

ADX Energy Ltd (ASX: ADX)

September 23, 2025

Share price: A\$0.03

Target: A\$0.30

Favourable court ruling allows Welchau testing operations to resume

- The Upper Austrian State Administrative Court has rejected objections from environmental activist groups regarding drilling and testing at Welchau. The court confirmed that Environmental Clearances were issued in full compliance with applicable regulations.
- ADX is now authorized to resume operations at the Welchau-1 site during the winter drilling window, spanning 1 October to 31 March.
- Fluid sampling of the Reifling formation is scheduled for late 4Q25. This interval was previously perforated prior to the suspension of testing activities.
- Of the four reservoir intervals intersected by Welchau-1 with oil and gas shows, three remain untested, offering further upside.
- The well may be deepened to evaluate the Welchau Deep target, which carries an estimated P50 prospective resource of ~65 bcf.
- Our unrisked NAV for Welchau-1 (Steinalm + Reifling) exceeds A\$1.00 per share. We currently assign a 20% chance of success to Reifling and 10% to Steinalm.
- The decision was made in the Austrian public interest reflecting a strong endorsement for gas exploration in Austria as a priority to gain independence from Russian gas and LNG imports.
- We re-iterate our target price of A\$0.30 per share.

Valuation

Our total unrisked valuation for the company based on its 2P reserves and the shallow gas play is ~A\$0.10 per share assuming that ADX keeps 50% WI of the shallow gas play. Our ReNAV of A\$0.28 per share for the company reflects: (1) producing assets, (2) shallow gas targets (near-term focus), (3) Welchau-1, and (4) the Italian permit, based on anticipated farm-out terms.

Rating & target		Old	New
Target		A\$ 0.300	n.c.
Yield			0%
Implied total return			1100%
Share data	2024	2025e	2026e
Shares dil., mm	657	673	673
Mkt cap, US\$mm	\$11	\$11	\$11
EV, US\$mm	\$6	\$10	\$13
Financial Data	2024	2025e	2026e
Gas, mmcf/d	0.1	0.1	0.1
Liquids, bbl/d	196	248	247
Total boe/d (6:1)	216	271	270
CFO, US\$mm	(\$1)	(\$1)	(\$1)
Net capex, US\$mm	\$7	\$2	\$2
Net debt, US\$mm	(\$5)	(\$1)	\$2
CFPS dil., US\$/shr	(\$0.00)	(\$0.00)	(\$0.00)
EPS dil., US\$/shr	(\$0.01)	(\$0.01)	(\$0.01)
Valuation	2024	2025e	2026e
Share price,	A\$ 0.025	A\$ 0.025	A\$ 0.025
A\$/shr			
EV/DACF	-3.5x	-4.4x	-10.3x
EV per boe/d (US\$)	\$28,472	\$35,271	\$47,641
Net asset value			
CNAV, A\$/shr			A\$ 0.017
RENAV, A\$/shr			A\$ 0.277
Unrisked NAV, A\$/shr			A\$ 2.792
P/RENAV			0.1x
P/ENAV			0.0x
All figures in US\$ unless otherwise noted			
A\$/US\$:	0.65		

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 A\$/US\$: 0.65

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Figure 1. Financial & operating information

ADX Energy Ltd (ADX AU)								
Financial & Operating Information		2023	2024	2025e	2026e	2027e	2028e	2029e
Commodity Prices								
Brent	US\$/bbl	\$82.46	\$80.48	\$68.73	\$70.00	\$70.00	\$70.00	\$70.00
Austria Gas price	US\$/mcf	\$17.95	\$11.68	\$10.07	\$11.60	\$11.67	\$11.67	\$11.67
A\$/US\$	A\$/US\$	\$0.67	\$0.67	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65
Production								
Oil and Liquids	bbl/d	263	196	248	247	247	247	247
Natural Gas	mmcf/d	0.2	0.1	0.1	0.1	0.1	2.6	5.1
Total (6 mcf = 1 boe)	boe/d	289	216	271	270	268	688	1,102
% Oil and Liquids	%	91%	90%	91%	91%	92%	36%	22%
Netbacks								
Realized Price	US\$/boe	\$83.56	\$90.29	\$71.60	\$65.89	\$65.89	\$68.40	\$69.00
Royalties	US\$/boe	\$4.73	\$5.75	\$4.32	\$3.41	\$3.44	\$10.74	\$12.49
Production & Transport Costs	US\$/boe	\$81.04	\$105.57	\$83.15	\$76.37	\$76.97	\$33.37	\$22.93
Operating Netback	US\$/boe	(\$2.21)	(\$21.03)	(\$15.87)	(\$13.89)	(\$14.51)	\$24.29	\$33.58
Taxes	US\$/boe	-\$2.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.16	\$0.10
Cash Flow Netback	US\$/boe	(\$8.94)	(\$27.44)	(\$24.19)	(\$8.24)	(\$8.82)	\$27.53	\$36.34
Government Take	%	3%	6%	6%	5%	5%	16%	18%
Financials								
Cash Flow (CFO)	US\$mm	(\$2)	(\$1)	(\$1)	(\$1)	(\$2)	\$5	\$13
CFPS - diluted	US\$/shr	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	\$0.01	\$0.02
EBITDAX	US\$mm	\$1	(\$0)	(\$1)	(\$1)	(\$1)	\$7	\$15
E&D Capex	US\$mm	\$5	\$19	\$2	\$2	\$1	\$3	\$0
A&D Capex, Net	US\$mm	(\$5)	(\$12)	\$0	\$0	\$0	\$0	\$0
Total Net Capex	US\$mm	(\$0)	\$7	\$2	\$2	\$1	\$3	\$0
Total Net Capex/CFO	x	0.2x	-5.4x	-1.5x	-1.6x	-0.7x	0.5x	0.0x
Leverage								
Net Debt	US\$mm	(\$4)	(\$5)	(\$1)	\$2	\$6	\$3	(\$10)
Net debt/CFO (Trailing)	x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Entry Net Debt/CFO	x	n.a.	n.a.	n.a.	n.a.	-0.9x	1.0x	0.2x
Capital Structure								
Basic Shares o/s @ YE	mm	428	574	579	579	579	579	579
Diluted Shares o/s @ YE	mm	502	657	673	673	673	673	673
Market Capitalization	US\$mm	\$8	\$11	\$11	\$11	\$11	\$11	\$11
Enterprise Value	US\$mm	\$4	\$6	\$10	\$13	\$17	\$14	\$1
Dividends & Sustainability								
Dividends	US\$mm	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$/shr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Yield	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Free Cash Flow	US\$mm	(\$7)	(\$20)	(\$4)	(\$3)	(\$4)	\$3	\$13
Cash Use/CFO	%	16%	-535%	-148%	-156%	-66%	53%	3%
Performance								
Prod. Per Shr Growth (Y/Y) - dil	%	76%	240%	8%	-3%	-1%	157%	60%
PPS Growth (Y/Y) DDA - dil. ^b	%	92%	1082%	-55%	-39%	-33%	119%	884%
CFPS Growth (Y/Y) - dil.	%	-177%	-34%	15%	-12%	71%	-344%	141%
CFPS Growth (Y/Y) DDA - dil. ^b	%	-222%	945%	-58%	-46%	15%	-309%	1385%
ROCE	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Net Asset Value ^c								
RENAV (Atax) - diluted	A\$/shr	A\$ 0.277						
Unrisked NAV (Atax) - diluted	A\$/shr	A\$ 2.792						
P/CNAV	x	1.5x						
P/RENAV	x	0.1x						
P/Unrisked NAV	x	0.0x						
Valuation								
Share Price, YE/Current	A\$/shr	A\$ 0.025	A\$ 0.025	A\$ 0.025	A\$ 0.025	A\$ 0.025	A\$ 0.025	A\$ 0.025
P/CF	x	-45.8x	-4.4x	-4.5x	-13.5x	-12.7x	1.6x	0.7x
EV/DACF	x	n.a.	-3.5x	-4.4x	-10.3x	-12.5x	1.3x	0.1x
Target EV/DACF	x	-13.8x	-8.0x	-8.0x	-26.0x	-27.3x	3.2x	0.9x
EV per boe/d	US\$/boe/d	\$15,143	\$28,472	\$35,271	\$47,641	\$61,799	\$20,397	\$1,188
Proved Plus Probable	mmboe	5	5	5	5	5	4	4
EV per 2P boe	US\$/boe	\$0.86	\$1.23	\$1.94	\$2.67	\$3.51	\$3.14	\$0.32
EV per 2P boe, with FDC	US\$/boe	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

a) EBITDAX = Pre-Int. & Pre-Tax Cash Flow; ^b DDA = Debt-and-Dividend-Adjusted

c) CNAV incl. 2P reserves, RENAV incl. 2P reserves + Risked LT inventory upside, ENAV incl. 2P reserves + Unrisked LT inventory upside

Source: Auctus Advisors, Company Disclosures

**Futures strip as of 22-Sep-25

Figure 2. NAV Table

	WI Reserves / Resources (mmboe)	Unrisked NAV (US\$ mm)	Unrisked NAV/sh A\$/Share	GCoS (%)	EMV (US\$ mm)	A\$/Share	% Total
Net Cash (YE25)		1	0.003		1	0.003	1%
G&A		-12	-0.029		-12	-0.029	-10%
Options and Warrants Exercised		9	0.021		9	0.021	8%
Austria							
Zistersdorf 2P Reserves	2	8	0.018	100%	8	0.018	7%
Anshof Producing Reserves	4	1	0.003	100%	1	0.003	1%
Total Core NAV		7	0.017		7	0.017	6%
Austria							
Anshof Remaining 2P Reserves	0	14	0.032	30%	4	0.010	3%
Anshof area oil prospect (farm-out)	5	42	0.096				0%
Welchau Prospect - Steinalm formation	45	350	0.799	10%	35	0.080	29%
Welchau Prospect - Reifling formation	19	150	0.342	20%	30	0.068	25%
Welchau ROS oil prospect	11	86	0.000				0%
Welchau Deep gas prospect	11	85	0.000				0%
GOLD/ZAUN/GRAB shallow gas Cluster (farm-out)	1	20	0.046	72%	14	0.033	12%
PICH shallow gas prospect (farm-out)	0	8	0.017	75%	6	0.013	5%
STEY shallow gas prospect (farm-out)	0	1	0.001	68%	0	0.001	0%
HOCH and SCHOE shallow gas prospects (farm-out)	0	8	0.018	57%	4	0.010	4%
HASE Shallow Gas gas prospect (farm-out)	1	0	0.000				0%
Sub-Flysch area gas prospects	30	234	0.536				0%
Molasse area gas prospects	3	26	0.058				0%
Romania							
Iecea Mare	2	7	0.016				0%
Italy							
C.R150.AU gas prospective resources	96	185	0.421	25%	20	0.045	16%
Total Risked Appraisal & Exploration		1,215	2.383		118	0.260	94%
Total NAV		1,222.33	2.400		125	0.277	100%
Unrisked NAV						2.792	
P/NAV					9.0%		
P/Unrisked NAV					0.9%		

Source: Auctus, Company Disclosures

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