



ADX Energy Ltd

(ASX: ADX)

IMARC Conference Presentation

International Convention Centre Sydney

4 November 2022

“The Vienna Basin Hydrogen Project: transition through asset upcycling”

Disclaimer Statement



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Persons compiling information about hydrocarbons. Pursuant to the requirements of the ASX Listing Rule 5.31, the unaudited technical and reserves information contained in this presentation has been prepared under the supervision of Mr Paul Fink. Mr Fink is Technical Director of ADX and 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 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).

An independent audit of developed reserves has been completed for ADX' Zistersdorf and Gaiselberg fields ("Fields") in the Vienna basin (Austria) by RISC Advisory Pty Ltd ("RISC"). RISC conducted an independent audit of ADX' Fields evaluations, including production forecasts, cost estimates and project economics. Production from existing wells is classified as Developed Producing. Production from planned recompletion of existing wells to new intervals is classified as Developed Non-Producing. 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 has grown to become an international energy advisor of choice.

PRMS Reserves Classifications used in this presentation:

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

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

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

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

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

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

C. Possible Reserves are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project.

Prospective Resource Classifications used in this presentation:

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.

P(90) Estimate: means at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

P(50) Estimate: means At least a 50% probability that the quantities actually recovered will equal or exceed the estimate.

P(10) Estimate: means At least a 10% probability that the quantities actually recovered will equal or exceed the estimate.

Oil and Gas Conversions: BOE means barrels of oil equivalent. Bcfe means billion of cubic feet of gas equivalent. Gas to oil conversion used in this presentation: 6 mcf of gas = 1 barrel of oil. Mcf means thousand cubic feet of gas

Who are we & what we stand for

Our ESG Commitment



Employer, partner and business of choice

ADX Energy Ltd (ADX) is an ASX listed energy company focused on Europe

- We produce safe, long life and low emissions oil and gas
- We are developing new energy reserves which can significantly increase our production in the coming months
- We have drill-ready, high impact gas exploration as well as low-risk exploration that can be rapidly developed
- We are upcycling and redeploying our assets, people and skills for long-term zero carbon energy projects

“Low emissions production, renewable energy and decarbonising technologies are not just good for our planet - they are good business!”

Corporate Overview

Focus of Activities

- ✓ Sustainable high value production cashflow from operations *Vienna Basin Oil & Gas Fields*
- ✓ New production and reserves growth *Anshof Oil Discovery – Upper Austria*
- ✓ High impact gas exploration and extensive ready to drill inventory *Welchau Gas Prospect – Upper Austria*
- ✓ Complimentary, low carbon project portfolio and transition agenda *H₂ production and storage, Solar and Geothermal*

Corporate & Operations

Austria (Operator & European HQ)

- Vienna basin oil and gas production
- Upper Austria Oil production, development & gas exploration

- Vienna Basin H₂ production & storage
- Solar Plant
- Upper Austria Geothermal projects

Romania (Operator)

- Pannonian basin Production & exploration licenses
- *ADX holds a 49.2% shareholding in licenses via Danube Petroleum*

Italy (Operator)

- Sicily channel Gas exploration
- Subject to ratification by Italian Authorities

Australia

- Corporate & Finance head office, corporate and finance support

Financial information

Share price as at 31.10.2022	A\$ 0.008
Number of shares	3,505.0 m
Number of options	345.5 m
Market capitalisation	A\$ 28.0 m
Cash (unrestricted) as at 30.09.2022	A\$ 5.1 m
Debt (net of restricted cash)	A\$ 2.6 m
Minority interest in subsidiary as at 30.09.2022	A\$ 8.3 m
Enterprise value	A\$ 33.9 m
No. of shareholders	3,933

Investment Thesis - a multi energy approach

Production from long-life fields in the Vienna basin and reserves growth from Upper Austria

253 boepd ¹ average production YTD Vienna Basin
80 boepd new Anshof net production Upper Austria

1.74 mmboe ² of 2P developed reserves in the Vienna basin

4.16 mmboe ² of 2P net reserves at the Anshof field in Upper Austria



Exploration: prospect rich acreage in Upper Austria with near term development potential

800 Bcfe ³ high impact World-class gas prospect (Welchau)

65 mmboe ⁴ drill ready appraisal and exploration portfolio

1,022 km acreage position with extensive 3D seismic data base and access to oil and gas infrastructure



Renewable Energy pipeline of projects leveraging existing assets and skills for a low carbon society

Green H₂ production and storage project in the Vienna basin

2 MW Solar Park being evaluated for the Vienna basin

15 MW Geothermal project in Upper Austria being investigated



“ADX is well placed to respond to Europe’s current energy crisis and participate in the transition to clean energy with real projects not just targets”

Overview of ADX' renewable energy activities

2.5
MW

Green H₂ project pilot phase (Vienna Basin)

Production & storage of green
H₂ at the Zistersdorf field

360 MT p.a. (green H₂)

75 GWh of storage capacity
already identified

Start-up **30** months after FID¹



30
MW

Green H₂ project scaleup phase (Vienna Basin)

Production & storage of green H₂
at the Zistersdorf field

5,200 MT p.a. (green H₂)

100+ GWh of storage capacity
already identified

2028 start-up²



15
MW

Gmunden geothermal project (Upper Austria)

Generation of geothermal
power & heat in a proven basin

115 GWh p.a. (power & heat)

90% success rate for
geothermal wells in the area

Local offtake potential



2
MW

Solar power project (Vienna Basin)

Generation of renewable
electricity with PV plants

2 GWh p.a. (green electricity)

45% of electricity consumed
by Vienna Basin field operations

Start-up **15** months after FID



Corporate Strategy

Oil & Gas Assets

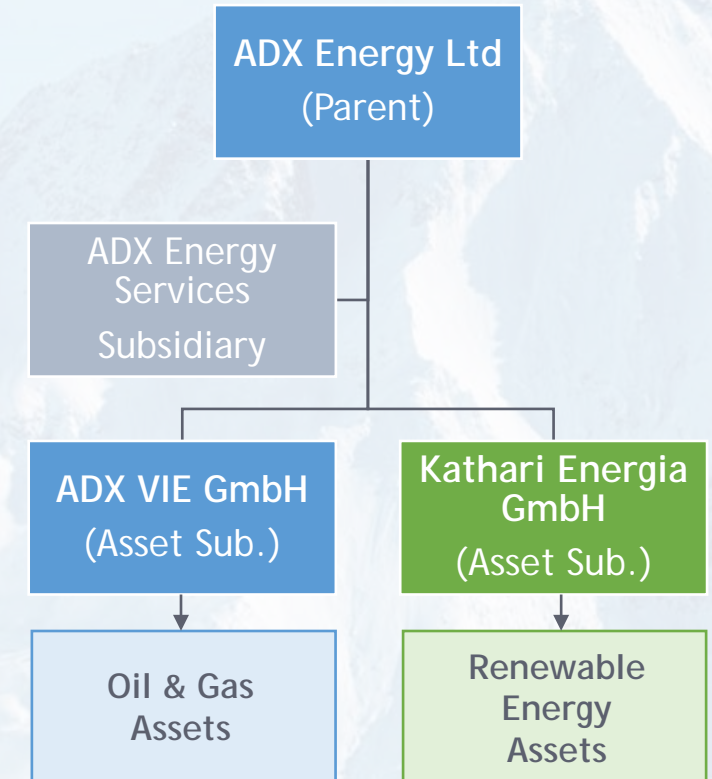
- Vienna Basin Oil & Gas Production
- Anshof Oil Project
- High Impact & Near Term Gas Exploration

Renewable Projects

- Vienna Basin Hydrogen Project
- Vienna Solar Project
- Upper Austria Geothermal Project

- Oil production provides near term revenue and growth
- Gas exploration provides an exceptional re-rating opportunity
- Renewable projects provide value add and longer term corporate development
- *Oil and gas provides funding as well as necessary access to assets and skills required to achieve longer term renewable business objectives*

Corporate Ambition



“Focus on oil production growth & high impact gas drilling opportunities in the shorter term in conjunction with complimentary renewable energy projects to transition our business for a low carbon economy”

The European Energy Market Trends

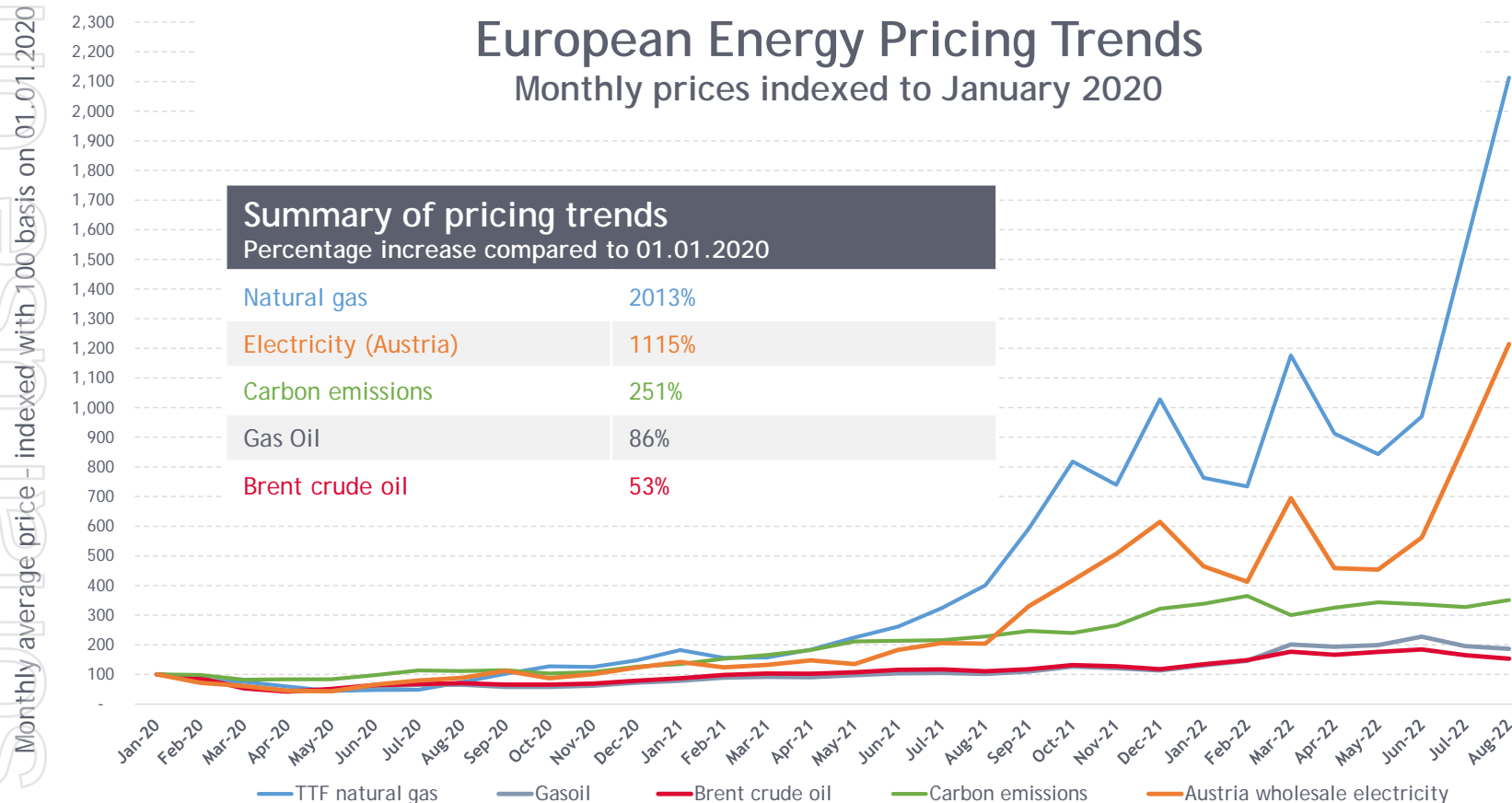
Large growth in demand for energy

For gas, electricity, fuel oil & strengthening carbon price ⇒ *Energy supply is a Strategic Imperative*

European Energy Pricing Trends Monthly prices indexed to January 2020

Summary of pricing trends Percentage increase compared to 01.01.2020

Natural gas	2013%
Electricity (Austria)	1115%
Carbon emissions	251%
Gas Oil	86%
Brent crude oil	53%



ADX strategic priorities

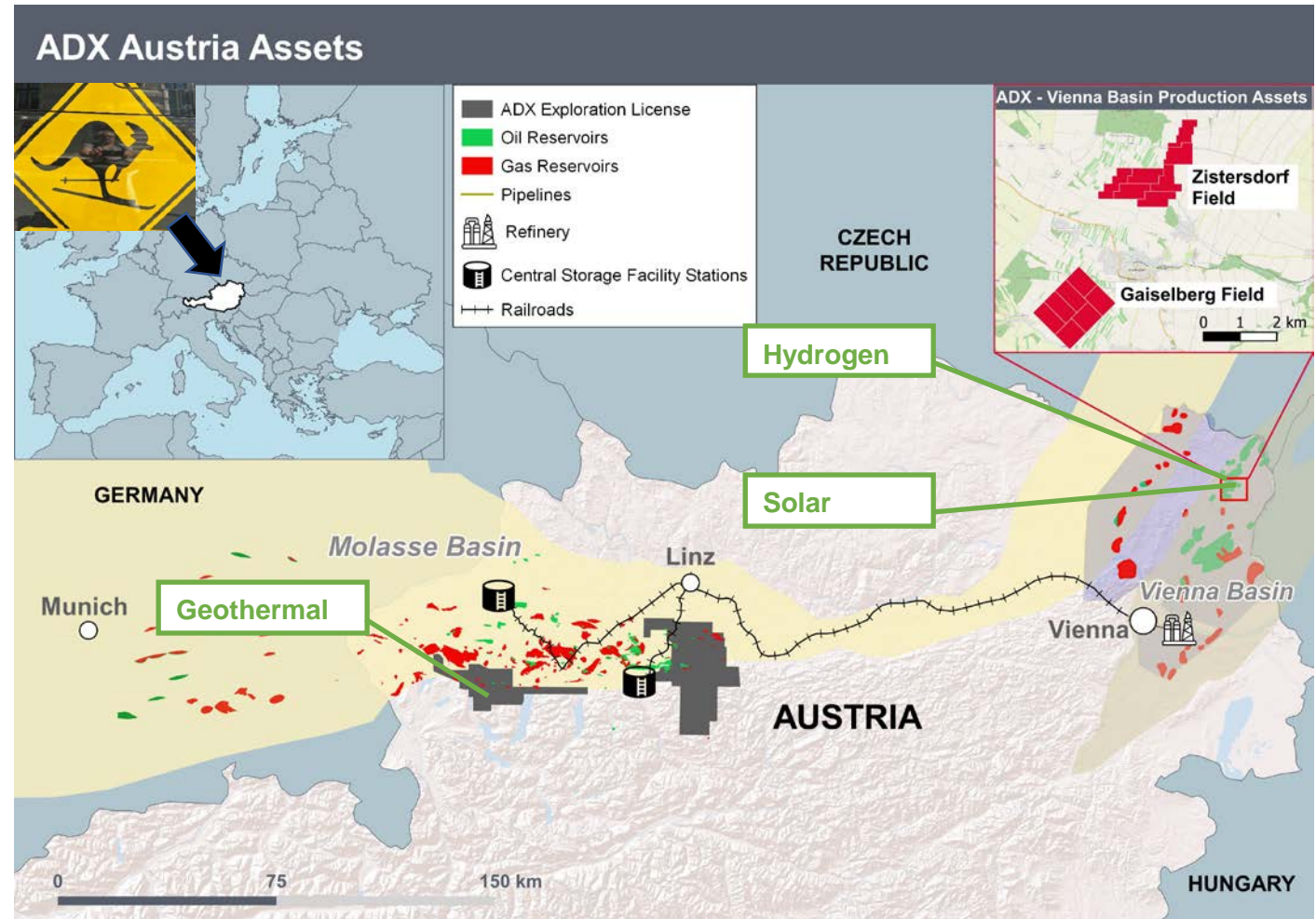
Well placed in Austria for oil, gas and renewable energy

1. Keep the lights on, expand market position & develop corporate materiality
2. Upcycle our assets during the transition phase and attract ESG focussed capital to expand portfolio
3. Long term sustainable value growth developing a portfolio of complimentary renewable energy projects

Austria is ideal for building a transition business

ADX has a rare & unique energy position - *having broken into a 75 year energy duopoly*

- ✓ ADX has a portfolio of low carbon and hydrocarbon energy assets
- ✓ Produces stable, long life and high value oil in the Vienna Basin, New Oil Development in Upper Austria and High Impact Gas Exploration
- ✓ Oil and gas licenses provide excellent access to renewable opportunities
 - Energy infrastructure, depleted reservoirs & geothermal resources
- ✓ Excellent transition potential in existing assets for;
 - Hydrogen
 - Geothermal
 - Solar
- ✓ Austria is committed to increasing renewable energy by factor of 6 and developing a hydrogen back bone
- ✓ Exceptional subsidy and financing climate for renewables in Europe
- ✓ *Experienced commercial, technical and operations team with excellent in country relationships for conventional as well as renewable energy*



Map Showing location of Vienna basin oil and gas fields and Upper Austria exploration licenses

Vienna Basin Green H₂ Production & Storage Project

"A long-term renewable energy project that will enable ADX to transition its business for a low carbon economy"

Why clean H₂ is critical for energy transition



Decarbonisation of sectors less suited for direct electrification

- ⇒ Industrial feedstock (steel, fertilisers, refining, chemicals, etc) displacing coal, natural gas and grey H₂
- ⇒ Long-range ground mobility, shipping and aviation (synthetic fuels)
- ⇒ High-grade industrial heat & back-up power generation



Integration of energy from renewable sources

- ⇒ Resilience, flexibility & system balancing through storage
- ⇒ Transportation of high volumes over long distances with pipelines and ships
- ⇒ Outlet for “stranded” renewable energy generated in remote locations



Significant CO₂ abatement potential¹

- ⇒ 80 bn MT of CO₂ by 2050 (cumulative)
- ⇒ 4 bn MT of CO₂ per annum in 2040
- ⇒ 7 bn MT of CO₂ per annum in 2050

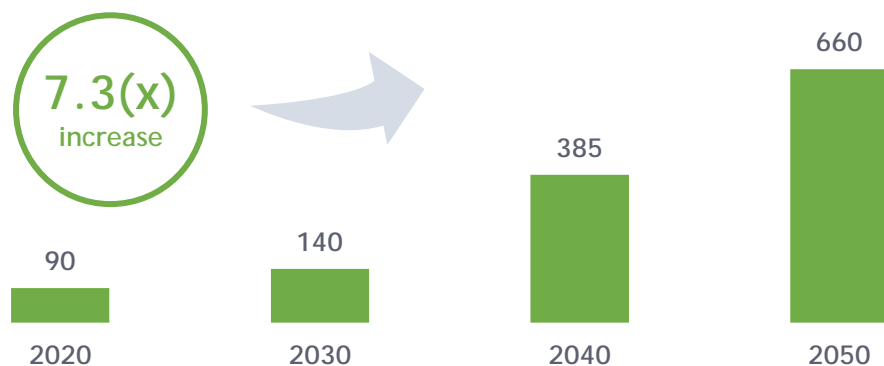


Improved energy security

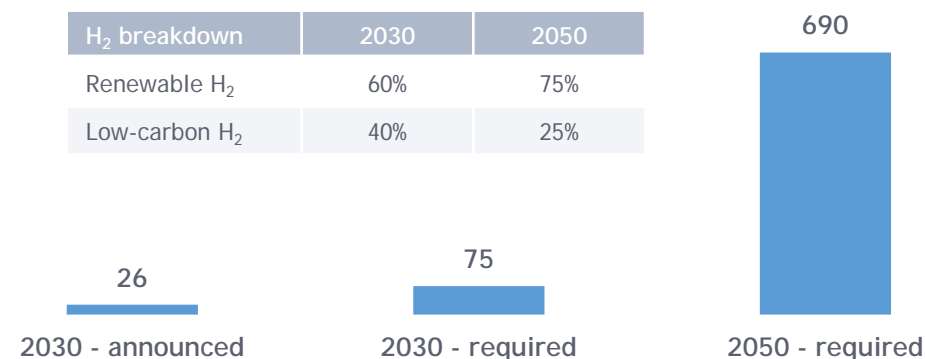
- ⇒ Domestic production possible
- ⇒ Ability to store large quantities for a long period of time with minimal losses
- ⇒ Removes reliance on politically unstable or hostile countries for supply

Global H₂ sector overview¹

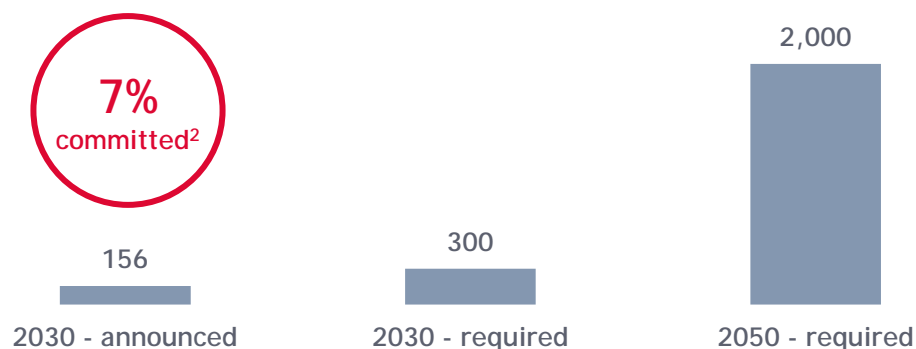
Global H₂ demand 2020-2050 (mil. MT)



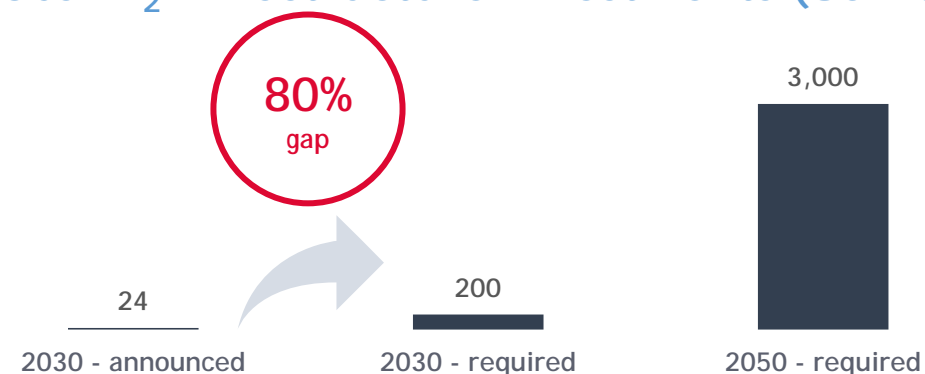
Global H₂ production capacity (mil. MT)



Global H₂ production investment (USD bn)



Global H₂ infrastructure investments (USD bn)



680 large-scale projects announced (2022)

22% of global final energy demand by 2050

Benefits of underground H₂ storage

Battery vs Hydrogen Storage Comparison

Area (x 1/50)

- a subsurface H₂ storage reservoir is approx. 20 ha in area & 10 m thick
- a few well pad areas of 200 m² required on surface
- a Tesla Mega Pack requires 10,000 m²

Energy (x 500)

- a large underground H₂ filled reservoir can hold approx. 100,000 MWh
- 500 times the energy equivalent of the Tesla Mega-Pack battery (approx. 200 MWh) *or the annual consumption of 200,000 households*

Cost (x 1/10)

- EUR 150 mil. required for Tesla to build a "giant" 200 MWh battery storage
- ADX can build the subsurface energy storage facility for a tenth of a Tesla Mega Pack *or 2,500 times cheaper on an energy equivalent basis*

Large scale storage is needed for hydrogen economy to succeed

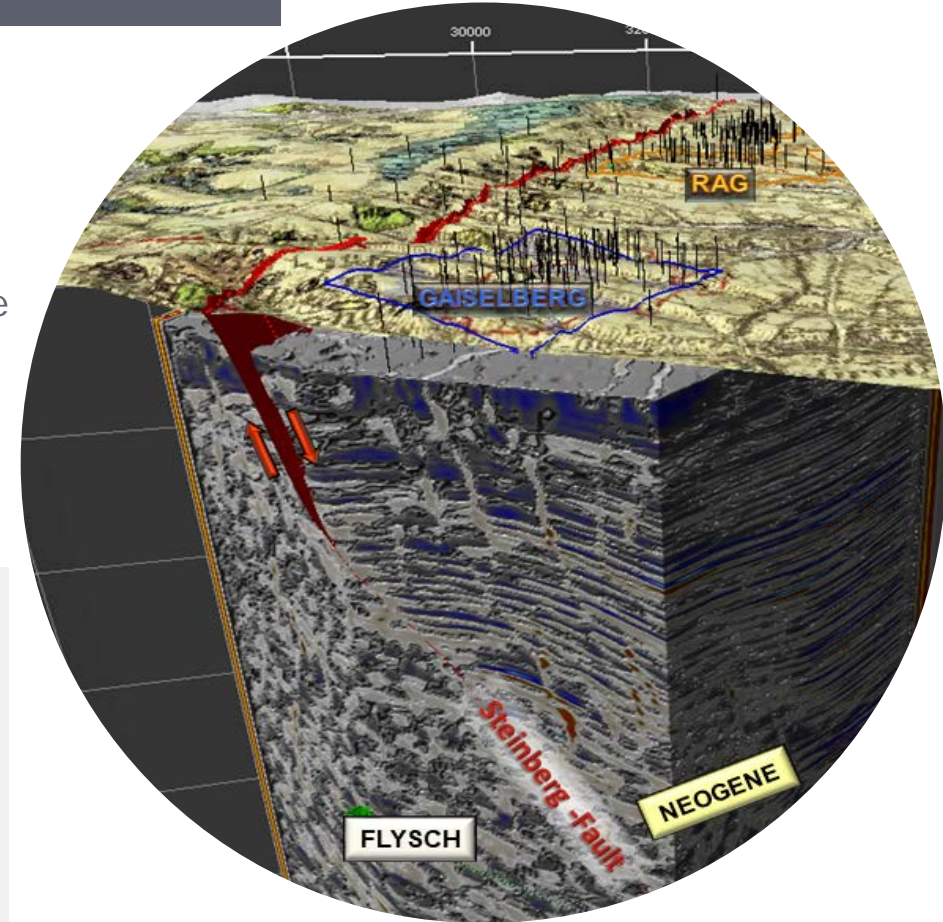


Tesla battery storage in Australia needs 10,000 m² of land



ADX well site area needs 100 m² of land

A cost effective, safe, large scale energy storage solution



Schematic representation of ADX multi layer reservoirs at its the Vienna Basin oil and gas fields

European H₂ market overview¹

Funding & regulatory support

5.2
EUR bn

IPCEI² Hy2Use funding support
focusing on renewable H₂ value chain

3.0
EUR bn

European Hydrogen Bank
providing guarantees to support H₂ purchases



Clean H₂ certification
CertifHy "green H₂" & "low-carbon H₂"



Contracts for difference (CFD)
financial support through floor price mechanism

Plans & targets (2030)

10
mil. MT

clean H₂ production³
key to improve energy security

10
mil. MT

clean H₂ imports³
seeking to replace gas imports (from Russia)

28
'000 km

dedicated pipelines
"European Hydrogen Backbone" initiative

30%

green primary steel
through direct iron reduction using green H₂

ADX Vienna Basin Fields – Asset Upcycling Poster Child



Goal is to create an Oil, Gas, Hydrogen and Solar Energy hub

- Long life & low emission production (2021/22 253 BOEPD avge) from state of the art facilities
- Pipeline connection to Vienna refinery (70 kms)
- Ownership of 13.7 hectares agricultural land (vineyards)
- High value sweet crude oil (33° API – 7.9% discount to Brent)
- Excellent fiscal terms (corporate tax at 25% & no royalties)
- Multiple depleted gas reservoirs suitable for Hydrogen storage
- Surrounded by multiple Wind parks (570 MW installed capacity)
- Connected to local gas network which can take up to 10% hydrogen
- Potential installation of Solar Farm on ADX owned land

Multilayer
reservoir
producing
since 1935

1.74 mmbbl
2P developed
reserves
Note 1

Pipeline
system
suitable for
hydrogen

Multiple
Depleted
reservoirs for
storage

Access to
green power
for H₂
generation

Production operations at ADX Vienna Basin Fields



Wind park adjacent to ADX Vienna Basin Fields



ADX' green H₂ project has all ingredients for success



Availability of renewable electricity

Offer received for the supply of baseload renewable electricity for the pilot phase (21 GWh p.a.)



Power grid access

On-going discussions with power grid operator. High voltage power line located within a 10-km radius



Underground reservoirs with proven capacity

Depleted gas reservoirs with a combined capacity of 75-100+ GWh already identified at the Zistersdorf field



Availability of fresh water

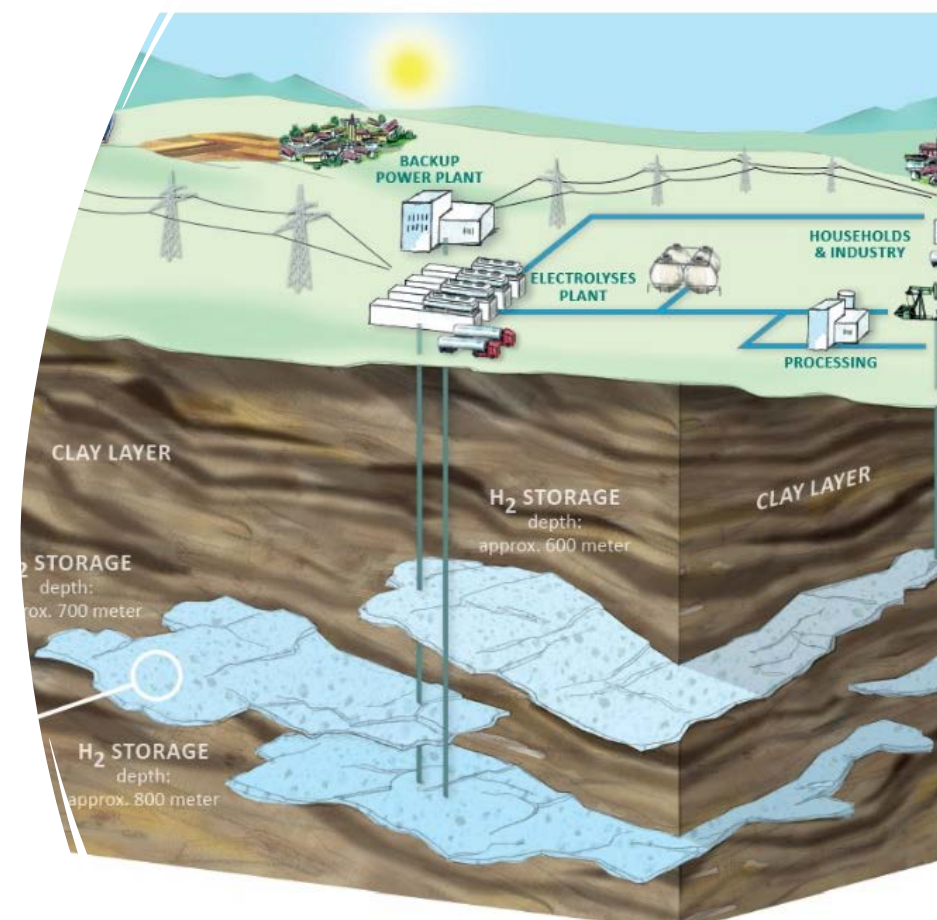
Groundwater is plentiful in the area for use as feedstock for electrolysis



Infrastructure to deliver H₂ to market

Network of existing ADX owned pipelines connected to local & regional gas grid. Plan for "Hydrogen Backbone" in the area

Vienna Basin Green Hydrogen Project Concept Schematic



Hydrogen pricing levels & dynamics in Europe



Decarbonisation premium



Grey H₂



Blue H₂

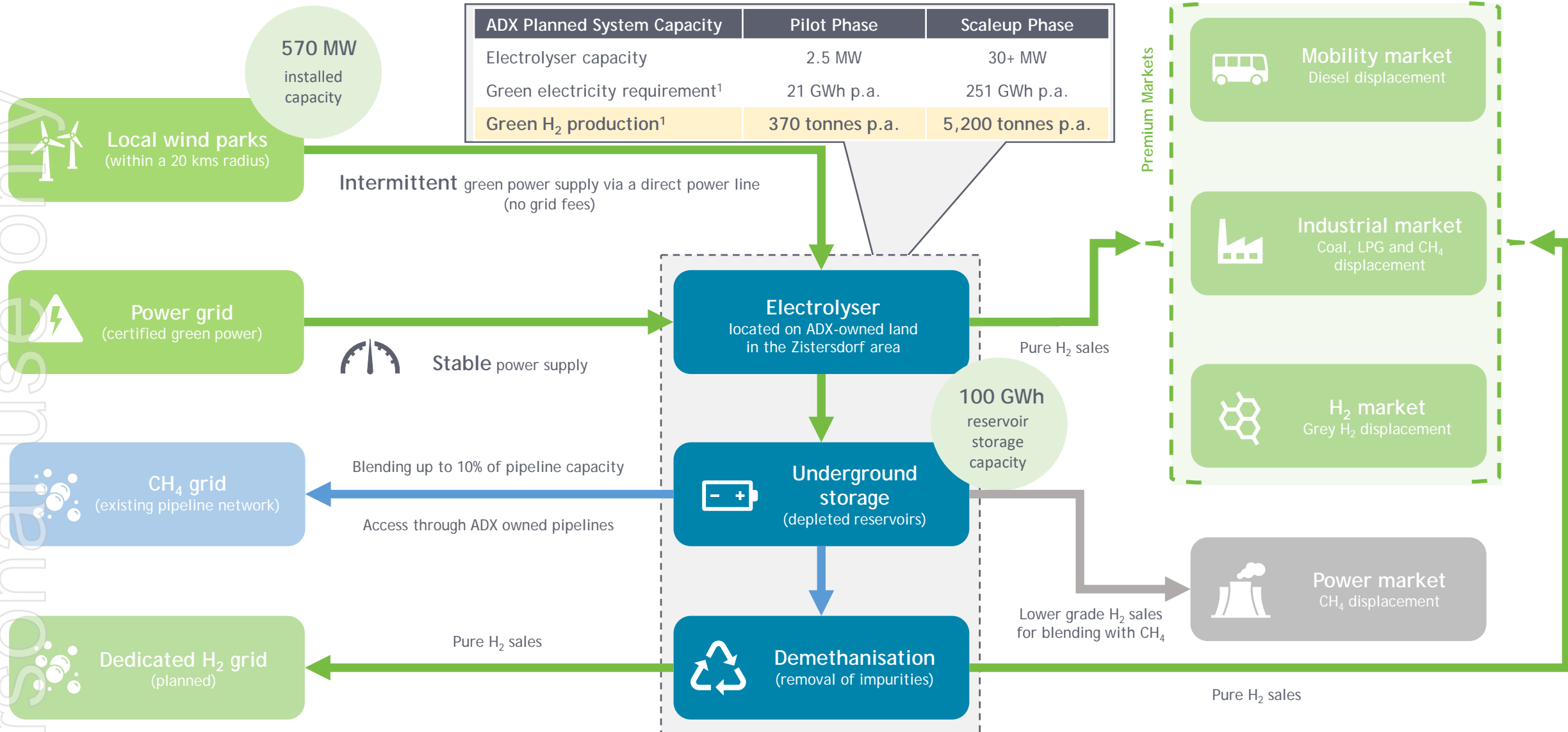


Green H₂

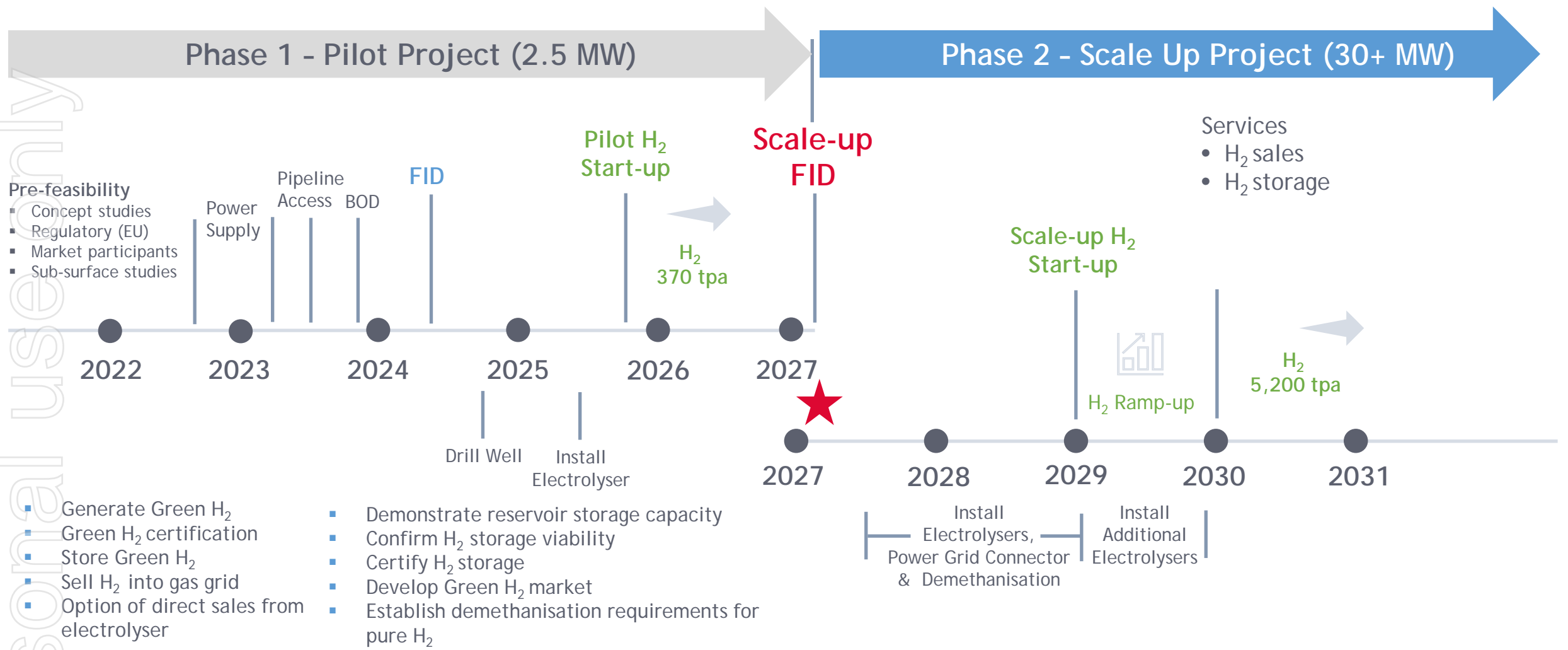
Pricing reflecting E-bridge "Hydex" (cost-based H₂ pricing index) in Oct-22

- H₂ pricing not driven by supply / demand market dynamics
- Blue H₂ prices correlated to natural gas prices (main input cost)
- Green H₂ prices linked to green power prices (main input cost)
- Reduction in green H₂ prices only likely if decrease in renewable power prices in Europe
- CO₂ emissions reductions through the use of green H₂ allows ETS participants to monetise carbon credits to partly subsidise the higher cost of green H₂

Vienna Basin Green H₂ Project - BOD Overview



Vienna Basin H₂ Project - Timeline & Key Milestones



Key messages & take aways



Strategic

- H₂ is critical for renewable energy transition and longer term energy security
- There is strong financing, subsidy and policy support in Europe for renewable H₂
- Storage is essential for the success of H₂ economy
- ADX is leveraging its existing assets & know-how with complimentary clean energy projects



Project

- Underground reservoirs are ideal for storing large volumes of H₂ safely and economically
- ADX Vienna basin H₂ project is ideally positioned with access to renewable power, gas export infrastructure and planned H₂ network
- Upcycling an existing energy project has many environmental, financial and social benefits



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