

11 July 2023

A\$1.5 million Loan Notes Funding for High-Impact Exploration and Development Program in Upper Austria

Key Points:

- Successful Loan Note funding of A\$1.5 million with a term of 18 months
 - provided by supportive existing investors and new sophisticated investors
- Funding to support ongoing drilling and development activities including:
 - well equipment and well site preparations for the drilling of up to four (4) development and exploration wells in Upper Austria; and
 - engineering and procurement for the installation of a permanent production facility at the Anshof well site.

ADX Executive Chairman, Mr Ian Tchacos, said; *“The Board of ADX is very pleased with the funding support from loan note investors. The funding, which has been secured on favourable terms, enables the Company to continue its important pre-investments in equipment and services for upcoming exploration and development drilling programs as well as engineering and procurement for the replacement of a leased early production unit with a permanent facility at the Anshof well site. Providing a permanent production facility for the Anshof-3 discovery well, which continues to outperform expectation, and two planned appraisal and development wells at the same location will enable the rapid build up of cash flow from the Anshof field.”*

ADX Energy Ltd (ASX Code: **ADX**) is pleased to advise it has secured A\$1.5 million in loan note funding for the ongoing pre-investment in equipment and services to drill up to 4 wells, as well as engineering and services for the installation of a permanent production facility to replace an early production unit currently in operation at the Anshof-3 production well.

A total of 30 loan notes of A\$ 50,000 each totalling A\$ 1.5 million (**Loan Notes**) have been issued to a small number of supportive existing shareholders and new sophisticated investors. The terms for the Loan Notes are summarised as follows:

	Loan Note A	Loan Note B	Total Loan Notes
Face Value of Each Loan Note	\$50,000	\$50,000	\$50,000
Number of Loan Notes Issued	20	10	30
Total Loans aggregate amount	\$1,000,000	\$500,000	\$1,500,000
Loan Term	18 Months (11 January 2025)	18 Months (11 January 2025)	18 Months (11 January 2025)
Interest Rate per annum (payable quarterly in arrears)	8%	12%	8-12%
Free Attaching Unlisted Options with an Exercise Price of \$0.01, expiring 11 January 2025 – Per Loan Note	1,500,000 per Loan Note (30,000,000 in Total)	-	30,000,000 in Total
Free Attaching Unlisted Options with an Exercise Price of \$0.014, expiring 11 January 2025	1,500,000 per Loan Note (30,000,000 in Total)	2,150,000 per Loan Note (21,500,000 in Total)	51,500,000 in Total

Use of Funds

ADX is seeking to expand its production base from its fields in the Vienna Basin and the Anshof field in Upper Austria as well as undertaking further exploration in its opportunity rich Upper Austrian exploration portfolio matured for drilling. The funding will enable the ongoing pre-investment in the following planned work program over the next 12 months:

- drilling and tie-in of the Anshof-2 appraisal and development well;
- drilling the giant Welchau-1 gas exploration prospect;
- drilling and tie-in of the Anshof-1 appraisal and development well;
- drilling a further gas exploration well; and
- engineering and procurement work for the replacement of a leased early production unit with a permanent facility at the Anshof-3 well site.

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