

19 February 2024

Drilling Update for Giant Welchau Gas Prospect

“Mobilisation and rig up of the RED E200 drill rig commenced on the 18th of February and drilling operations are anticipated to start by the 24th of February”

Key points:

- ◆ Mobilisation of the RED Drilling & Services GmbH (RED) E200 drill rig has commenced from a location in the Vienna basin to the Welchau-1 location in the ADX-AT-II exploration license in Upper Austria where rig assembly is occurring simultaneously.
- ◆ The previously contracted RED E202 rig has been replaced by its sister rig (E200) due to operational difficulties on the E202 rig, which would have excessively delayed Welchau drilling operations. The E200 replacement rig has equivalent capability and has been pre-approved for drilling operations at Welchau.
- ◆ The approximate 200 km rig move and rig assembly will take an estimated 6 days to complete. Drilling operations are expected to commence by the 24th of February 2024.
- ◆ In accordance with an Energy Investment Agreement with MCF Energy Ltd., via its subsidiary MCF Energy GmbH (MCF), MCF will fund 50% of the Welchau-1 well costs up to a cap of EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area. Upon completion of MCF's funding obligations ADX will hold a 75% economic interest in the Welchau Investment Area.

The **Welchau gas prospect** has exceptional gas resource potential, located in the heart of Europe at a relatively shallow drill depth and proximal to gas pipelines. ADX estimates that Welchau has **best technical Prospective Resources of 807 BCFE (134 MMBOE)**¹. Welchau is targeting the same reservoirs as the nearby Moln-1 well which tested condensate rich, pipeline quality gas at rate of 4.0 MMSCFPD in 1989.

ADX Executive Chairman, Mr Ian Tchacos, said, *“The Board of ADX is very pleased that drilling rig mobilisation to Welchau has commenced and drilling operations can start within the week. Our Austrian team has made it possible to drill and evaluate the Welchau well during the winter period by securing the E200 sister rig at very short notice from Vienna Basin operator OMV AG (OMV). We thank OMV and drilling contractor RED for assisting ADX to substitute the E200 rig for the delayed E202 rig. We can now focus on the drilling of this potentially significant gas resource for the benefit of the Republic of Austria, our partner MCF and ADX shareholders.*

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 exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

¹ Best Technical Prospective Resources Prospective resources reporting date 22.06.2023

ADX Energy Ltd (**ASX Code: ADX**) commenced the mobilisation of the RED E200 drilling rig to the Welchau drilling location on the 18th of February 2024. Delays in the availability of the previously contracted RED E202 rig has necessitated the substitution of its sister rig. The rig swap has been made possible by the assistance of local operator OMV which has interrupted its own drilling program to make the RED E200 rig available to ADX. The E200 replacement rig has equivalent capability to the E202 rig and has been pre-approved for drilling at Welchau. The replacement rig has made it possible to drill and evaluate the Welchau well during the winter period in accordance with the environmental clearance for drilling operations.

The rig move distance from the Vienna Basin to the Welchau-1 drilling location (refer figure 2) within the ADX-AT-II licence in Upper Austria is approximately 200 km. The rig move and assembly is expected to take an estimated 6 days to complete and the well spud date is expected on or before the 24th of February 2024. The success case drilling and evaluation program is anticipated to take approximately 39 days.



Figure 1: Commencement of rig up of the RED E200 drilling rig at the Welchau-1 drilling location

Operational Readiness

ADX has contracted the necessary services and purchased all the long lead items required to drill the Welchau-1 well. The drilling of the well will be under an existing rig services contract with RED. Mobilisation of the RED E200 drilling rig has commenced from the Vienna Basin to the Welchau-1 well site.

The RED E200 drilling rig, together with the previously contracted E202 drilling rig, have been pre-approved for the Welchau-1 well based on the required safety, noise and environmental emission standards.

Drilling services and other contracted services will be almost exclusively provided by highly trained local staff from Upper Austria, as was the case for the Anshof-2 and Anshof-3 wells. ADX has endeavoured to maximise local content where there is an excellent past record of safety, environmental protection and project execution.

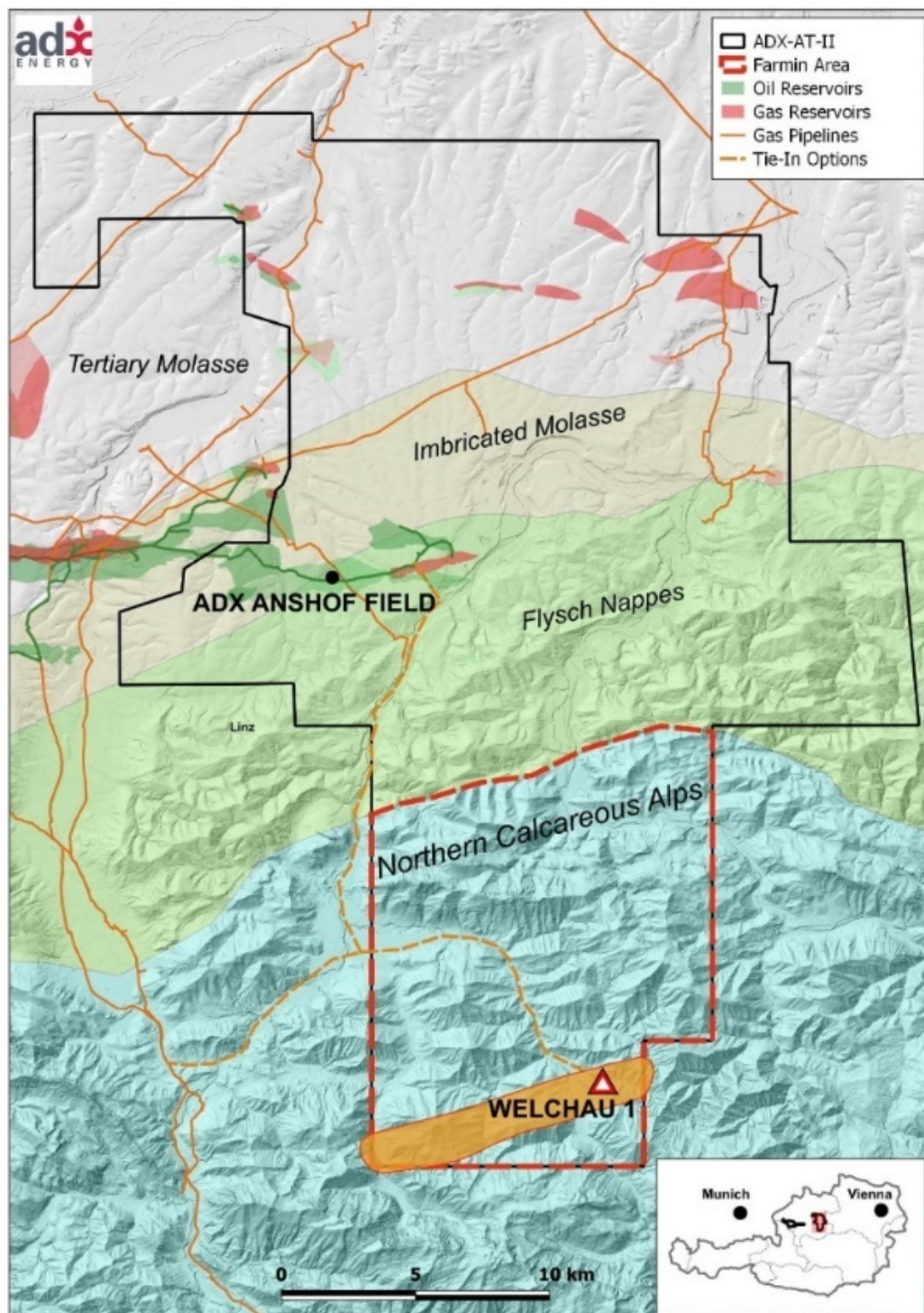


Figure 2: Map showing ADX-AT-II license area and the Welchau-1 drilling location in the Northern Calcareous Alps

Economic Participation in the Welchau Investment Area

ADX has executed an Energy Investment Agreement with MCF Energy Ltd. via its subsidiary MCF Energy GmbH (MCF) to fund 50% of Welchau-1 well costs up to a well cost cap of EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area which is part of ADX's ADX-AT-II licence in Upper Austria. The Welchau Investment Area contains the Welchau Gas Prospect and other emerging oil and gas prospects. Upon completion of MCF's funding obligations ADX will hold a 75% economic interest in the Welchau Investment Area. ADX holds a 100% economic interest in the remainder of the ADX-AT-II license other than the Anshof Discovery Area.

For further details please contact:

Ian Tchacos

Executive Chairman

+61 (08) 9381 4266

ian.tchacos@adxenergy.com.au

Authorised for lodgement by Ian Tchacos, Executive Chairman

Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.41 the technical and reserves information relating to Austria and Italy 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 is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

Previous Estimates of Reserves and Resources:

ADX confirms that it is not aware of any new information or data that may materially affect the information included in the relevant market announcements for reserves or resources and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Reporting Standards for Resource Estimation

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.

Prospective Resource Classifications

Low Estimate scenario of Prospective Resources - denotes a conservative estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate scenario of Prospective Resources - denotes the best estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. It is the most realistic assessment of recoverable quantities if only a single result were reported. When probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate scenario of Prospective Resources - denotes an optimistic scenario of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will be equal or exceed the high estimate.

Nomenclature and conversions used in this release

BBL means US barrel

MMBBL means millions of US barrels

MCF means thousand cubic feet

MMCF means million cubic feet

BCF means billion cubic feet

TCF means trillion cubic feet

BOE means barrels of oil equivalent

MMBOE means millions of barrels of oil equivalent

MMSCFPD means millions of standard cubic feet per day

End of this Release