

11 July 2018

**Parta Appraisal Program - Independent Evaluation Results**  
**Total Unrisked 2C Gas Contingent Resources of 22 Bscf and Total Unrisked Best**  
**Estimate Gas Prospective Resources of 28 Bscf**  
*(ERCE estimate is a significant increase in unrisked Prospective Resources above ADX previous estimates)*

ADX Energy Ltd (ASX Code: **ADX**) is pleased to announce that an independent evaluation of the Parta Appraisal Program in Romania has recently been completed by ERC Equipoise Pte Ltd (ERCE). The evaluation report covers the areas to be appraised by the two planned appraisal wells in the Parta Exploration License and the recently acquired Iacea Mare production license. The report will be used by ADX in support of ongoing financing efforts for the Parta Appraisal Program <sup>Note 1</sup>. ERCE is an international, independent consultancy specialising in geoscience evaluation, engineering and economic assessment.

#### Summary of Resource Review Results

ADX Contingent Resources estimates are confirmed by ERCE and a significant increase in aggregated resource potential is estimated by ERCE across all unrisked gas Prospective Resources categories for the two well program compared to that previously announced by ADX. A comparison of ERCE and ADX total unrisked resources estimates is shown in the table below (source: ERCE Independent Evaluation Report and ADX ASX announcement 8/8/2017)

<b>Parta Appraisal Program Unrisked Resource Estimate Comparison</b>			
(Bscf Recoverable @ 100% Equity Interest <sup>Note 6</sup> )			
Contingent Resources <sup>(Note 2, 4, 7)</sup>	1C	2C	3C
ERCE (Estimate)	6.8	21.6	59.0
ADX (Estimate)	8.0	21.0	59.0
% age change - ERCE compared to ADX	-15%	3%	0%

  

Prospective Resources <sup>(Note 3, 5, 7)</sup>	Low	Best	High
ERCE (Estimate)	10.5	28.3	67.7
ADX (Estimate)	7	19	56
% age change - ERCE compared to ADX	50%	49%	21%

**Note 1:** The work has been carried out using international resources and reserves reporting and classification standard adopted by the ASX and the LSE - the March 2007 SPE/WPC/AAPG/SPEE Petroleum Resources Management System ("PRMS")

**Note 2:** Contingent Resources are those quantities of petroleum estimated, as at a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. 1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the estimates that have a respectively 90% (P90), 50% (P50) and 10% (P10) probability that the quantities actually recovered will be exceeded

**Note 3:** 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.

**Note 4:** The total Contingent Resources estimates presented in the table above are unrisked and have not been adjusted for the chance that the Contingent Resources will be developed and will reach commercial producing status

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**Note 5:** The total Prospective Resources estimates presented in the table above are unrisks and have not been adjusted for the chance of discovery and chance of development

**Note 6:** ADX holds its beneficial interest in the Contingent Resources and Prospective Resources via the special purpose company Danube Petroleum Limited (Danube). ADX currently holds a 91% share holding in Danube. Upon the completion of tranche 2 of the US\$2 million funding transaction with Reabold Resources Plc, ADX will hold a 71% interest in Danube. Danube in turn holds a 100% interest in the Romanian exploration and production license holding company ADX Panonia.

**Note 7:** The gas resources estimates presented are gross raw gas and do not account for shrinkage fuel and flare or inerts.

“Bscf” means thousands of millions of standard cubic feet

“1C” means Low Estimate Contingent Resources

“2C” means Best Estimate Contingent Resources

“3C” means High Estimate Contingent Resources

ADX commissioned the review on behalf of its’ subsidiary ADX Energy Panonia Srl (“ADX Panonia”), the license holder of the Parta Exploration Permit and Iecea Mare Production License onshore Western Romania. ADX Panonia holds a 100% interest in the Parta Appraisal Program targeting the Contingent and Prospective Resources defined by two historic discovery wells, Iecea Mare-35 and Carpinis-55, via a sole risk agreement with its Exploration Permit partner RAG Austria AG (“RAG”). ADX Panonia recently entered into an agreement to purchase a 100% interest in the Iecea Mare production license (see Figure 1) which contains the tested Iecea Mare-35 discovery well.

ADX holds its interest in ADX Panonia via a recently formed special purpose vehicle Danube Petroleum Limited (Danube). ADX currently holds a 91% share holding in Danube. Upon the completion of tranche 2 of the US\$2 million funding transaction with Reabold Resources Plc, ADX will hold a 71% interest in Danube. ADX is the operator of the exploration and production permits pursuant to a Services Agreement with Danube.



Figure 1 – Map showing the Parta exploration license, the Iecea Mare production license, Iecea Mica 1 and 2 well locations and the Calacea Gas Plant

### **Parta Appraisal Program**

Utilising 3D seismic in the northern part of the Parta license (Figure 1) ADX has delineated a number of oil and gas appraisal drilling opportunities based on historic wells which were drilled but never produced or adequately tested. The current Parta Appraisal Program (Program) includes 2 gas redrill opportunities defined by Iecea Mare-35 and Carpinis-55 discovery wells. The new appraisal wells have been named Iecea Mica-1 (Iecea Mare-35 redrill) and Iecea Mica-2 (Carpinis-55 redrill), respectively. The short distance to an active oil and gas processing facility (Satchinez – Calacea) enables a rapid, low cost development. The acquisition of the Iecea Mare production license allows the location of production facilities within the existing license area without the need to secure a production license.

The Iecea Mica-1 appraisal well will test multiple pay zones in a 3D seismically defined structural closure with an already successfully tested gas reservoir zone. The Iecea Mica-2 well targets two reservoirs in stratigraphic pinchout traps defined by 3D seismic attributes, one of which is supported by gas flow from the same reservoir as tested successfully in Well Iecea Mare-35.

An experienced operations team has been established in Romania since the beginning of 2018 undertaking ongoing well planning, licensing and contracting work with a view to being able to commence operations by the end of 2018. Well spud dates will be determined based on rig selection over the coming months.

**Ian Tchacos, Executive Chairman of ADX, commented** “The Board of ADX is pleased that ERCE has independently supported our assessment of the resource potential for Parta Appraisal Program. The substantial increase in their assessment of unrisked gas Prospective Resource is particularly important in terms of the upside potential for the two wells. As announced previously the combination of relatively shallow onshore drilling, low tie in costs to existing infrastructure, strong gas pricing and excellent fiscal terms can deliver excellent shareholder returns. We look forward to the finalisation of licensing arrangements and the commencement of drilling operations.”

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*PERSON COMPILING INFORMATION ABOUT HYDROCARBONS* Pursuant to the requirements of the ASX Listing Rules 5.41 and 5.42, the technical and resource information contained in this presentation has been reviewed by Paul Fink, Technical Director of ADX Energy Ltd. Mr. Fink 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 presentation 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).

DISCLAIMER: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate 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.

**END OF RELEASE**