

24 November 2021

Anshof Well Site Construction Underway for Commencement of Drilling in December

“ADX secures final environmental approvals and commences site works.”

Key points:

- ADX has received final environmental authority approvals and commenced site works for the drilling of the Anshof prospect in the ADX-AT-II license in Upper Austria. (ref. figures 1 and 1a).
- Rig mobilisation is expected in mid-December and well spud approximately 3 to 4 days afterwards. The well will take approximately 17 days to drill and evaluate.
- The well site includes up to 3 surface drilling locations approved by the regulatory Authority. The first well will be drilled from the **Anshof-3 surface location**. (ref. site map in figure 2).

*The **Anshof-3 surface location** is outside an area which requires additional approval by the Forestry Authority. Drilling from this location has enabled the commencement of well site construction to meet a rig slot available in December 2021. ADX expects approval by the Forestry Authority in about 2 weeks from today.*

- The Anshof-3 well site enables a rapid pathway to commercial production given the drilling location is only 50 metres from an oil and gas pipeline bundle which can be accessed to process and export crude oil.
- If the Anshof well is successful, the combination of proven, highly productive reservoirs, as well as close proximity to infrastructure that is accessible on favourable terms, will provide excellent economics and rapid cash flow.
- Anshof operations are not expected to be affected by the recent COVID-19 related lockdowns in Austria. European Cross border agreements for critical operations allowing for uninterrupted supply of materials are in place. ADX drilling contractor RED Drilling & Services GmbH (“RED”) has a successful track record of drilling wells during previous Europe wide lockdowns within time and budget.

An overview of the Anshof Prospect is available in Appendix 1 at the end of this release. It includes the results of an independent prospect review undertaken by RISC Advisory Pty Ltd (“RISC”).

ADX announced a farmout to ASX listed Xstate Resources Limited to fund 40% of well costs to earn a 20% participating interest in the Anshof Prospect. Refer to ASX release dated 22 November 2021.

ASX RELEASE

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that it has obtained the final environmental approval required to commence well site construction for the Anshof well location in the ADX-AT-II exploration license in Upper Austria. Well site construction for up to three wells is expected to be completed by mid-December enabling rig mobilisation and the expected spud of the Anshof exploration well to be drilled from the Anshof-3 Well surface location during the third week of December 2021. The Anshof-3 Well surface location is outside an area requiring approval by the Forestry Authority. Drilling from this location has enabled the commencement of well site construction to meet a rig slot available in December 2021. ADX expects approval by the Forestry Authority for two additional well locations in about 2 weeks from today. Due to the high chance of success for the Anshof-3 Well, the pre investment in further well locations that enable follow up appraisal and development drilling makes good economic sense because it will facilitate field development fast tracking.



Figure 1: Anshof well site access road construction



Figure 1a: Anshof main well site construction

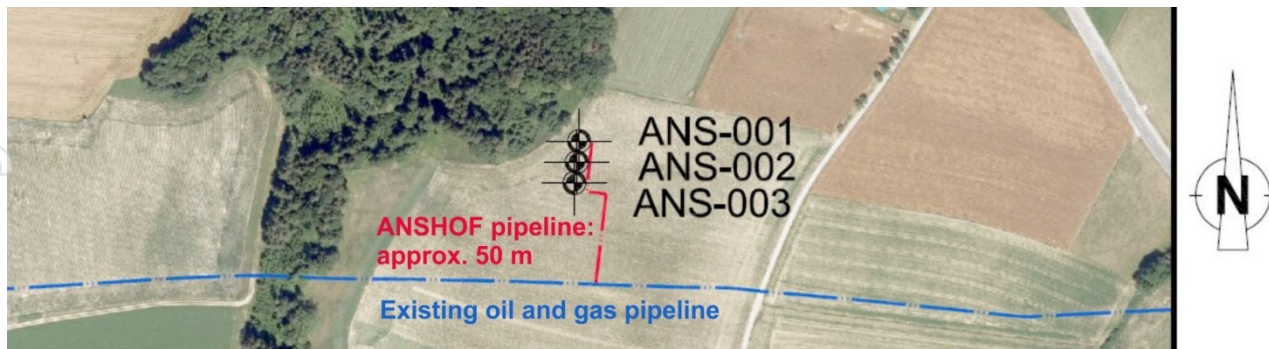


Figure 2: Aerial image prior to commencement of well site preparation showing the three Anshof surface locations and the distance to an existing oil and gas pipeline bundle that can be used to access oil and gas processing and export infrastructure

Approvals have been received from the regulatory authority for up to three drilling locations from the Anshof well site. The Anshof-3 Well location is approximately 50 metres from an oil and gas pipeline bundle which can be accessed to process and export crude.

On the 22nd of November 2020 ADX announced the agreement with RAG Exploration & Production GmbH (RAG E&P) of commercial terms for the access of future oil and gas production from ADX Upper Austria exploration and appraisal licenses in Upper Austria which surround producing fields and infrastructure operated by RAG E&P. The agreement enables the reduction of capital expenditures and the time taken from drilling to commercial production due to the ability to tie into RAG E&P's existing hydrocarbon gathering, processing and storage facilities which are connected to Austria's oil and gas infrastructure network.

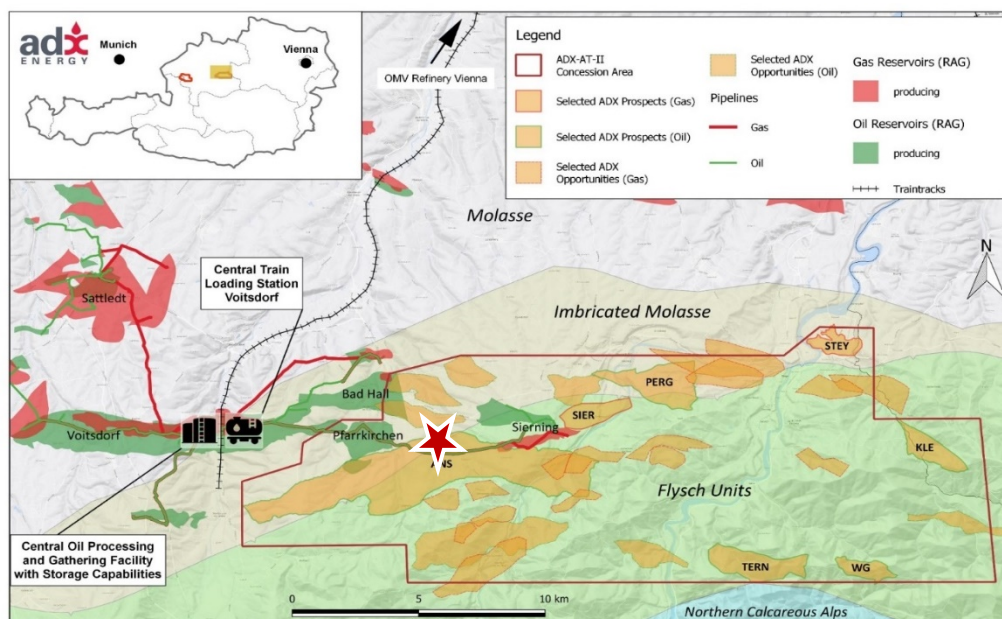


Figure 3: Map showing the Anshof prospect (star symbol) in relation to existing producing oil fields (green), follow up prospects (yellow) in the ADX AT-II license as well as nearby processing facilities and pipelines in ADX-AT-II exploration license

Drilling is expected to spud prior to Christmas following mobilisation during the third week of December 2021. ADX has finalised the key materials and services required for the well including a multi well call out contract with RED Drilling & Services GmbH (RED). The agreement with RED provides contractual terms for multiple wells subject to rig availability. The first rig slot has been secured for the spud of the Anshof-3 well in December 2021 using the RED E-200 drilling rig.



The 250 tons hook load RED Rig E-200 rig which has been contracted to drill the Anshof-3 well

ADX signed a drilling contract with RED during the second week of November 2021. The agreement with RED provides contractual terms for multiple wells subject to rig slot availability over a 36 month period. RED provides ADX with highly professional services and has extensive familiarity of Austrian working conditions. RED also has an excellent reputation with the local community, due to a long outstanding safety and environmental performance record and a well-trained local drilling staff sourced from Upper Austria. RED will be drilling a well in Upper Austria prior to the ADX operated Anshof-3 well which will minimise rig mobilisation costs.

ADX CEO, Mr Paul Fink, said, *“ADX and its farmin partner Xstate are looking forward to the drilling of the Anshof prospect which has the potential for doubling ADX production within a year and an expected peak production in the order of 1,500 bopd for the best technical resource case. ADX has been able to demonstrate that in Austria it is possible to spud a well in less than a year from the exploration license award. On behalf of the Board, I commend the highly experienced and hardworking Austrian operations and management team who have, in an extremely short amount of time, developed a new 3D seismic covered prospect with a large upside potential, executed a rig contract under strict EU bidding laws, and obtained all necessary approvals in an OECD country with a low corruption perception index and very high environmental standards. Our team will be working hard over the coming Christmas period to make this well a success for ADX, its partners and its shareholders”.*

Further Operational Updates

ADX will commence providing regular updates to shareholders in relation to preparations for drilling the up-coming Anshof-3 Well.

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Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and reserves information relating to Austria contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. Mr. Fink is Technical Director of ADX Energy Ltd is a qualified geophysicist with 23 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this release and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

Anshof is a well defined modern 3D seismic covered Eocene - Cenomanian prospect located up-dip and on trend from existing oil production from adjacent fields (Figure A1). The ADX in house team has developed a new structural model constraining the nearby producing Voitsdorf, Bad Hall and Pfarrkirchen oil fields which has resulted in identification of a number of on trend prospects and appraisal opportunities. Success at Anshof-3 will validate the new structural model and de-risk multiple follow up prospects. Anshof-3 has a best technical case prospective resource potential of 6.6 MMBOE with significant upside potential in the primary Eocene sandstone reservoir objective. The well plan includes a deeper Cenomanian secondary target with a best technical resource potential of 2.1 MMBOE. *Original Resources Reporting Date: Upper Austria Exploration was on 30/11/2020, estimates were further revised on 30/3/21.*



ADX commissioned RISC to provide an independent review of the prospectivity of the Austrian ADX-AT-I & II exploration licenses. RISC has reviewed the resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System 2018 ('PRMS'). RISC's methodology was to review the evaluation, probabilistic resource evaluation and geologic risking carried out by ADX. Details of the findings of their review were presented in a report. RISC have not conducted a site visit.

RISC has reviewed the Anshof Prospect and found the following Prospective Resource and Geological Risk assessment to be reasonable. A summary of RISC's findings for the Anshof prospect is shown in the Table 1 below.

Table 1: Anshof Prospective Resource and Geological Risk Assessment

| (100% Equity Interest) | | | | | |
|--|----------------------------|----------------------------|----------------------------|--|------------------------|
| Unrisked Prospective Resource ¹ | P(90) ² (MMBOE) | P(50) ³ (MMBOE) | P(10) ⁴ (MMBOE) | Mean ⁵ (MMBOE) ⁶ | Probability of Success |
| Oil Case | 0.50 | 3.30 | 16.20 | 6.60 | 43% |

Notes to Table 1:

1. Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further explorations appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. At least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
3. At least a 50% probability that the quantities actually recovered will equal or exceed the estimate.
4. At least a 10% probability that the quantities actually recovered will equal or exceed the estimate.
5. The arithmetic average of the probability distribution.
6. BOE means barrels of oil equivalent

In RISC opinion, the method of utilising a mapping based net-rock-volume ('NRV') in the prospective resource assessment in the Anshof Prospect may result in a conservative volumetric assessment. RISC was not provided with an assessment of the deeper Cenomanian secondary objective for Anshof.

Reporting Standards

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

ASX RELEASE

RISC Independence

RISC has no pecuniary interest, other than to the extent of the professional fees receivable for the preparation of this report, or other interest in the assets evaluated, that could reasonably be regarded as affecting our ability to give an unbiased view of these assets. RISC makes the following disclosures:

- RISC is independent with respect to ADX and confirms that there is no conflict of interest with any party involved in the assignment;
- Under the terms of engagement between RISC and ADX, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report;
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in ADX or in any of the properties described herein.

RISC has conducted an independent audit of the developed Reserves and consented to the inclusion of information specified as RISC audited values in this release.

About RISC

RISC is an independent advisory firm offering the highest level of technical and commercial advice to a broad range of clients in the energy industries, worldwide. RISC has offices in London, Perth, Brisbane and South East Asia and has completed assignments in more than 90 countries for over 500 clients and have grown to become an international energy advisor of choice.

End of this Release