

10 January 2022

OIL PRICE HEDGING FOR VIENNA BASIN FIELD PRODUCTION

“Brent Zero Cost Collar Contract secured with a floor of USD 73.00 per bbl and a cap of USD 82.60 per bbl for January to April 2022”

Key Points:

- ADX current hedged oil production position from its Vienna basin fields is approximately 170 barrels per day or approximately 80% of forecast proven (1P) oil production comprising of contracts with the following term and price:
 - A. an existing fixed price swap at USD 71.85 per barrel representing approximately 45% of the 1P production until 31 March 2022; and
 - B. A new zero collar contract with a pricing floor at USD 73.00 per barrel and a cap at USD 82.60 per barrel representing circa 35% of the 1P production between 1 January 2022 and 31 March 2022 and 60% of the 1P production for April 2022.
- ADX hedging strategy is to secure the current strong revenues from production operations resulting from increased oil price while retaining some exposure to further upside in Brent crude oil pricing with some unhedged production.
- The hedging counterparty for this transaction as well as the previous hedging is BP.

ADX Energy Ltd (ASX Code: **ADX**) is pleased to advise that it has executed hedging transactions with BP for a zero collar contract with a pricing floor at USD 73.00 per barrel (put option strike price) and a cap at USD 82.60 per barrel (call option strike price). The contracted volumes represent approximately 35% of the 1P production between 1 January 2022 and 31 March 2022 then 60% of the 1P production for April 2022 from its Gaiselberg and Zistersdorf fields in the Vienna basin.

The total volume of oil production covered by the zero collar contract is 11,210 barrels during the 4-month period of hedging from January to April 2022 inclusive (the Hedge Period). With the new zero cost collar contract, ADX will receive for these 11,210 barrels a Brent price of no less than USD 73.00 per barrel and up to USD 82.60 per barrel based on the average Brent price for each month over the Hedge Period.

Favourable trading conditions for Brent crude oil have continued in early 2022 with the Dated Brent Oil Price Forward Curve remaining above USD 79.00 per barrel during the first quarter of 2022. Such market conditions have enabled ADX to secure attractive pricing for the abovementioned hedging contract.

ADX Energy Ltd (ASX:ADX)

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Increased net revenues due to a higher oil price and sustained oil production rates have placed ADX in a strong position to continue a program of portfolio growth initiatives for oil and gas as well as compatible green energy production opportunities.

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