

28 September 2021

AUSTRIAN GEOTHERMAL PILOT PROJECT UPDATE

“ADX finalises commercial arrangements and well site for pilot project in cooperation with Siemens Energy and RED Drilling to evaluate a new geothermal power generation technology”

Key Points:

- Further to ADX’ previous announcement on 15 July 2021, ADX has entered into an agreement with Siemens Energy and RED Drilling & Services GmbH (RED) to build and operate a well test site (Pilot Project) in Austria to evaluate geothermal to power technology.
- ADX is the responsible party for all licensing and subsurface execution aspects of the Pilot Project, including permitting, engineering, geological analysis, operational planning and implementation.
- ADX and RED have identified a suitable existing well site for the Pilot Project with the appropriate heat transfer attributes, an exceptionally high geothermal gradient and reservoirs with excellent flow capacities.
- ADX is in the process of securing all necessary regulatory permits and agreements with the relevant authorities prior to commencement of pilot operations.
- Siemens Energy will provide thermodynamic engineering work for the evaluation of the power generation system. RED will execute all well workover operations required and undertake well performance monitoring.
- The Pilot Project is expected to provide ADX with increased knowledge, experience and credibility to develop and deploy suitable geothermal power generation technologies on a large scale in ADX’ operated Austrian licenses as well as other Central European jurisdictions where ADX has identified geothermal power generation opportunities.

ADX Energy Ltd (ASX Code: **ADX**) has entered into an agreement through its 100% owned Austrian subsidiary, ADX VIE GmbH, with Siemens Energy and RED Drilling & Services GmbH (RED) (the Parties) to develop a small-scale demonstrator plant utilising a closed system CO₂-based geothermal power generation technology at an existing well site.

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

ADX’ role in the Pilot Project will be to provide overall project management, as well as responsibility for the execution of all subsurface aspects of the project, including engineering, geological analysis, operational planning and implementation. ADX is also responsible for obtaining all necessary regulatory permits and agreements relating to the Pilot Project and the use of the test well. Initial discussions in relation to the Pilot Project with the relevant Austrian and local authorities have been positive.

Siemens Energy will provide necessary thermodynamic engineering, process efficiency analysis and plant parameters to evaluate the system in a geological reservoir setting. RED will provide well workover operations services required and undertake well performance monitoring on behalf of the Parties.

ADX has a number of potential commercialisation opportunities for geothermal power generation technology within its existing portfolio including its existing Upper Austria exploration licenses which are located in the proven geothermal setting of the Molasse Basin, and the Pannonian Basin of Romania (where ADX operates the Parta license). ADX has also identified a number of other locations in Central Europe which provide ideal geological settings for geothermal power generation on a large commercial scale.

In addition to the already announced Vienna Basin Green Hydrogen Project, geothermal power generation has the potential to contribute to a profitable and integrated transition to green energy production, while preserving and enhancing the value and lifespan of ADX' existing oil and gas assets as well as providing an alternative commercialisation option for several conventional oil and gas exploration prospects within ADX' Austrian and Romanian acreage portfolio.

ADX looks forward to providing further updates in relation to the progress of the Pilot Project to Shareholders.

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Background regarding ADX role in geothermal energy

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

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

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

ADX produces safe, low greenhouse gas emission energy now to the highest environmental standards while redeploying its assets, people and skills for transition to low carbon energy production.

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