5 January 2022

# Oil and Gas Discovered at Anshof-3 Well

## *"An oil zone at the primary target and a shallow gas zone interpreted based on drilling data"*

**Key points:**

- Preliminary results from drilling data including measurement while drilling and mud logging at the Anshof-3 exploration well located in the ADX-AT-II license in Upper Austria (refer to figure 1) indicate the discovery of oil over the primary Eocene target as well as a shallower potential gas reservoir interval. The results are summarised as follows;
  - A 9m gross interval has been encountered at the primary Eocene oil target, and
  - A 20m gross interval has been encountered with strong gas shows within imbricated Miocene formations.

    The intervals exhibited hydrocarbon shows indicative of moveable hydrocarbons based on extensive experience within the basin. The Eocene oil reservoir and other geological markers such as Top Oligocene and Top Cretaceous have been encountered as predicted, further confirming the presence of a large structure as mapped predrill on 3D seismic.
- At 8pm Central European Time on the 4rth of January 2022 the well had reached a depth of approximately 2400m in the 8 ½ inch hole.
- Planned future operations include drilling to the total depth (into basement), intersecting a potential secondary target (Cenomanian sandstones) and electric line logging the 8 ½ inch hole from a depth of 331m to a total depth of approximately 2500m.
- The logging data is expected to be available during the week commencing 10 January 2022.

*Notes:*

*An overview of the Anshof Prospect is available in Appendix 1 at the end of this release. It includes the results of an independent prospect review undertaken by RISC Advisory Pty Ltd (RISC).*

*ADX announced a farmout to ASX listed Xstate Resources Limited to fund 40% of the Anshof-3 well costs to earn a 20% participating interest in the Anshof Prospect. Refer to ASX release dated 22 November 2021.*

**ADX Executive Chairman, Mr Ian Tchacos, said,** *"The Board of ADX is very encouraged by the well results to date, the safe and efficient drilling of our first well, as well as the potential of the Anshof area for both oil and gas production. Access arrangements to nearby infrastructure enable rapid tie in of discoveries. It is an extraordinary result by our team on the ground to have a potential discovery within 12 months of securing an exploration license. The speed of licensing and the ability to conduct efficient, cost effective operations demonstrates the benefits of operating in Austria."*

**ADX Energy Ltd (ASX:ADX)**

# ASX RELEASE

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that the Anshof-3 exploration well in Austria has encountered an oil zone and a gas zone of interest based on preliminary results from drilling data including measurement while drilling and mud logging. The Anshof-3 well is located in the ADX-AT-II license in Upper Austria. The well reached a depth of approximately 2400m in 8 ½ inch hole at 8pm Central European Time on the 4th of January 2022 utilising the RED Drilling & Services GmbH (RED) E-200 rig on day 17 of drilling operations.

The well is drilling ahead in the 8 ½ inch hole to basement which will be the total depth for the well at approximately 2500m. The well may also intersect a secondary oil target prior to reaching total depth (Cenomanian sandstones). ADX is planning an electric line logging program for the 8 ½ inch hole to further evaluate potential of the hydrocarbon intervals encountered in the well.

*Observations and results*

The preliminary results from Anshof-3 drilling data are summarised as follows;

- A 9m gross interval has been encountered at the primary Eocene oil target, and
- A 20m gross interval with potentially good reservoir quality has been encountered with strong gas shows within imbricated Miocene formations.

The abovementioned intervals exhibited hydrocarbon shows indicative of moveable hydrocarbons based on extensive experience within the basin. The Eocene oil reservoir and other geological markers such as Top Oligocene and Top Cretaceous have been encountered as predicted, further confirming the presence of a large structure as mapped predrill on 3D seismic.

*Future operations*

Planned future operations include electric line logging 8 ½ inch hole from a depth of 331m to the total depth into the crystalline basement which is expected at a depth of approximately 2500m to determine the productive potential of the intersected reservoirs and confirm the likelihood of moveable hydrocarbons across the various intervals of interest.

*Further Operational Updates*

Wireline logging data is expected to be available during the week commencing 10 January 2022.

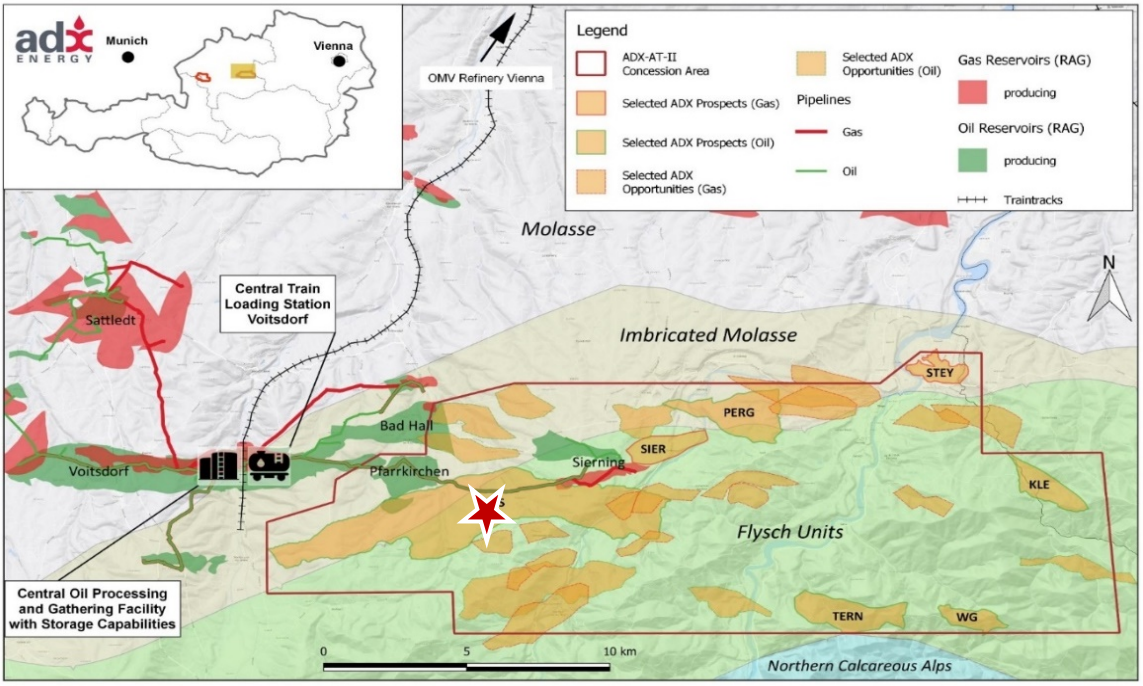


**Figure 1: Map showing the Anshof prospect (star symbol) in relation to existing producing oil fields (green), follow up prospects (yellow) in the ADX AT-II license as well as nearby processing facilities and pipelines in ADX-AT-II exploration license**

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

**Persons compiling information about Hydrocarbons:**

Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and reserves information relating to Austria contained in this release has been reviewed by Paul Fink as part of the due diligence process on behalf of ADX. Mr. Fink is Technical Director of ADX Energy Ltd is a qualified geophysicist with 23 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this release and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

# Appendix 1: Anshof Prospect Overview

Anshof is a well defined modern 3D seismic covered Eocene - Cenomanian prospect located up-dip and on trend from existing oil production from adjacent fields (Figure A1). The ADX in house team has developed a new structural model constraining the nearby producing Voitsdorf, Bad Hall and Pfarrkirchen oil fields which has resulted in identification of a number of on trend prospects and appraisal opportunities. Success at Anshof-3 will validate the new structural model and de-risk multiple follow up prospects. Anshof-3 has a best technical case prospective resource potential of 6.6 MMBOE with significant upside potential in the primary Eocene sandstone reservoir objective. The well plan includes a deeper Cenomanian secondary target with a best technical resource potential of 2.1 MMBOE.

*Original Resources Reporting Date: Upper Austria Exploration was on 30/11/2020, estimates were further revised on 30/3/21.*

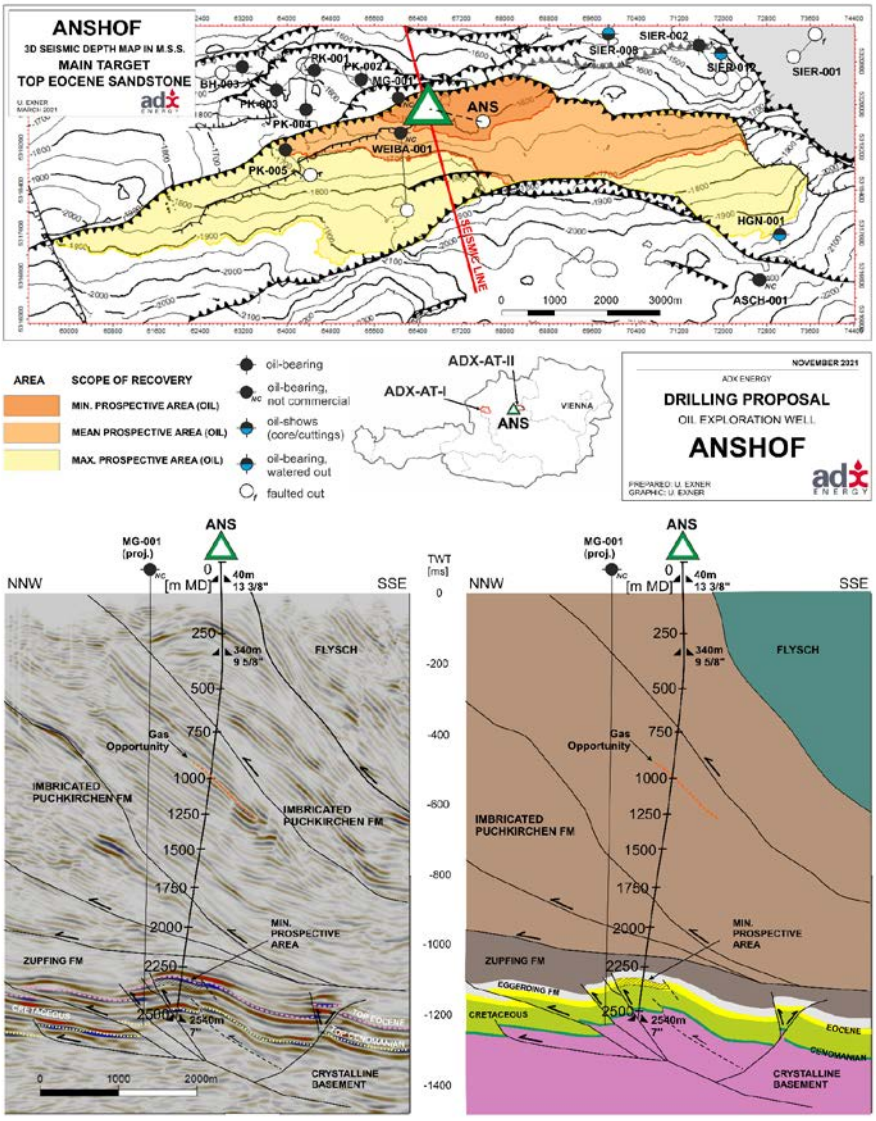


**Figure A1: Anshof prospect Eocene depth map, seismic X section and schematic interpretation (mentioned anti clockwise)**

ADX commissioned RISC to provide an independent review of the prospectivity of the Austrian ADX-AT-I & II exploration licenses. RISC has reviewed the resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System 2018 (PRMS). RISC's methodology was to review the evaluation, probabilistic resource evaluation and geologic risking carried out by ADX. Details of the findings of their review were presented in a report. RISC have not conducted a site visit.

RISC has reviewed the Anshof Prospect and found the following Prospective Resource and Geological Risk assessment to be reasonable. A summary of RISC's findings for the Anshof prospect is shown in the Table 1 below. Refer also to ASX release 10 November 2021.

**Table 1: Anshof Prospective Resource and Geological Risk Asssessment**

(100% Equity Interest)

| Unrisked Prospective Resource [1] | P(90)[2] (MMBOE) | P(50)[3] (MMBOE) | P(10)[4] (MMBOE) | Mean[5] (MMBOE)[6] | *Probability of Success* |
|---|---|---|---|---|---|
| **Oil Case** | 0.50 | 3.30 | 16.20 | **6.60** | *43%* |

**Notes to Table 1**:

1. Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further explorations appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. At least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
3. At least a 50% probability that the quantities actually recovered will equal or exceed the estimate.
4. At least a 10% probability that the quantities actually recovered will equal or exceed the estimate.
5. The arithmetic average of the probability distribution.
6. BOE means barrels of oil equivalent

In RISC's opinion, the method of utilising a mapping based net-rock-volume (NRV) in the prospective resource assessment in the Anshof Prospect may result in a conservative volumetric assessment. RISC was not provided with an assessment of the deeper Cenomanian secondary objective for Anshof.

### *Access to Production Infrastructure*

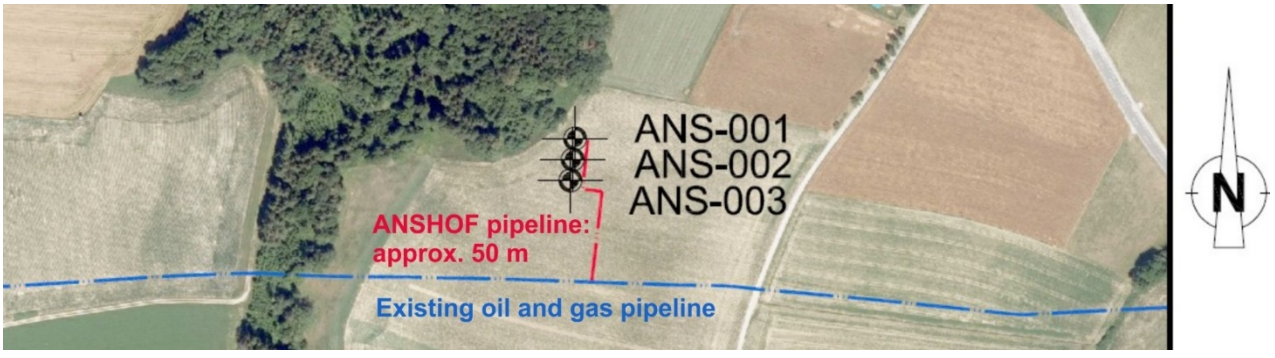


**Figure A2: Aerial image prior to commencement of well site preparation showing the three Anshof surface locations and the distance to an existing oil and gas pipeline bundle that can be used to access oil and gas processing and export infrastructure**

Approvals have been received from the regulatory authority for up to three drilling locations from the Anshof well site. The Anshof-3 Well location is approximately 50 metres from an oil and gas pipeline bundle which can be accessed to process and export crude.

On the 22nd of November 2020 ADX announced the agreement with RAG Exploration & Production GmbH (RAG E&P) of commercial terms for the access of future oil and gas production from ADX Upper Austria exploration and appraisal licenses in Upper Austria which surround producing fields and infrastructure operated by RAG E&P. The agreement enables the reduction of capital expenditures and the time taken from drilling to commercial production due to the ability to tie into RAG E&P's existing hydrocarbon gathering, processing and storage facilities which are connected to Austria's oil and gas infrastructure network.

**Reporting Standards**

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

**RISC Independence**

RISC has no pecuniary interest, other than to the extent of the professional fees receivable for the preparation of this report, or other interest in the assets evaluated, that could reasonably be regarded as affecting our ability to give an unbiased view of these assets. RISC makes the following disclosures:

- RISC is independent with respect to ADX and confirms that there is no conflict of interest with any party involved in the assignment;
- Under the terms of engagement between RISC and ADX, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report;
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in ADX or in any of the properties described herein.

**About RISC**

RISC is an independent advisory firm offering the highest level of technical and commercial advice to a broad range of clients in the energy industries, worldwide. RISC has offices in London, Perth, Brisbane and South East Asia and has completed assignments in more than 90 countries for over 500 clients and have grown to become an international energy advisor of choice.

**End of this Release**