

New Upper Austrian Appraisal & Exploration License Agreements Completed

“A drill ready, multiple prospect and high success rate portfolio adjacent to infrastructure”

Key Points:

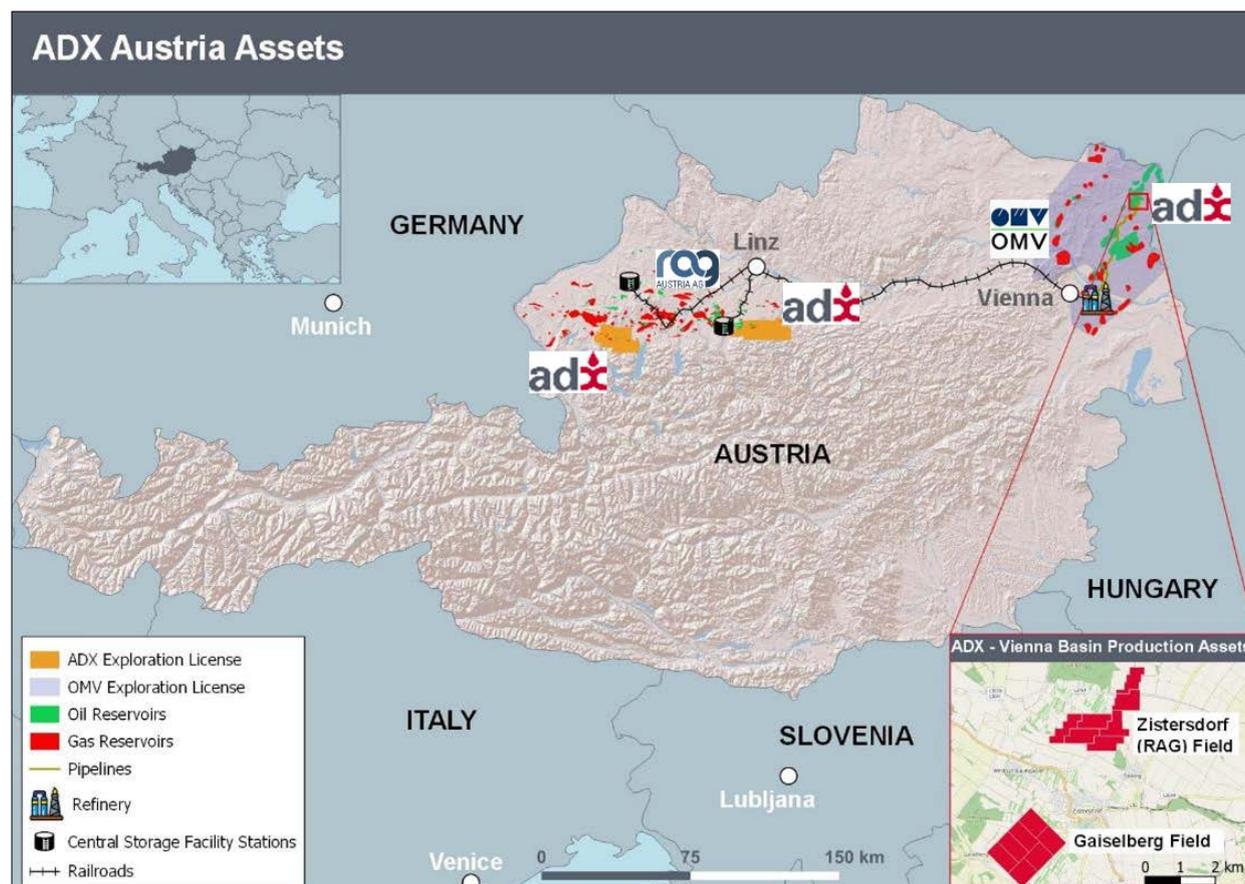
- ADX and the Austrian Mining Authority have finalised agreements for ADX to become the only exploration licensee in Upper Austria’s prolific Molasse Basin surrounding RAG Austria AG (RAG) producing fields and infrastructure.
- A highly prospective 450 km² acreage position with;
 - 10 drill ready exploration prospects with 42 million barrels of oil equivalent (MMBOE) combined P50 (best case) prospective resources mapped on high quality modern, 3D seismic including prospects exceeding 10 MMBOE best case prospective resource ^{Note 1}
 - 70 additional follow up prospects and leads; and
 - a number of low risk appraisal targets providing low risk cash flow opportunities.

Note 1: The prospective resource estimates in this release are classified and reported for the first time in accordance with the PRMS – SPE Guidelines for the exploration licenses ADX-AT-I and ADX-AT-II, in the Molasse Basin, Austria. Refer to the end of this release for an explanation of prospective resource classifications used and the basis on which the prospective resources were estimated.

- Extensive 3D seismic, well and production database secured from RAG will enable immediate drilling activity. 6 exploration drilling locations have already been approved by landowners and authorities, some with an access road and drill site.
- ADX has a highly experienced technical and operations team (ex RAG) which has achieved a historical exploration success rate of 47% in the basin where approximately 210 MMBOE has been produced to date.
- Prospects will target proven, highly productive reservoirs at shallow to moderate drilling depth with well costs of EUR 1.0 to 5.0 million as well as highly prospective geothermal potential that provides additional growth opportunities in renewable energy.
- Rapid regulatory approval process and excellent contractor availability for drilling and development operations are complimented by a long-established oil and gas culture ensuring ongoing community support.
- Very favourable licensing terms have been achieved which include a EUR 342,828 bank guarantee and a 2-well drilling commitment over a 4 year initial period that can be extended for 3 additional 4-year periods. The ability to reduce and expand the license areas on short notice with fast authority approval times adds flexibility.
- ADX intends to commence a farmout program early next year. The combination of a multi prospect portfolio, mature and drill ready prospect inventory focused on proven exploration plays with proximity to infrastructure is already attracting potential farmin candidates.

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ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that agreements have been finalised with the Austrian Mining Authority to secure exploration and appraisal licenses in the Molasse basin in Upper Austria (**Licenses**). The Licenses have been offered on attractive terms including the payment of a EUR 340,000 bank guarantee to cover federal exploration license fees and secure an initial work program commitment of up to two wells. The effective date of the Licenses will be 1 January 2021 and the term of the Licenses consists of four periods of four years each subject to satisfaction of commitments. A unique and favourable aspect of the Austrian licensing regime is the ability to reduce or extend a license area on short notice. The area covered by the two Licenses is 450 Km² in total (equal to the size of 3 full sized offshore exploration licenses in the UKCS).



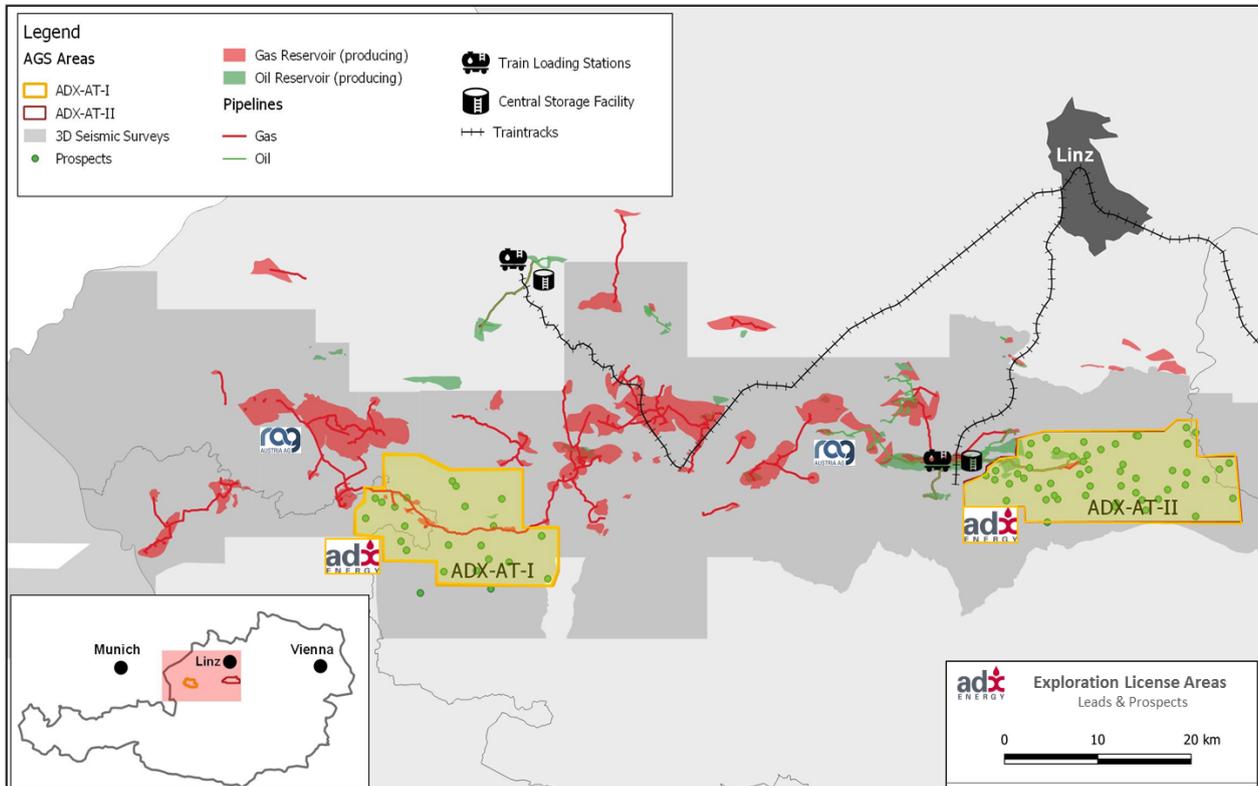
ADX – Austria Asset Position Overview showing ADX production areas (Zistersdorf and Gaiselberg fields) in the Vienna Basin in the East (dominated by OMV) and ADX Exploration Licenses (orange) adjacent to RAG oil and gas production area of the Molasse Basin in the West.

The License terms and outlines have been established based on ADX technical, financial and operational capability following extensive negotiations with the Austrian Mining Authority over the past twelve months. With the award of these Licenses, ADX will become the only exploration licensee in the Austrian part of a basin where over 800 BCF of gas and 70 MMBBLs of oil have been produced to date by RAG in Upper Austria. ADX will become one of the only two exploration licensees in Austria (together with OMV) hence this an important milestone for both Austria and ADX made possible by the credibility and capability of experienced management and technical personnel based in Austria.

The Licenses surround and are immediately adjacent to RAG’s oil and gas fields providing excellent geological understanding and direct access to infrastructure (refer to Map below). ADX has utilised

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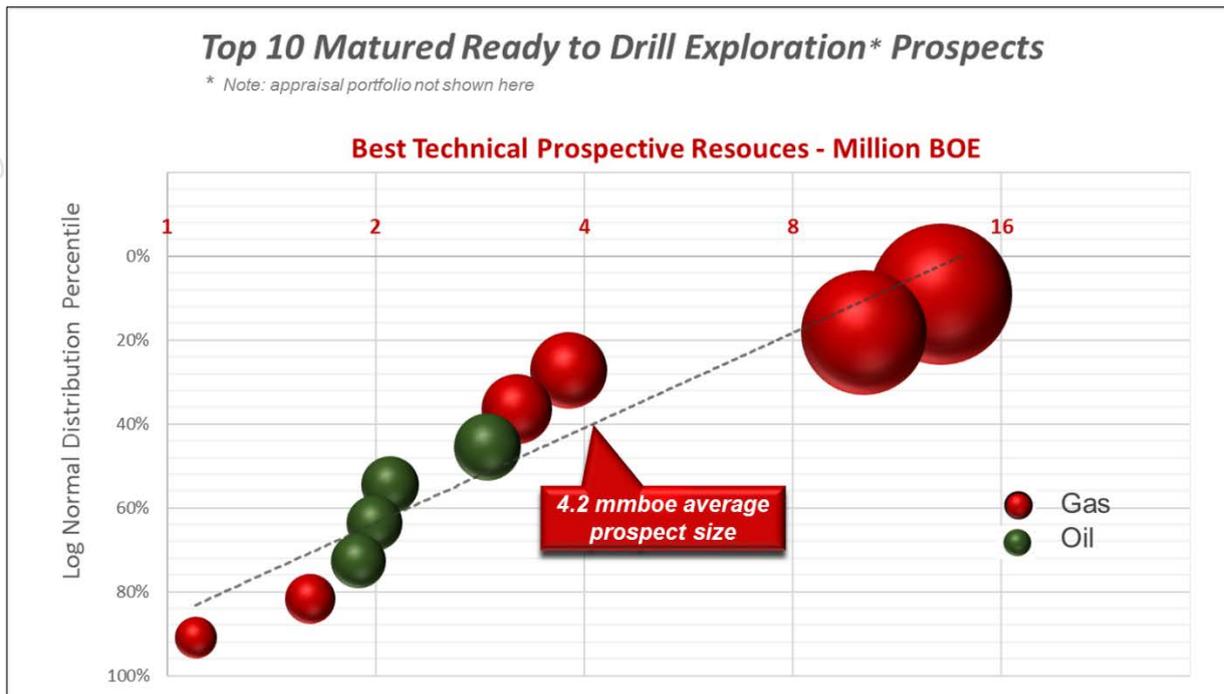
an exclusive 3,650 Km² high quality 3D seismic dataset (processed to 3D depth domain) and well database (**Data**) acquired from RAG to high grade exploration areas and mature prospects for drilling. The Data was part of the original Gaiselberg and Zistersdorf field asset acquisition from RAG. Due to this exclusive Data position and the knowledge of our local highly experienced and successful technical team, ADX has been able to secure an optimal acreage position.



License Area map with key production infrastructure and existing RAG oil and gas fields . The green dots inside the ADX exploration licenses symbolise all 3D seismic mapped opportunities including opportunities, leads, prospects and appraisal projects.

A drill ready exploration prospect inventory for the Licenses is summarised in the following prospective resources histogram showing the best technical case resources (**Resources**) for each prospect. The prospects' target Resources range from just over 1 to over 15 MMBOE. The arithmetic average prospect Resource size is approximately 4.2 MMBOE. Prospects with less than 1 MMBOE of Resources are economically viable due to proximity to existing infrastructure operated by RAG. The larger prospects exceeding 10 MMBOE of Resources, if successful, are highly valuable in an onshore setting proximal to infrastructure. The 10 matured prospects represent a subset of approximately 80 appraisal projects, exploration prospects and leads identified within the Licenses.

The historical exploration success rate on 3D seismic in the basin has been approximately 47%. The Licenses also contain lower risk appraisal opportunities and extensions to fields operated by RAG. ADX is fortunate to have an experienced and successful exploration team that has worked the basin for RAG prior to joining ADX. In addition to the above-mentioned hydrocarbon opportunities, the western part of the basin has proven geothermal potential that is already being exploited across the border in Germany (Munich area) but still under-utilized in Austria.



Resource Size Distribution for top ten matured exploration prospects (lognormal fit)

The availability of high quality and locally experienced drilling and services contractors as well as a proven and efficient regulatory regime ensures rapid (by any developed world standard) approvals for drilling and development operations. This is further complimented by a long-established oil and gas culture in the area, which ensures ongoing community support. The drill ready prospect inventory will enable ADX to commence licensing for drilling immediately, a process that typically takes approximately six months in Austria.

ADX intends to commence a farmout process early in the new year. The availability of high quality, drill ready prospects proximal to infrastructure based on an excellent data set and a high historical exploration success rate is expected to yield market interest in a rising oil price environment with an increasing focus on environmentally friendly low emission production as is the case in Austria. It is ADX intention to farmout some higher risk and higher reward prospects while drilling lower risk nearfield or appraisal opportunities at a 100% equity interest.

ADX Executive Chairman, Mr Ian Tchacos, said, *“This is transformational step forward for ADX made possible by our highly skilled team on the ground in Austria led by our CEO Paul Fink and our experienced and respected Austrian Managing Director Alan Reingruber. ADX through its relationships with RAG and the Ministry as well as a strategic exclusive data base has been able to secure an exceptional acreage position with a drill ready portfolio. The Company has been able to build on its acquisition of the Gaiselberg and Zistersdorf fields in the Vienna basin. It would normally take at least 4 years and a cost of at least EUR 10 million to be in our current “ready to drill” position for a license area of this size. ADX has developed a very competitive position in Austria enabling it to achieve our ambitions of becoming a material onshore European producer in a relatively short timeframe through further production acquisitions and organic growth. This has all been made possible in a country with excellent prospectivity and highly developed energy infrastructure which has been dominated by only two energy companies for over the last 75 years.*

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Authorised for lodgement by Ian Tchacos, Executive Chairman

A more detailed technical presentation will be released to shareholders later this week outlining the geological characteristics of individual prospects summarised in this release.

Persons compiling information about Hydrocarbons. Pursuant to the requirements of the ASX Listing Rule 5, the unaudited prospective resource information contained in this release has been prepared under the supervision of Mr Paul Fink. Mr Fink is Technical Director of ADX Energy Ltd, 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 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).

Resource Classifications used in this release.

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.

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.

ADX has only reported Best Estimate Prospective Resources scenarios in this release.

Type of Permits

The Prospective Resources relate to exploration licenses ADX-AT-I and ADX-AT-II (Licenses), in the Molasse Basin, Austria. ADX will hold at a 100% equity interest at the commencement of the license terms on 1 January 2021 for up to four periods of four years each. The license area is 450 Km². Royalty is paid based on the value of hydrocarbons produced at a rate of 15% to maximum 20% for oil and 19% to maximum 22% % for gas, depending on product prices.

Prospective resources have been estimated on the following basis.

ADX has calculated resource estimates probabilistically under the PRMS guidelines outlined in chapter 4.2.3 (June 2018 revision), following the interpretation of all available well data and seismic data including 3D seismic data within the Licenses and within the basin. Ten prospects have been high graded and matured technically for drilling based on the evaluation of risk and resource potential. Given the excellent availability of data available to ADX prior to License award additional geotechnical studies will not be required prior to drilling. ADX anticipates drilling at least two wells in the first 4year term of the license period.

Historical success rates for exploration in the basin have been 47% when utilizing 3D seismic. A similar success rate is expected for future drilling. Given the availability of infrastructure and high-quality productive reservoirs in the basin there is a high probability that successful exploration will result in commercial production.