

## Access and Tariff Agreement with RAG E&P for Upper Austrian Appraisal & Exploration Licenses

“Agreement provides principal terms for ADX to access RAG E&P’s oil and gas infrastructure in Upper Austria

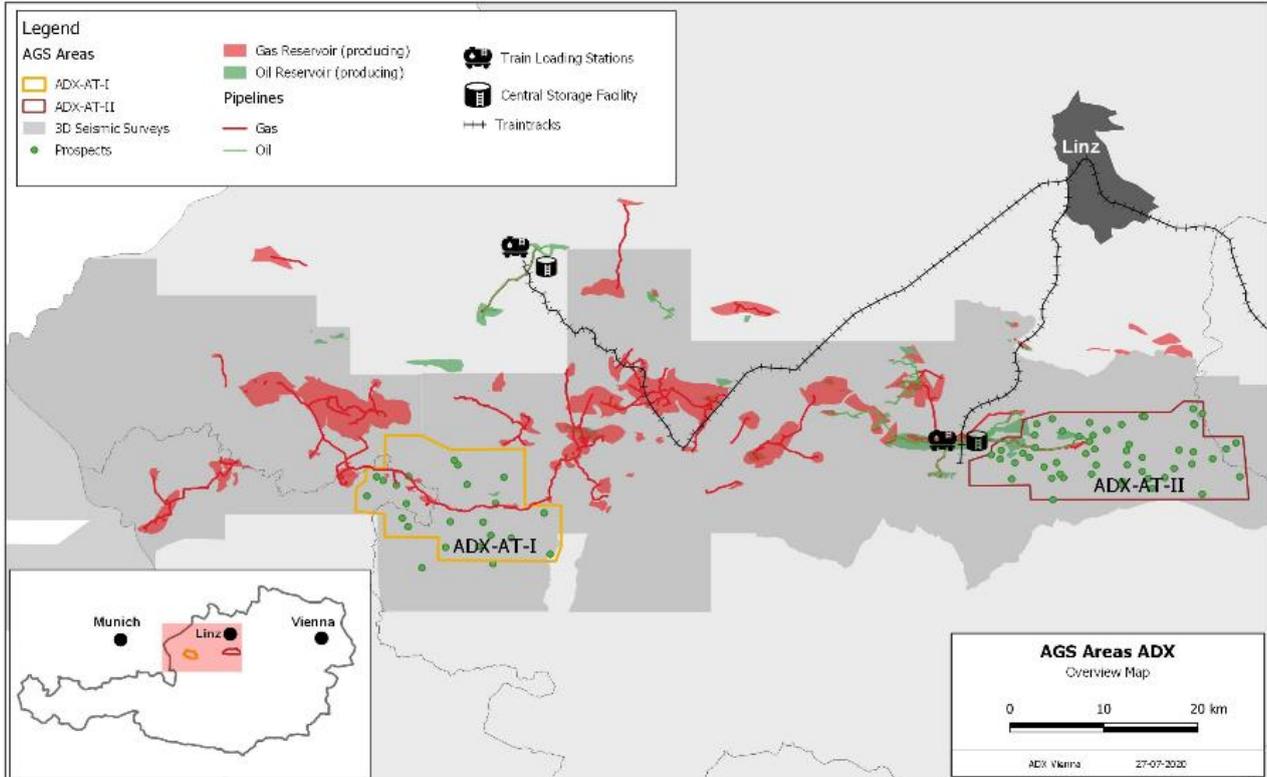
### Key Points:

- The agreement with RAG Exploration & Production GmbH (RAG E&P) a wholly owned subsidiary of RAG Austria AG provides attractive commercial terms for the access of future ADX oil and gas production from the recently announced exploration and appraisal licenses in Upper Austria which surrounds producing fields and infrastructure owned and operated by RAG.
- The agreement secures greater economic certainty for development of hydrocarbons discovered and appraised in the licenses ranging from relatively small appraisal prospects to large exploration prospects.
- The agreement enables the reduction of capital expenditures and the time taken from drilling to commercial production due to the tie into RAG E&P’s existing hydrocarbon gathering, processing and storage facilities connected to Austria’s oil and gas infrastructure network.
- It is envisaged that the arrangements will be beneficial for both parties ensuring that hydrocarbons from the basin can be produced efficiently and cost effectively by utilising available capacity and maximising throughput through RAG E&P’s facilities, thereby lowering the production costs for both parties.
- The arrangements are the result of ongoing cooperation between the RAG and ADX management teams which is expected to enable the ongoing exploitation of the prolific Molasse basin in Upper Austria in an economically viable and environmentally sustainable manner.
- The agreement also enhances ADX prospects for favourable farmout terms. The combination of a multi prospect portfolio, mature and drill ready prospect inventory focused on proven exploration plays with certainty of access to infrastructure on beneficial terms is expected to be attractive for prospective farminees who are seeking a rapid pathway from exploration or appraisal drilling to production cash flow.

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that a binding memorandum of understanding has been executed with RAG Exploration & Production GmbH (RAG E&P) a wholly owned subsidiary of RAG Austria AG (Agreement) providing the key principles and commercial terms and conditions for access to oil and gas processing, transportation and auxiliary facilities and infrastructure (Infrastructure) owned and operated by RAG E&P in the Molasse basin in Upper Austria.

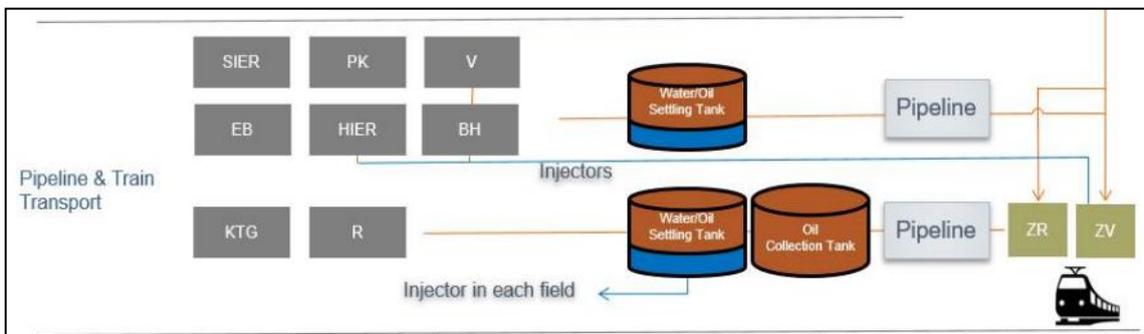
# ASX RELEASE

The Agreement relates to areas covered by ADX's recently announced exploration and appraisal areas (ADX AGS Concessions) which are proximal to RAG E&P's oil and gas fields. The Agreement includes tariffs for the processing and transportation of future hydrocarbon production from ADX AGS Concessions.



Map showing ADX AGS Exploration Areas proximal to RAG's infrastructure and fields. The round green dots denote oil and gas prospects covered by 3D seismic.

RAG E&P's Infrastructure in the Molasse Basin enables oil and gas to be processed, stored and transported with the efficient delivery of oil to the OMV refinery in Schwechat (near Vienna) and gas to the national gas grid. ADX intends to deliver produced crude oil, gas and reservoir formation water via tie into the Infrastructure thereby reducing the capital cost of development, expected operating costs and the time frame from discovery to commercial production and cash flow.



Schematic showing RAG E&P's processing, transportation and oil storage facilities alternatives. The current arrangements cover tie in at the proximal SIER (Sierning) and ZV (Zentrale voitsdorf) facilities.

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The Agreement grants access for ADX hydrocarbons to RAG E&P's facilities and outlines the commercial framework for future delivery of discovered hydrocarbons which will in turn be dealt with in specific agreements for each discovery.

The commercial terms included in the Agreement provides a greater likelihood of commerciality for development of hydrocarbons discovered and appraised in the ADX AGS Concessions ranging from relatively small appraisal prospects (less than 1 million barrels) to larger exploration prospects (greater than 10 million barrels). Refer Resources Reporting Date: ASX release regarding Upper Austria Exploration on 30/11/2020.

**ADX Executive Chairman, Mr Ian Tchacos, said,** *"This transaction substantially increases the economic potential from the recently announced ADX exploration and appraisal portfolio in Upper Austria. As a result of this transaction our ready to drill portfolio can be more efficiently and economically developed in a much shorter time frame assisting our strategic goal of rapidly building hydrocarbon production in Austria. We thank RAG management for collaborating with our team on the ground to enable the finalisation of the Agreement in a fair and open manner. We look forward to further collaboration opportunities with RAG to ensure the ongoing development of the Molasse basin.*

**For further details please contact:**

Paul Fink  
Chief Executive Officer  
+61 (08) 9381 4266  
[paul.fink@adx-energy.com](mailto:paul.fink@adx-energy.com)

Ian Tchacos  
Executive Chairman  
+61 (08) 9381 4266  
[ian.tchacos@adxenergy.com.au](mailto:ian.tchacos@adxenergy.com.au)

**Authorised for lodgement by Ian Tchacos, Executive Chairman**