

15 December 2023

Upper Austria Operations Update

Well site construction commences for Giant Welchau Gas Prospect and Anshof-2 drilling operations suspended

Key points:

Welchau-1 Well Operations

- Well site construction has commenced in preparation for drilling operations on the Welchau-1 well. Preparation of the well site is expected to take approximately 5 weeks.
- The well site is expected to be completed by late January 2024 when the RED Drilling & Services GmbH (RED) E-202 drilling rig will be available for drilling of the Welchau-1 well.
- The Welchau-1 exploration well is located in the Welchau Investment Area in ADX' ADX-AT-II licence in Upper Austria.

Anshof -2 Well Operations

- The RED E-202 drilling rig has been released following completion of well suspension operations.
- Further appraisal and development drilling operations with the RED E-202 drilling rig are expected to resume at Anshof following drilling of the Welchau-1 gas exploration well.
- The Anshof-2 appraisal well is located in ADX' ADX-AT-II licence in Upper Austria. The well was spudded at 10:00 am Central European Time (CET) on the 13th of November 2023. ADX is the operator and has a 60% economic interest in the well.

The Welchau gas prospect has exceptional gas resource potential, located in the heart of Europe at a relatively shallow drill depth and proximal to gas pipelines. ADX estimates that Welchau has **best technical Prospective Resources of 807 BCFE (134 MMBOE)**¹. Welchau is targeting the same reservoirs as the nearby Molln-1 well which tested gas in 1989.

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.

¹ Best Technical Prospective Resources Prospective resources reporting date 22.06.2023

ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that well site construction has commenced following the recent environmental clearance from the Department of Nature Protection of the State Government of Upper Austria to drill the **Welchau-1 gas well** in ADX' ADX-AT-II licence in Upper Austria. ADX holds an 80% economic interest in the Welchau Investment Area which contains Welchau Gas Prospect and other emerging gas prospects.

ADX expects commencement of drilling operations at **Welchau** in late January 2024 utilising the RED Drilling & Services GmbH (RED) E-202 drilling which has recently been used for drilling of the Anshof-2 well. Under the terms of the drilling permit for the well, the Welchau-1 well can be drilled at any time during the term of the exploration license providing that it is drilled during a period between 1 October to 31 March (winter period).

ADX also advises the RED E-202 drilling rig has been released following completion of well suspension operations on the **Anshof-2 appraisal well**. The Anshof-2 appraisal well is located in ADX' ADX-AT-II licence in Upper Austria. The well was spudded at 10:00 am Central European Time (CET) on the 13th of November 2023. ADX is the operator and has an 60% economic interest in the well. ADX plans to recommence appraisal and development drilling operations at Anshof using the RED E-202 drilling rig following drilling of the Welchau-1 gas exploration well.



Well construction operations clearing top soil before installation of foundation material for drilling at the Welchau-1 well site

Welchau Investment Area Economic Interests

ADX holds an 80% economic interest in the Welchau Investment Area which contains Welchau Gas Prospect and other emerging gas prospects in ADX' ADX-AT-II licence in Upper Austria. MCF Energy Ltd. (TSXV – MCF.V) (MCF) has executed an Energy Investment Agreement (EIA) to fund 50% of the cost of the Welchau-1 well to earn a 20% economic interest in the Welchau Investment Area.

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Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.31, 5.41 and 5.42 the technical and Prospective Resources 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 30 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).

Previous Estimates of Reserves and Resources:

ADX confirms that it is not aware of any new information or data that may materially affect the information included in the relevant market announcements for reserves or resources and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Reporting Standards for Resource Estimation

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.

Prospective Resource Classifications

Low Estimate scenario of Prospective Resources - denotes a conservative estimate of the quantity that will actually recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate scenario of Prospective Resources - denotes the best estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. It is the most realistic assessment of recoverable quantities if only a single result were reported. When probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate scenario of Prospective Resources - denotes an optimistic scenario of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will be equal or exceed the high estimate.

End of this Release