### 5.1 Terms and Conditions of the Options

The terms and conditions of the Options to be issued under the Offers are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 8 May 2026 (**Expiry Date**). An Option not exercised before the respective Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt by the Company of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five (5) Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the

Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 5.2 Rights and liabilities attaching to Shares

(a) **General meetings**



Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. RISK FACTORS**

### **6.1 Introduction**

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.2 Company specific**

In addition to the general market and economic risks noted in Section 6.1, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

#### **(a) Reliance on Key Personnel**

The success of the Company in part will depend on the ability of the Directors, management team and other executive personnel (employed by the Company or its business partners) to develop the Company's project portfolio and enhance project value. Should one or more of the key personnel cease to be involved, for whatever reason, then the capability of the Company may be expected to be impaired pending a suitable replacement being identified and retained by the Company or its business partners.

#### **(b) Contractual Risk**

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party. The majority of these arrangements are in Austria where the Company is focussing its operations and deriving its production revenues.

ADX finalised the acquisition of the Zistersdorf and Gaiselberg oil and gas fields (Fields) in the Vienna basin from RAG Exploration & Production GmbH (REP) in December 2019. A number of contracts were entered into for the operation, administration and the sale of oil from the fields. Oil production is sold to the OMV refinery in Vienna under a term sales contract. The sales contract provides the terms under which ADX sells its product on predetermined volumes and price.

The ability of the Company to achieve to obtain sales revenues has been dependent on the performance by each of the parties of their respective obligations under this agreement. While ADX has its own employees to operate its Austrian assets it has also entered into service agreements with REP and RAG Austria AG (RAG) to provide accounting and IT support on a cost-effective basis. Should RAG cease to provide these services, for whatever reason, then the capability of the Company may be impaired

pending the suitable replacement of services being identified and retained by the Company.

The Company has entered into concession agreements with Austrian Mining Authority for the ADX-AT-I and ADX-AT-II exploration and appraisal licenses in the Molasse basin in Upper Austria (Licences). The Licences were signed on the 8th of January 2021 with an effective date of 1 January 2021. The term of the Licences consists of four periods of four years each subject to satisfaction of work commitments and payment of licence fees. The ability of the Company to achieve its work program objectives under the concession agreements will depend on the Company's ability to satisfy the drilling commitments and payment of licence fees. The Company has drilled three wells in the ADX-AT-II licence (the Anshof-3 discovery well, the Anshof-2 well and the Welchau-1 well) which substantially exceeds the work program commitment and plans to drill an exploration well in the ADX-AT-I during 2024 which will satisfy its work program commitment for that licence. The Company has entered into two funding and project participation agreements (Energy Investment Agreement) with third parties which are expected to enable the Company to meet its obligations. If ADX is unable to secure the necessary funding via these arrangements to satisfy its obligations it may adversely affect the Company or the progress of its projects.

In December 2020, the Company entered into a binding memorandum of understanding (MOU) for an Access and Tariff Agreement with REP providing the key principles and commercial terms and conditions for access to oil and gas processing, transportation and auxiliary facilities and infrastructure (Infrastructure) owned and operated by REP in the Molasse basin in Upper Austria. In January 2022 ADX made the Anshof-3 oil discovery (Anshof Oil Field) which was later placed on long term test production in October 2022. Production from Anshof-3 has been delivered for sale utilising the abovementioned Infrastructure and MOU arrangements. ADX has installed and commissioned a permanent production facility which allows the Anshof-3 discovery well to produce on a long-term basis pursuant to a production licence received from the designated authority. ADX plans to sidetrack the Anshof-2 well in the fourth quarter of 2024 and tie it in to the permanent production facility in conjunction with Anshof-3. The ongoing ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under this agreement. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

The Company has entered into a number of Energy Investment Agreements which are expected to provide funding for the ongoing development of the Anshof Oil Field as well as exploration drilling in the Licences.

ADX is operator and holds a 100% interest in the Licence area which is comprised of the ADX-AT-I and ADX-AT-II licence areas other than in the Anshof Field Area (which contains the Anshof Oil Field) where ADX is operator and holds a 50% economic interest and the Welchau Farmout Area where ADX holds a 75% economic interest (in ADX-AT-II). ADX has also completed an Energy Investment Agreement in relation to an Investment Area in part of the ADX-AT-I licence. ADX is the operator and retains a 50% economic interest in the Investment Area. ADX retains a 100% interest in the remainder of the ADX-AT-I licence.

In November 2021, the Company entered into a farm-in agreement in relation to Anshof prospect with Xstate Resources Limited (Xstate). Xstate has funded 40% of the Anshof-3 well to earn a 20% economic interest in the Anshof Discovery Area. Following the successful drilling of the Anshof-3 discovery well Xstate earned a 20% economic interest in the Anshof Field Area and ADX retained an 80% economic interest. In October 2023, Xstate elected not to participate in the drilling of the Anshof-2 well. ADX and MND agreed to fund Xstate's share of the Anshof-2 well costs as well as the planned Anshof-2 sidetrack well costs on a 50:50 basis and will in turn obtain the right to 60% and 40% respectively of production from the well unless Xstate opts to buy back into the well at a premium of 400% to well costs. Xstate retains its 20% economic interest in the remainder of the Anshof Field Area (i.e. Anshof Field Area less the Anshof-2 well) with both ADX and MND's economic interests remaining at 50% and 30% respectively.

In November 2023 the Company entered into an Energy Investment Agreement (EIA) with TSX Venture Exchange (TSXV) listed MCF Energy Ltd. (MCF) after assignment from Kepis & Pobe Financial Group Inc. MCF has committed to fund 50% of the cost of the Welchau-1 exploration well (Farm-in Funding) to earn a 20% economic interest in the Welchau Investment Area, which is a part of ADX' Licence area. The funding obligation was based on a well cost cap of EUR 3.8 million.

On 9 January 2024, MCF and ADX agreed to vary the terms of the EIA such that MCF will fund 50% of the Welchau-1 well costs up to EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area. The Welchau-1 well was completed on the 28<sup>th</sup> of March 2024. MCF and ADX will pay their economic interest share of Welchau Investment Area related costs of 25% and 75% respectively now that the well cost cap has been reached.

In August 2023, the Company entered into an Energy Investment Agreement with MND Austria a.s. (MND) in relation to the Anshof Field Area. MND has paid back costs of EUR 1.335 million to ADX VIE GmbH (ADX VIE) and has a firm funding obligation of EUR 5.28 million for the drilling, completion and tie-in costs inclusive of the drilling the Anshof-2 well, Anshof-2 sidetrack well and Anshof-1 well to earn a 30% economic interest in the Anshof Field Area which is part of the Licence area.

Failure of Xstate, MCF or MND to meet their obligations may adversely affect the Company or the progress of its projects.

(c) **Additional Requirements for Capital**

As a producer in Austria, the Company expects to generate ongoing cash flows, however due to the focus on exploration in its Licence areas and the development of the Anshof Oil Field in Upper Austria, the Company may need additional cashflows to finance these activities. As a consequence, the ability of the Company to continue as a going concern may require additional capital fundraising, MCF and MND meeting their Energy Investment Agreement obligations and farmouts of other projects or other financing opportunities. The Directors believe that the Company will continue as a going concern. However, should fundraising, farmouts or any alternative financing opportunities be unsuccessful, the Company may not be able to continue as a going concern.

There can be no assurance that the Company will be able to raise that finance on acceptable terms or in a timely manner. Any additional equity

financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, and scale back its exploration programs and surrender permits and licences, as the case may be.

(d) **Permit renewals and applications**

**Austria**

On 1 July 2019, the Company entered into binding agreements with REP for the acquisition of the Zistersdorf and Gaiselberg Oil and Gas Fields located onshore in the Vienna Basin (Fields). The transaction was completed on the 2<sup>nd</sup> of December 2019 following finalisation of the transfer application document of the mining license for the Fields which included transfers of interests and assets following the approval from the Bundesministerium für Nachhaltigkeit und Tourismus (BMNT) subsequently Bundesministerium für Finanzen (BMF) in Austria. Following the transaction completion ADX assumed responsibility for the Fields including abandonment liabilities for wells and facilities at the end of field life. The term of the production licenses is based on the economic life of the Fields. Field life will be determined remaining reserves, operating costs and hydrocarbon price.

The Company incorporated a UK special purpose vehicle (Terra Energy Limited) which is the holding Company for an Austrian Subsidiary (ADX VIE). ADX VIE is the local operating company in Austria, the owner and licensee for the Fields as well as the exploration Licence holder for exploration licences in upper Austria which have led to the subsequent discovery of the Anshof Oil Field. ADX VIE has successfully applied and been awarded a production licence by the BMF which enables ADX VIE to expand the development of the Anshof Oil Field including the drilling of two appraisal and development wells within the next 12 months in addition to the already producing Anshof-3 discovery well.

ADX is responsible for the Anshof Oil Field including abandonment liabilities for wells and facilities at the end of field life. The term of the production licenses is based on the economic life of the field. Field life will be determined by the results of appraisal and development drilling, reserves, operating costs and hydrocarbon price.

The Company also entered into agreements for Exploration Data and access arrangements from RAG in Upper Austria (RAG Exploration Data). The RAG Exploration Data agreement includes exclusive access to 3D seismic, 2D seismic, drilling data and geological data (including 3650 km<sup>2</sup> of modern 3D seismic) over the Licences and available exploration areas proximal to RAG's main production assets in upper Austria. ADX continues to utilise this data for its exploration activities in the Licences in Upper Austria and further potential exploration in the Molasse Basin.

## **Italy**

The Company holds one offshore exploration license offshore in Italy, the d 363 C.R-.AX permit. The Company, via its wholly owned subsidiary Audax Energy Srl, holds a potential 100% interest (subject to ratification by the licensing authorities) in the d 363 C.R-.AX prospecting licence.

On 24 April 2024, ADX advised that the Italian ministry had completed a technical, financial and organisational capacity verification procedure in relation to ADX' wholly owned Italian subsidiary, Audax Energy S.r.l. ("Audax") resulting in the granting of the d 363C.R-.AX gas exploration permit in the Sicily Channel, Offshore Italy (Gas Rights).

In addition to the granted Gas Rights, the potential exists for a reversion to the 2018 legislative position which would enable the oil potential as well as the gas potential to be exploited within d 363C.R-.AX permit area as a result of the recent annulment of the Plan for the Sustainable Energy Transition of Eligible Areas ("PiTESAI"). The PiTESAI plan limited the extent of hydrocarbon activities preventing oil redevelopment, appraisal and exploration activities including the extensive oil potential described below within Audax' d 363C.R-.AX permit.

The pre-agreed work program foresees seismic data purchase and minimal 2D (300 line km) or equivalent 3D seismic acquisition with an option to drop the license in permit year 4 or drill one well. The ability of the Company to achieve its work program objectives will depend on the Company's ability to satisfy work program commitments.

## **Romania**

The Company is the operator and holds a 49.2% 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, and a 100% interest in the lecea Mare production license.

The National Agency for Mineral Resources (**NAMR**) is the regulatory authority in Romania managing petroleum resources on behalf of the state. Permitting and environmental regulations have historically been subject to change and, therefore, one cannot predict with certainty the future costs or other future impacts of licensing and environmental regulations on future operations.

### **Parta Permit, Onshore Romania**

Danube holds a 100% interest and operates the EX 10 parta license (**Parta Permit**) exploration license onshore Romania. In December 2012, the Romanian government ratified the concession agreement for the Parta Permit. The committed work program for the Parta Permit was the acquisition of 160 km of 2D and 150 sqkm of 3D seismic as well as the drilling of two exploration wells.

The Company of behalf of Danube has already acquired approximately 100 km of 2D seismic and approximately 50 sqkm of 3D seismic.

ADX has engaged with the Romanian authorities in order to compile a compressive application to extend the Parta licence term without any further commitments. It is engaged in ongoing discussions and delivered a number of requested reports in support of discussions with the

Regulatory Authorities in relation to options for the Parta exploration license extension.

ADX is also discussing potential options to exploit geothermal potential in the Parta Licence with Regulatory Authorities as alternative to or addition to oil and gas exploration.

If these discussions are not successful Danube may relinquish its rights in relation to the Parta Permit.

If the licence is extended and ADX accepts any licence conditions the ability of the Company to achieve its work program objectives will depend on the Company's ability to satisfy work program commitments.

### **Iecea Mare Production License, Onshore Romania**

On 8 June 2018, ADX, through its partly owned subsidiary Danube Petroleum Limited and its 100% owned Romanian holding company ADX Energy Pannonia SRL (**ADX Panonia**), purchased 100% equity interest in the Iecea Mare production license (**License**). The NAMR approval designated ADX Panonia as a production operator in Romania. In August 2019, ADX Panonia successfully drilled the Iecea Mica-1 exploration well which encountered gas. While the well encountered gas the results of production testing were not conclusive and further operations including acidization of the well did not yield commercial flows. The well remains shut-in while ADX determines whether the well can be utilised for a practical or commercial application. A number of technical options exist for the Iecea Mica-1 well including but not limited to further gas testing of the intersected gas accumulation, utilising the well to access deeper exploration potential, utilising the well for potential geothermal applications or abandoning the well in the event the well is no longer likely to have a practical or commercial use. The abandonment of the well may constitute a future liability. The Iecea Mare production license has a validity (or term) of 20 years.

## **6.3 Risks specific to Oil & Gas Production, Exploration and Development Companies**

### **(a) Operational Risks**

The business of hydrocarbon exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, among other things:

- (i) the discovery or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to hydrocarbon interests;
- (v) obtaining consents and approvals necessary for the conduct of hydrocarbon exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability



of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities. There is no assurance that any exploration on current or future interests will result in the discovery of an economic hydrocarbon project. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed. The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment. The Company's assets are also susceptible to damage from natural disasters.

(b) **Exploration Success**

An increase of future profitability of the Company and the value of its securities are directly related to the results of exploration. The prospects held by the Company are at various stages of exploration, and potential investors should understand that exploration is a high-risk undertaking.

There can be no assurance that exploration of the Company's prospects, or any other prospects that may be acquired in the future, will result in the discovery of a commercial oil or gas reserve. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will flow at commercial rates.

The estimated exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company viability.

(c) **Development and Operating Risks**

If the Company achieves exploration success that leads to a decision to conduct feasibility work and then develop further production operations, the development and ongoing production from such operations may be adversely affected by various factors, including failure to locate or identify hydrocarbon reserves; failure to achieve predicted well production flow rates; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reservoir problems which may affect field production performance; adverse weather conditions; industrial and environmental accidents; industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(d) **Production risks**

Current production from the Company's Fields and future production may vary materially from targets and projections of future production for a variety of reasons. In general terms, the less actual production information available for an asset the greater the likelihood that its performance will vary from estimates. Production risks associated with the marketability and commerciality of oil and gas to be acquired and produced by the Company of the assets in which it has or may have interests include but are not limited to reservoir characteristics, market fluctuations, the proximity and capacity of pipelines and processing equipment, the market price of oil and gas and relevant government regulations. Production decreases or stoppages may also result from fluctuations in permeability and flow rates, the presence of impurities in the extracted product, facility shut-downs, mechanical or technical failures and other unforeseeable events which are beyond the control of the Company.

(e) **Hydrocarbon Resources and Reserves & Commercial Hydrocarbon Flow**

The Company's hydrocarbon resources and reserves are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, estimates of hydrocarbon resources and reserves are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and commercial hydrocarbon flow plans which may, in turn, adversely affect the Company's operations.

(f) **Commodity Price Volatility, Exchange Rate & Government Risks**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. In particular, changes in the current and expected future price of hydrocarbons and other commodities can change rapidly and significantly and this can have a substantial effect on the value of the Company's assets and the potential future revenue and profits that might be earned from any successful development of those assets.

Revenue derived through the sale of hydrocarbons exposes the income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors affecting their demand and supply beyond the control of the Company. Such factors include global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, infrastructure investment, weather conditions and general exploration success.

Furthermore, international prices of some commodities (e.g. crude oil) are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Euro and AUD currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, Euro and the Australian dollar as determined in international markets.

Changes in government, monetary policies, taxation and other laws and regulations can also have a significant influence on the outlook for projects and companies and the actual and potential returns to investors.

(g) **Community Risks**

Many countries in which the Company operates have community title / empowerment, or heritage legislation and / or regulations. These rules impose certain requirements on oil and gas companies which undertake or plan to undertake various exploration, development or drilling activities. The risks associated with the rules are generally associated with the imposition of various uncertainties as to timetables and costs. No assurance can be given that the Company will be able to explore or conduct drilling activities within acceptable timeframes or on terms acceptable to it.

(h) **Environmental Risks including Rehabilitation Risks**

The Company is subject to laws and regulations to minimise the environmental impact of its' operations as well as rehabilitation of any areas affected by the Company's operations. These laws can be costly to operate under and can change, further adversely affecting the Company. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect ADX's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or, in the event of environmental damage, the penalties and remediation costs can be substantive. In the areas in which the Company holds oil and gas interests, there are rules and regulations governing conservation matters, including abandonment of drilled wells. The Company may require approval from relevant authorities before it can undertake activities that may impact the environment, including drilling wells. Failure to obtain such approvals may prevent the Company from achieving its business objectives.

It is the Company's intention to conduct its activities in compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

(i) **Conditions of Permits & Licences**

The Company has permits to produce, explore and implement the projects. There is a risk that the Company does not have or might lose any or all of those permits or licences required for the operation of the projects, or that the Company will not comply with the ongoing requirements imposed under those permits or licences. There is also a risk that the permits and licences required or the conditions imposed on the Company under them will change from time to time. The Company's ongoing compliance costs may increase as a result. Any of the above may adversely affect the Company's financial performance.

## 6.4 General risks

### (a) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### (b) Share Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

### (c) Insurance

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company. The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover considered to be appropriate for the Company's needs. However, such insurance cover may not always be available, economically justifiable, fully cover a particular claim or the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. Additionally, while the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

### (d) Global conflict

The current evolving conflict between Ukraine and Russia and Israel and Palestine (**Ukraine and Gaza Conflicts**) is impacting global markets and commodity pricing. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts.

The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes

to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

## **6.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **7.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Announcement
2 May 2024	Appendix 3B (Proposed issue of securities)
2 May 2024	Placement
30 April 2024	Trading Halt
29 April 2024	First Quarter Cash flow Report
29 April 2024	First Quarter Activities Report
24 April 2024	Italian Authorities Confirm Grant of Gas Exploration Permit
22 April 2024	Appendix 3B (Proposed issue of securities)
22 April 2024	Notice Of Annual General Meeting
17 April 2024	Webinar Details
15 April 2024	Company Presentation
8 April 2024	Anshof-3 Production Recommences
2 April 2024	Welchau-1 Discovery Well Update with Data Analysis
28 March 2024	Appendix 4G
28 March 2024	Corporate Governance

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website ([www.adxenergy.com.au](http://www.adxenergy.com.au)).

### 7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.2475	19 March 2024
Lowest	\$0.097	4 March 2024, 12 February 2024
Last	\$0.102	6 May 2024

The Options offered under this Prospectus are not currently quoted and therefore no trading in those Options has occurred.

#### 7.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, no Shareholder (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company.

The Company confirms that no existing Shareholder will increase its Shareholding to above 19.9% as a result of the Offer.

#### 7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

#### Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus and following completion of the Offers is set out in the table below.

#### Date of this Prospectus

Director	Shares	Options
Ian Tchacos	10,702,154 <sup>1</sup>	4,233,684 <sup>2</sup>
Paul Fink	11,382,251	163,541 <sup>3</sup>
Edouard Etienvre	4,899,313 <sup>4</sup>	50,000
John Begg	-	500,000 <sup>5</sup>



## Completion of the Offers

Director	Shares	Options
Ian Tchacos	10,702,154	4,233,684
Paul Fink	11,382,251	163,541
Edouard Etienvre	4,899,313	50,000
John Begg	380,952 <sup>6</sup>	690,476 <sup>6</sup>

### Notes:

- Comprising:
  - 149,666 Shares held directly;
  - 5,262,587 Shares held indirectly by Warroorah Pty Ltd <Tchacos Fund A/C>, an entity controlled by Ian Tchacos; and
  - 5,289,901 Shares held indirectly by Eonia Pty Ltd, an entity controlled by Ian Tchacos.
- 100,000 Options with an exercise price of \$0.16 and expiry date of 31/12/2024. Remainder held directly by Ian Tchacos and comprising of Options with a nil exercise price and various expiry dates.
- Held directly Paul Fink and comprising of 113,541 Options with a nil exercise price and expiry date of 31/10/2027 and 50,000 Options with an exercise price of \$0.16 and expiry date of 31/12/2024.
- Comprising:
  - 675,729 Shares held directly by Edouard Etienvre;
  - 4,223,584 Shares held by NGX Commodities Ltd., an entity which Edouard Etienvre is a beneficiary (NGX Commodities); and
  - 50,000 Options exercisable at \$0.16, expiring on 31 December 2024 held by NGX Commodities.
- Held indirectly by John Douglas Begg and Adrienne Stacey Begg <The Rock Doc Superannuation Fund>, an entity which John Begg is a director and beneficiary.
- Subject to Shareholder approval, John Begg intends to participate in the Tranche 2 of the Placement to acquire 380,952 Shares and 190,476 Options.

### Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed Remuneration for Current Financial Year (31 December 2024)	Remuneration for Previous Financial Year (31 December 2023)	Remuneration for Previous Financial Year (31 December 2022)
Ian Tchacos	\$447,000	\$414,438	\$398,570
Paul Fink	\$399,000	\$399,580	\$400,580
Edouard Etienvre	\$309,000	\$322,384	\$303,241
John Begg <sup>1</sup>	\$76,250	-	-

**Notes:**

1. Appointed as a director on 4 March 2024.

## 7.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid

fees totalling \$35,621 (excluding GST and disbursements) for legal services provided to the Company.

## 7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Options), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 7.8 Estimated expenses of Offer

The total expenses of the Offers is estimated to be approximately \$52,481 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	24,275
Legal Fees	15,000
Share Registry Fees	5,000
Miscellaneous, printing and other expenses	5,000
<b>Total</b>	<b>52,481</b>

## 7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9381 4266 and the

Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

#### **7.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **7.11 Privacy Act**

If you complete an application for Options, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**8. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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## 9. DEFINITIONS

**\$** means Australian dollars.

**Application Form** means an application form either attached to or accompanying this Prospectus pursuant to which an Applicant is capable of accepting the relevant Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the closing date of the Offers specified in the timetable in Section 1.1 of this Prospectus (unless extended or brought forward).

**Company** means ADX Energy Ltd (ACN 009 058 646).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Offers** has the meaning given to that term on the cover page of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the opening date of the Offers as specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

**Option** means an option to acquire a Share.

**Placement** means the placement of 128,571,429 Shares, at an issue price of \$0.105 per Share, together with one (1) free attaching Option for every two (2) Shares issued, to raise \$13,500,000, announced to the ASX on 2 May 2024.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Option** means an option to acquire a Share.

**WST** means Western standard time as observed in Perth, Western Australia.