

5 October 2021

## **ADX signs MOA with leading Renewable Power Provider for Vienna Basin Green Hydrogen (H<sub>2</sub>) Project**

*“ADX and **Windkraft Simonsfeld AG** sign a strategic agreement for the supply of green power and the joint development of the **green H<sub>2</sub> production, subsurface storage and supply project**”*

### **Key points:**

- ADX has signed a Memorandum of Agreement (“MOA”) with Windkraft Simonsfeld AG (“**WKS**”) for the supply of green electricity and the joint development of a green hydrogen production and underground storage project in the Vienna Basin (**H<sub>2</sub> Project**).
- WKS is a major Austria based European wind power producer operating 91 wind power plants by end of this year, which will generate approximately 640 million kilowatt hours per year (equivalent to the power demand of 160,000 Austrian households). WKS operates and builds wind power plants near the ADX fields where green electricity generation capacity will be curtailed from time to time.
- ADX and WKS (“Parties”) have agreed the following roles and responsibilities for development of the **H<sub>2</sub> Project** to be incorporated in definitive agreements by a target date of 1 December 2021.

#### **ADX will:**

- manage and coordinate development planning and execution as well as operations;
- supply the necessary reservoirs, wells, surface facilities and infrastructure;
- manage the marketing and sale of green hydrogen; and
- provide project management and operations services to execute and operate hydrogen generation (electrolyser), storage and transportation facilities.

#### **WKS will:**

- supply electricity generated from renewable sources (wind and solar) to the H<sub>2</sub> Project (“**Green Electricity**”) <sup>Note 1</sup>
- provide the facilities required to supply and deliver Green Electricity to the H<sub>2</sub> Project

The parties will invest in the project and collaborate to secure dedicated financial incentives from the Austrian Government and the European Union to fund the H<sub>2</sub> Project.

- The Parties are well positioned to provide safe, reliable, long-term supply of green hydrogen either via the existing gas pipeline system <sup>Note 2</sup> or by direct deliveries to buyers or end-users due to the synergistic combination of WKS existing wind power assets and the ADX Gaiselberg and Zistersdorf field subsurface reservoirs, production facilities and gas export infrastructure which is located in close proximity to the city of Vienna.
- The certainty of access to green power and joint development work by the Parties enables the immediate technical and commercial definition of the H<sub>2</sub> Project with a view to capturing already identified near term hydrogen markets thereby increasing the certainty of rapid project formation.

**Note 1: Underground field storage enables the production of green hydrogen during times when demand for Green Electricity is low or curtailed and selling green H<sub>2</sub> for competitive prices. The storage system enables intermittent production of green hydrogen to be stored and sold on a stable, long term, non-interruptible supply basis.**

**Note 2: The ADX fields are connected to the local and national methane gas networks. Since 1 July 2021 H<sub>2</sub> can be directly delivered into existing methane pipeline system, currently at up to a 10% concentration of H<sub>2</sub>. This is expected to increase.**

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that it has entered into a Memorandum of Agreement (“MOA”) through its 100% owned Austrian subsidiary, ADX VIE GmbH, with Windkraft Simonsfeld AG (“WKS”) for the supply of green electricity and the cooperation for the joint development of a green hydrogen production and underground storage project in the Vienna Basin (**H<sub>2</sub> Project**).

WKS is a major wind power producer in Austria that will generate approximately 640 million kilowatt hours in 2022 (equivalent to the power demand of 160,000 Austrian households) and operate 91 wind power plants. WKS operates wind power plants in close proximity to ADX’ Gaiselberg and Zistersdorf fields in the Vienna Basin.

The power grid infrastructure in the northern Vienna basin is now reaching its limits. Due to the lack of power distribution capacity, clean wind power from WKS nearby existing and new wind farms in Prinzensdorf and Poysdorf-Wilfersdorf (localities close to the ADX Vienna Basin fields) cannot always gain 100% access into the grid. This is especially the case during periods of strong winds. At these times WKS power production has to be partially curtailed resulting in the loss of clean electricity. The H<sub>2</sub> Project will allow curtailed wind power to be sensibly used for green hydrogen production. With an electrolyser, wind power is converted into green hydrogen and can be temporarily stored in existing underground storage facilities. ADX has such underground storage in the immediate vicinity of the WKS wind farm in Prinzensdorf.

In accordance with the terms of MOA, ADX and WKS (“Parties”) have agreed their respective roles and responsibilities for development of the H<sub>2</sub> Project to be incorporated in definitive agreements by a target date of 1 December 2021. The intended roles and responsibilities of the Parties for the H<sub>2</sub> Project can be summarised as follows.

**ADX** will be responsible for managing, planning and the execution of the H<sub>2</sub> Project development. This will require access to the necessary reservoirs, wells, surface facilities and infrastructure for the storage and delivery of produced green hydrogen. ADX will also provide project and operations management services for the installation and operation of hydrogen generation facilities (electrolyser), storage and transportation facilities, as well as the marketing and sale of green hydrogen.



**Figure 1: ADX Gaiselberg and Zistersdorf field production infrastructure in the Vienna Basin with wind farms in the background.**

**WKS** will be responsible for the supply of electricity generated from renewable sources (wind or solar) to the H<sub>2</sub> Project (“**Green Electricity**”) and provide the facilities required to supply and deliver Green Electricity to the H<sub>2</sub> Project for the generation of green hydrogen.



**Figure 2: A WKS operated Wind Park close to ADX Vienna Basin fields**

Under the terms of the MOA the Parties have agreed to collaborate to secure grants and other types of financial incentives from the Austrian Government and the European Union to fund the H<sub>2</sub> Project.

**Figure 3** below outlines the pilot phase and the upscaled phase of the H<sub>2</sub> Project as well as the various elements of the project, many of which are already in place between ADX and WKS.

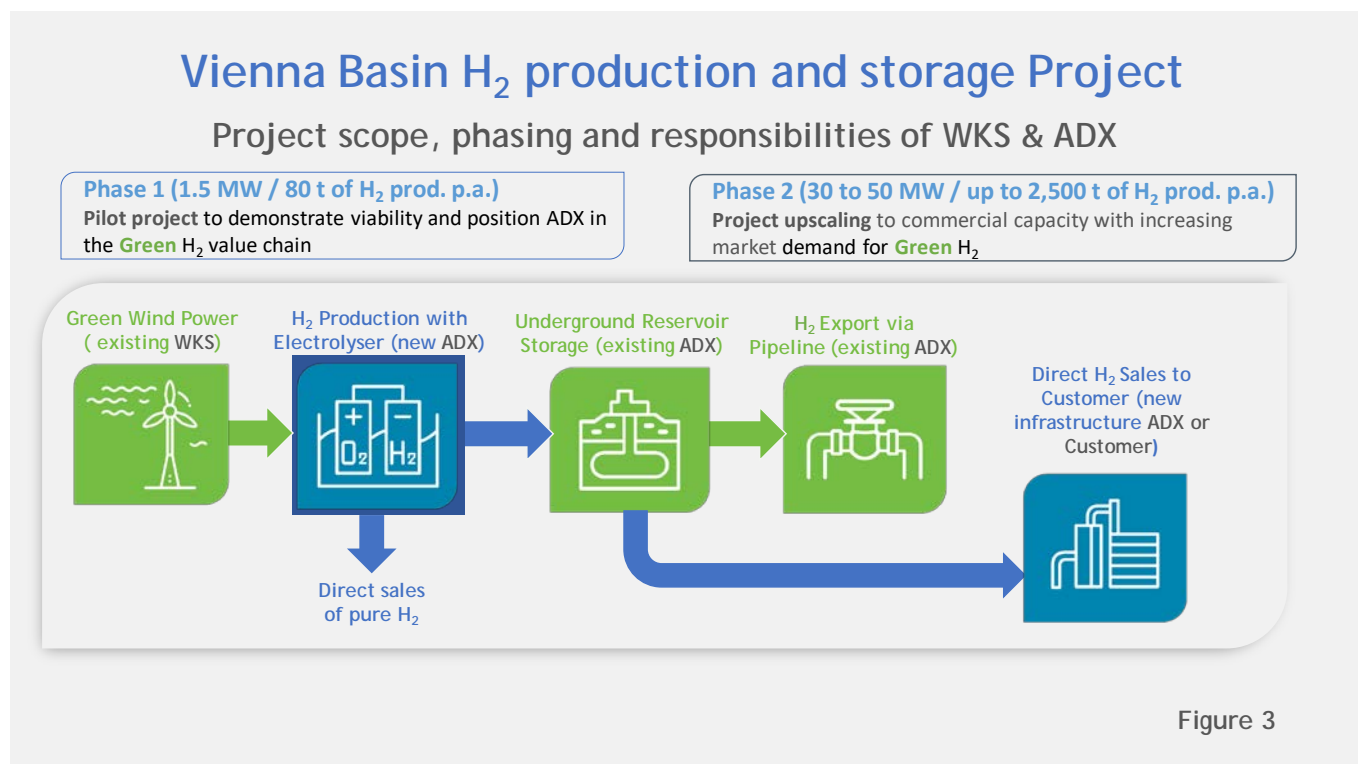


Figure 3

The project scope allows for intermittent pure hydrogen sales direct from the electrolyser, sale of stored hydrogen from the reservoirs into the existing pipeline network and direct sales of stored hydrogen from the reservoirs to a single or multiple customers.

Due to the synergistic combination of WKS existing wind power assets, ADX Gaiselberg and Zistersdorf field subsurface reservoirs, production facilities and gas export infrastructure located all in close proximity to the city of Vienna, the Parties are very well positioned to provide a safe, reliable, long-term supply of green hydrogen either via the existing gas pipeline system or by direct deliveries to buyers or end-users. The ADX fields are connected for the export of produced gas to the local and national methane gas networks. Since 1 July 2021, hydrogen can be directly delivered into existing methane pipeline systems at up to a 10% concentration of hydrogen. Further increases in hydrogen concentration are expected in the pipeline network since a large proportion of the current European gas grids can also be supplied safely with pure hydrogen.

Underground storage at the ADX fields enables the production and storage of hydrogen during times when demand for Green Electricity is low or curtailed. The large scale energy storage system also enables intermittent hydrogen production generated from wind power to be stored and sold on a stable, long term, non-interruptible supply basis. Stable non interruptible energy supply in large quantities which by far exceeds current battery storage capacity is essential for industrial use and power generation.

The Parties' collaboration as contemplated by the MOA enables the immediate technical and commercial definition of the H<sub>2</sub> Project with a view to capturing already identified near term hydrogen markets. The certainty of access to Green Electricity and the joint development of the project with a leading green energy provider such as WKS significantly increases the certainty of rapid project formation.

**ADX Executive Chairman, Mr Ian Tchacos, said,** *“The Board of ADX is very encouraged by the progress being made by our Austrian management team on the H<sub>2</sub> Project. They have delivered an important strategic relationship with Windkraft Simonsfeld AG (“WKS”) which is a leading green energy producer and operator. WKS has an exceptional environmental and community engagement track record in the Vienna basin where ADX also produces safe, long life, low emissions oil and gas. The supply of currently curtailed green electricity to the H<sub>2</sub> Project by WKS and their potential involvement in the project provides strong alignment between the Parties and significantly enhances the certainty of H<sub>2</sub> Project formation at a rapid pace. We look forward to working with WKS to capture existing and emerging hydrogen market opportunities by repurposing our assets for a long green energy production future.”*

**For further details please contact:**

Paul Fink  
Chief Executive Officer  
+61 (08) 9381 4266  
[paul.fink@adx-energy.com](mailto:paul.fink@adx-energy.com)

Ian Tchacos  
Executive Chairman  
+61 (08) 9381 4266  
[ian.tchacos@adxenergy.com.au](mailto:ian.tchacos@adxenergy.com.au)

**Authorised for lodgement by Ian Tchacos, Executive Chairman**