ADX Energy Ltd (ASX:ADX)

# ASX RELEASE

31 May 2022

# OIL PRICE HEDGING FOR VIENNA BASIN FIELD PRODUCTION

*"Brent Zero Cost Collar Contract secured with a floor of USD 80.00 per bbl and a cap of USD 130.25 per bbl for June to December 2022"*

**Key Points:**

- ADX has hedged approximately 50% of its forecast proven (1P) oil production between 1 June 2022 to 31 December 2022 from its Vienna basin fields with a new zero-cost collar contract that has a pricing floor at USD 80.00 per barrel and a cap at USD 130.25 per barrel Brent price.
- The average hedged production rate during the period (7 months) is approximately 115 barrels of oil per day.
- ADX hedging strategy is to secure the current strong revenues from production operations resulting from increased oil price to cover field operating and administrative costs. ADX has maintained a high exposure to further upside in Brent crude oil pricing through the collar structure and 50% of forecast production remaining unhedged.
- Gas production from the Vienna basin fields, which is expected to contribute approximately 30% of field revenues during 2022, is not hedged and benefits from high gas prices in Europe (currently in excess of USD 150 per barrel of oil equivalent).
- The hedging counterparty for this hedging transaction, as well as the previous hedging transactions, is BP.

ADX Energy Ltd (ASX Code: **ADX**) is pleased to advise that it has executed hedging transactions with BP for a zero-cost collar contract with a pricing floor at USD 80.00 per barrel (put option strike price) and a cap at USD 130.25 per barrel (call option strike price). The contracted volumes represent approximately 50% of the 1P forecast production between 1 June 2022 and 31 December 2022 from its Gaiselberg and Zistersdorf fields in the Vienna basin.

The total volume of oil production covered by the zero-collar contract is 24,600 barrels during the 7-month period of hedging from June to December 2022 inclusive (Hedge Period). With the new zero cost collar contract, ADX will receive for these 24,600 barrels a Brent price of no less than USD 80.00 per barrel and up to USD 130.25 per barrel based on the average Brent price for each month over the Hedge Period.

Favourable trading conditions for Brent crude oil have enabled ADX to secure sufficent revenues from hedged production to ensure field operating and administrative costs will be covered with a smaller percentage of total field production. Approximately 50% of oil production and 100% of the gas production (which is forecast to represent 30% of field revenues in 2022) will remain unhedged.

Increasing field revenues as a result of higher oil and gas pricing combined with sustained oil production rates have placed ADX in a strong position to continue a program of portfolio expansion for oil and gas as well as compatible green energy production opportunities.

**For further details please contact:**

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

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

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