

15 July 2021

## ADX TO COMMENCE GEOTHERMAL PILOT PROJECT IN AUSTRIA

*“ADX intends to operate a pilot project in cooperation with Siemens Energy and RED Drilling to evaluate a new geothermal power generation technology”*

### Key Points:

- ADX has entered into a Letter of Intent with Siemens Energy and RED Drilling & Services GmbH (RED) to build and operate a well test site (Pilot Project) in Austria to evaluate geothermal to power technology. ADX is the responsible party for all licensing and subsurface execution aspects of the project, including engineering, geological analysis, operational planning and implementation. ADX will need to obtain all necessary regulatory permits and has had positive initial discussions with the relevant mining authorities in Austria.
- Siemens Energy will provide thermodynamic engineering work for the evaluation of the power generation system. RED will execute any drilling and well workover operations required as well as well performance monitoring.
- ADX and RED have already identified potential well test sites where existing wells can be reconfigured to implement the Pilot Project. Subject to the suitability of the wells with respect to thermodynamic attributes and reservoir quality, as well as securing regulatory approvals, it is expected that the first downhole testing could be conducted in Q3 2021.
- Participation in the Pilot Project is intended to provide ADX with increased knowledge, experience and credibility to develop and deploy suitable geothermal power generation technologies on a large scale in ADXs' operated Austrian licenses as well as other Central European jurisdictions where ADX has identified geothermal power generation opportunities.

ADX Energy Ltd (ASX Code: **ADX**) has entered into a Letter of Intent through its 100% owned Austrian subsidiary, ADX Energy GmbH, with Siemens Energy and RED Drilling & Services GmbH (RED) to build a well test site in Austria utilising geothermal power generation technology.

The Pilot Project is expected to commence during the third quarter of 2021. ADX's role in the project will be to provide overall project management, as well as responsibility for execution of all subsurface aspects of the project, including engineering, geological analysis, operational planning and implementation. ADX will also be responsible for obtaining all necessary regulatory permits. Initial discussions with the relevant Austrian authorities in relation to the project have been positive. Siemens Energy will provide necessary thermodynamic engineering, process efficiency analysis and plant parameters to evaluate the system in a geological reservoir setting.

RED has several decades of drilling, testing and workover experience in Austria and Central Europe. It has drilled many of the wells which may be suitable for conversion into geothermal power generation sites. As a result of an outstanding safety and environmental record, RED is a preferred contractor and enjoys high acceptance within the communities it operates in. Its' large operational base in Austria allows a very efficient deployment of experienced drilling staff and well performance monitoring which ADX already utilises for well design.

Geothermal power generation in the appropriate geological setting is capable of providing potentially cheap, constant and reliable carbon free energy. ADX's role as the operator, subsurface geotechnology adviser and license holder, is an extension of ADX's current oil and gas production and exploration activities in Austria. The execution of this Pilot Project in cooperation with highly competent parties provides a unique opportunity for ADX to enhance its knowledge, capability and experience in anticipation of participation in commercial scale geothermal power generation projects in the near future.

ADX has a number of potential commercialisation opportunities within its existing portfolio including its existing Upper Austria exploration licenses which are located in the proven geothermal setting of the Molasse Basin, and the Pannonian Basin of Romania (where ADX operates the Parta license). ADX has also identified a number of other locations in Central Europe which provide an ideal geological setting for geothermal power generation.

In addition to the already announced Vienna Basin Green Hydrogen Project, geothermal power generation has the potential for the profitable and integrated transition to green energy production, while preserving and enhancing the value and lifespan of our existing oil and gas assets.

ADX Executive Chairman Ian Tchacos said: *"We are delighted to be partnering with Siemens Energy and RED in this Pilot Project providing ADX with an excellent opportunity to further develop our skills and experience in geothermal power generation. The Pilot Project demonstrates the potential for oil and gas reservoirs to be redeployed for green energy solutions in the near future. The redeployment of such assets is not just good for the environment, it is good business. We are especially pleased to become more involved in rapidly growing geothermal power industry."*

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