

ADX' Welchau Project Area Gets Major Austrian Science Funding Support

A geological and applied science research project that will be conducted together with leading Austrian scientists.

Key points:

- The Welchau-1 gas prospect (807 BCFE¹ best technical prospective gas resource) is located in the Austrian Northern Calcareous Alps within an overthrust area in the ADX-AT-II exploration licence.
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.
- The applied sciences project will focus on aspects of unique overthrust **Structural Geology** at Welchau as well as the **Environmental Sustainability** implications for an energy development in the greater Welchau prospect area. Note that the project is of significant interest under the United Nations "Sustainable Development Goals" act. (Goal 7, affordable and clean energy).
- The **Structural Geology** project will be mainly conducted by leading Austrian research scientists associated with the University of Vienna focussing on contemporary methods for understanding the geological evolution of the Northern Calcareous Alps.
- Additional objectives include the practical implementation of research findings into the assessment of further natural gas prospects as well as understanding the geothermal potential of the area and the use of reservoirs for large scale underground energy storage such as hydrogen. Note that natural gas is regarded as a transitional energy by the EU taxonomy which contributes to meet the EU's climate and energy targets for 2030.
- The **Environmental Sustainability** project will be conducted by a group of experts funded by ADX to investigate best practice for sustainable development in the greater Welchau prospect area with a view to minimising environmental impact while maximising short as well as long term social and economic benefits of any potential energy development.
- The results of the abovementioned projects will be made available to both the science community and the relevant government authorities of Upper Austria as well as the local community.

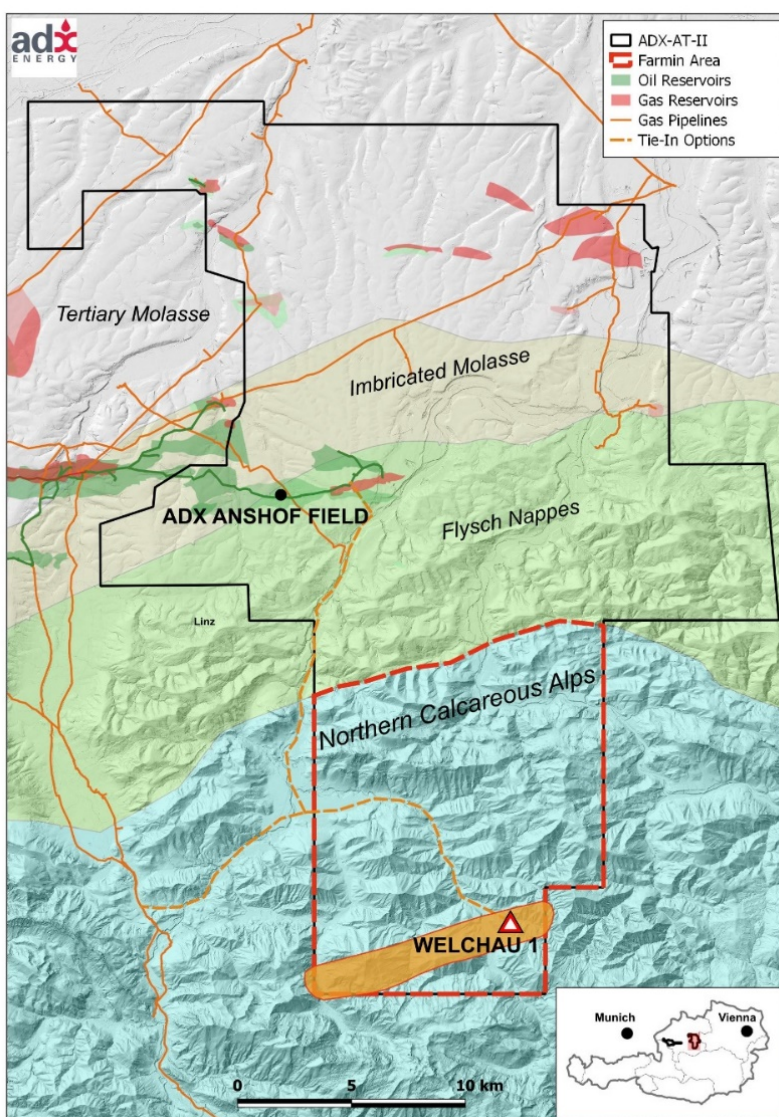
ADX CEO, Paul Fink, said, *"I am proud to report the science funding support and the attention of the Austrian Science Community which has been attracted to the Welchau project which is a result of the exceptionally high standard of our in-house geoscience team. ADX will immediately benefit by a deeper understanding of the Welchau prospect as well as a number of already identified follow up prospects in the Welchau Area. In the longer term, the surrounding communities could benefit for many years from potential future sustainable energy applications such as geothermal energy generation and energy storage. The environmental sustainability element of the work is intended to demonstrate the ability to develop a major energy resource project with a minimal impact on the environment.*

¹ Best Technical Prospective Resources Prospective resources reporting date 22.06.2023

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that the Austrian Science Fund (“FFG”) will fund a major scientific project in the greater Welchau area within the ADX-AT-II licence in Upper Austria (“FFG Project”). The project budget is A\$ 0.75 million where the FFG will contribute A\$ 0.6 million.

Building on leading-edge geotechnical work by ADX in-house geoscientists, the FFG Project will further expand ADX work to a wider scope of possible practical industry and renewable energy applications. One of the key objectives of the FFG fund is to “transfer leading edge research into industrial applications”. The project will involve scientists from the University of Vienna as well as at least one PhD student to complete her or his thesis. The ultimate self-described goal of the FFG fund is to “simply enhance the innovative performance of the Austrian economy”.

The benefit and relevance for ADX stems from the fact that natural gas is regarded as an important transitional energy source by the EU taxonomy which contributes to meet the EU’s climate and energy targets for 2030 and reach the objectives of the “European green deal”. The FFG project has a significant impact on sustainability as defined by the UN “Sustainable Development Goals”, especially chapter 7 (affordable and clean energy).



Map showing ADX-AT-II license area and the planned Welchau-1 drilling location in the Northern Calcareous Alps

The FFG Project includes further leading-edge structural geology. A major contribution of the work will be to gain a better understanding of Alpine fold, thrust development and structural trap formation in the greater Welchau area. It is likely that future industry applications such as geothermal energy, hydrogen storage and underground energy storage will also benefit from the work.

The Environmental Sustainability project will be conducted by a group of experts funded by ADX to investigate best practice for sustainable development in the greater Welchau prospect area with a view to minimising environmental impact while maximising the short as well as long term social and economic benefits of any potential energy development. Importantly the goals of the Environmental Sustainability project are in line with FFG objectives of enhancing the innovative performance of the Austrian economy.



View from North towards the Welchau anticline mountains at the back of the image

The above-mentioned projects should lead to a deeper understanding of the gas, geothermal and energy storage potential of the area in and around Welchau. This scientific and practical understanding of the potential sustainable implementation of future projects is relevant for the economy, industry, local communities and tourism in the area with a view to a balanced approach towards sustainable development.

The resulting reports will be made accessible to the scientific community, the wider community and the related government bodies of Upper Austria.

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Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and Prospective Resources 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 30 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this release and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

End of this Release

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