

2 December 2019

Funding for Romanian Appraisal and Development

“A\$ 4.2 million invested in Danube for testing IMIC-1 well and drilling IMIC-2 well”

Key Points:

- Reabold has contributed A\$ 3.65 million and ADX \$ 0.54 million of further funding for appraisal and development activities in the Parta Sole Risk Area.
- ADX will progress an extensive program of work focussed on commercialisation of gas from the IMIC-1 well and further resource development including;
 - the production testing of the recently drilled IMIC-1 well,
 - the booking of reserves and commercialisation studies for IMIC-1 gas, and
 - the drilling of the IMIC-2 well.
- Following the funding contribution ADX will hold a 49.2 % interest and Reabold a 50.8 % interest in Danube *Refer Note 1*.
- In addition, work has commenced planning and permitting a 100 Km² 3D seismic program in the surrounding Parta Exploration license funded via a US\$ 1.50 million farmin by Tamaska.
- A total of A\$ 6.2 million will be deployed in the Parta Sole Risk Area and the Parta Exploration License for appraisal, development and exploration programs - commencing with the testing of IMIC-1 in February 2020.

ADX Energy Ltd (ASX Code: **ADX**), is pleased to announce that Reabold Resources Plc (LSE AIM:RBD) and ADX have agreed to funding contributions by exercising the subscription of options for Danube Petroleum Limited (“Danube”) share capital. Reabold has subscribed to 1,627,604 Danube shares at an issue price of £1.20 per share for a total subscription price of £1,953,125. ADX has also subscribed to 241,928 Danube shares at an issue price of £1.20 per share for a total subscription price of £290,314.

This funding enables ADX, in its role as operator, to finalise preparations for testing the successful Iecea Mica-1 (“IMIC-1”) well in the Parta Sole Risk Area, Romania. Testing is expected to commence in February 2020 following the delivery of long lead items which will enable the well to be configured and tested as a future producer. ADX and Reabold (“Parties”) will also commence studies for the booking of reserves and commercialisation of Parta Sole Risk Area gas. Commercialisation options that will be progressed include delivery of sales gas to the nearby Calacea Gas Plant or the conversion of gas to power utilising a high voltage power line located approximately 2 km from the IMIC-1 location. Gas to Power is a proven development option in Romania which may provide a lower capital cost solution than a pipeline.

ADX will also commence preparations for the IMIC-2 well on behalf of the Parties including the ordering of long lead items and the contracting of drilling services. Planning and licensing for the IMIC-2 well has already

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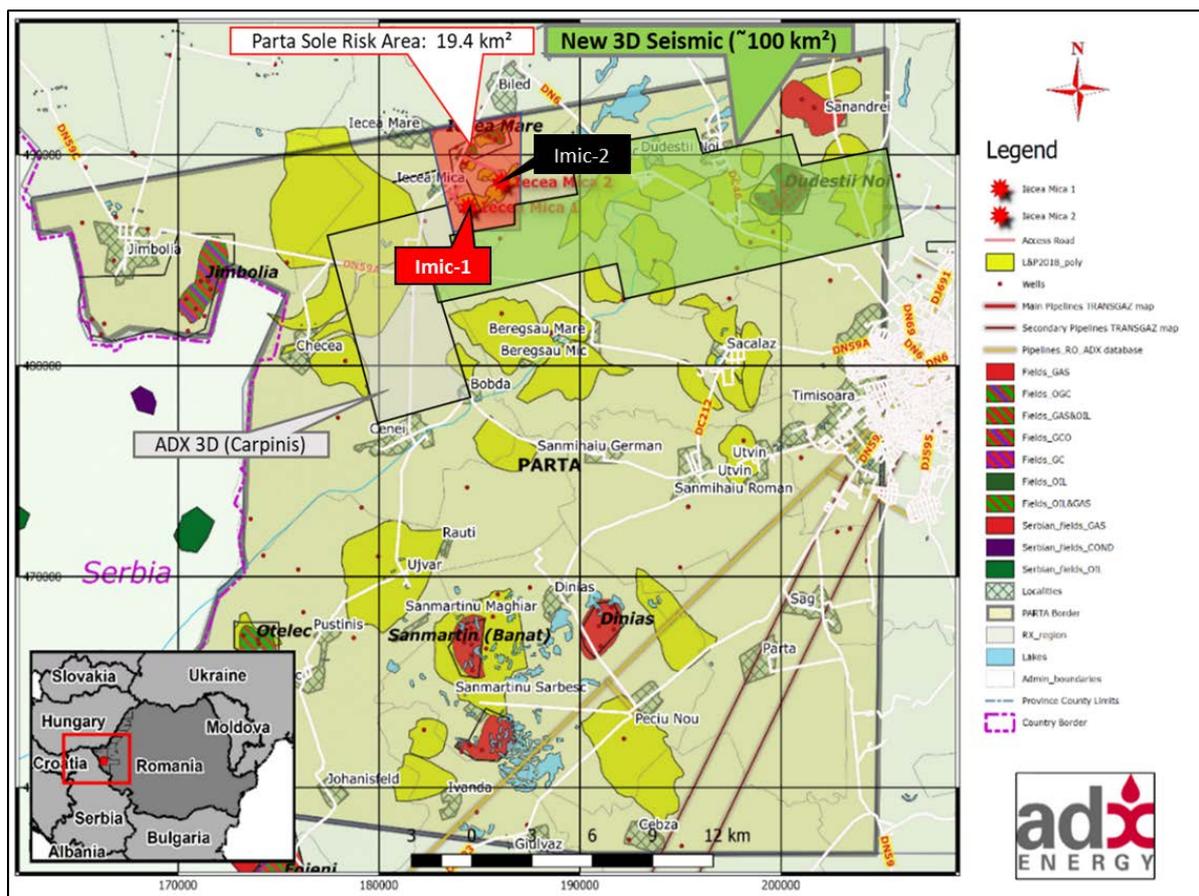
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been completed hence the timing of drilling will be determined by long lead item delivery (well heads and casing) as well as rig slot availability. ADX expects that drilling will commence during the third quarter of 2020. This timing is also optimal from a weather perspective for site preparation. It should be noted that IMIC-2 is expected to be a shallower, simpler to drill and cheaper well than the recent IMIC-1 well.

In parallel with the Parta Sole Risk Area appraisal and development work, ADX is finalising planning and licensing work in the Parta Exploration License to acquire a 100Km² 3D Seismic program (“Parta 3D Program”). The seismic program will be funded by Parta Energy Pty Ltd a subsidiary of Tamaska Oil and Gas (“Tamaska”) pursuant to a farm in agreement where Tamaska will fund a US\$ 1.5 million seismic program to earn a 50% interest in the Parta Exploration Licence (refer ASX announcement dated 8/4/2019). The Parta 3D Program is likely to generate high quality appraisal and exploration targets with multiple stacked oil and gas pay opportunities (at less than 2,500m depth) based on a track record of high exploration success rates by other companies drilling on new 3D seismic in the basin.

In conjunction with the Parta 3D Program, ADX intends to acquire a number of high resolution 2D seismic lines across the IMIC-1 and IMIC-2 accumulations designed to better define the extent of gas zones where ADX has identified substantial stratigraphic upside volumes following the recent drilling of the IMIC-1 well.



Map Showing Parta Sole Risk Area, Parta Exploration License, the IMIC-1 and IMIC-2 well locations and the planned Parta 3D Seismic Program location.

ADX is very pleased with the funding commitment by Reabold that will enable the Parties to undertake an extensive work program focussed on reserves development and gas commercialisation in the Parta Sole Risk area. The planned Parta Sole Risk area activities are very synergistic with the 3D seismic acquisition that will be undertaken in the surrounding Parta Exploration License.

Note 1: Asset Ownership Structure

Prior to the funding referred to in this release ADX held a 58% shareholding in Danube Petroleum Limited (Danube). ADX now holds a 49% shareholding following these funding contributions. The remaining shareholding in Danube is held by Reabold. Danube via its Romanian subsidiary, ADX Energy Panonia, holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Sole Risk Area) and a 100% interest in the Iecea Mare Production license. Upon completion of the farmin by Tamaska subsidiary Parta Energy, Danube will hold a 50% interest in the Parta Exploration license.

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END OF RELEASE - Authorised for lodgement by Ian Tchacos, Executive Chairman.