

18 August 2025

# Sicily Channel Permit Gazettal

## ADX formally awarded new C.R150.AU Exploration Permit, Offshore Italy

---

*“A very promising exploration permit in an emerging and newly producing offshore gas province, which is supported by historic data that enhances the likelihood of gas discoveries in shallow water and shallow drill depths”*

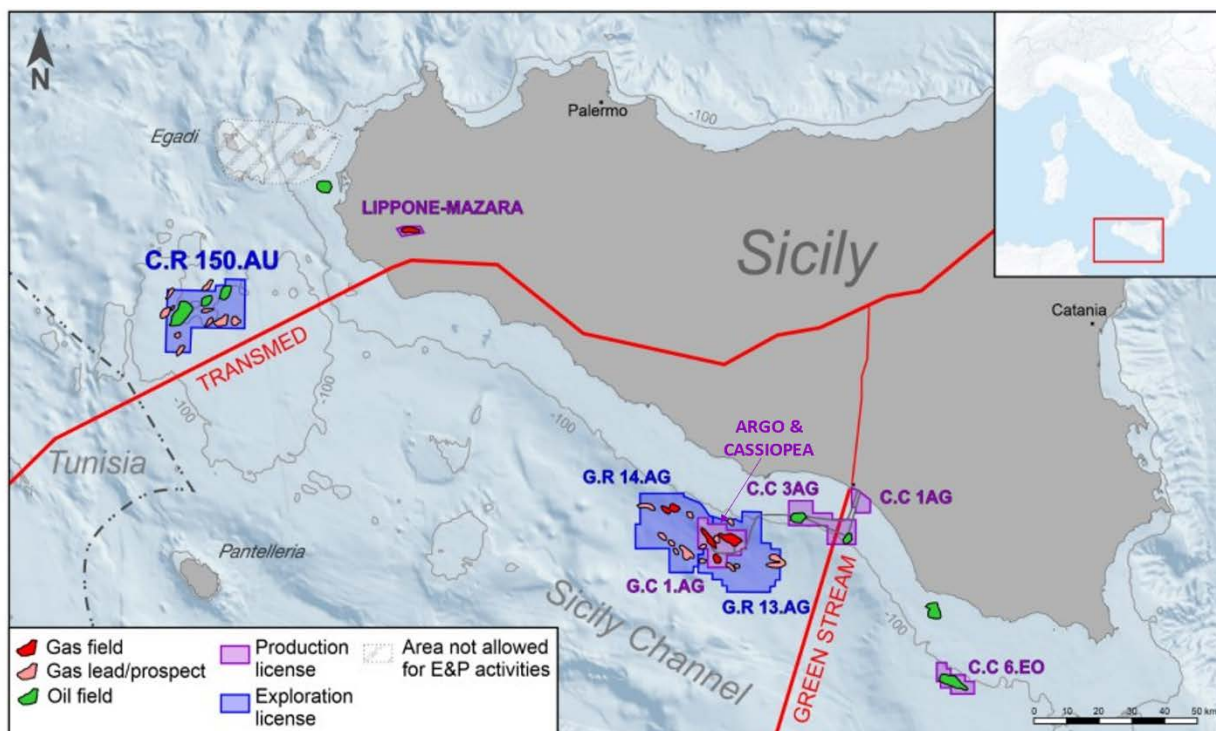
### Key points:

- ADX Energy Ltd, via its 100% subsidiary Audax Energy S.r.l., has been formally awarded the **C.R150.AU Exploration Permit (“Permit”)** at a 100% equity interest, *refer to Figure 1*
- **Historic Data** including offshore seismic and drilling results for deeper oil has enabled ADX to identify prospects similar to recently producing gas fields such as nearby **Argo-Cassiopea** (offshore) and analogous to **Lippone-Mazara** (onshore) where stacked pay results in large resource potential in a relatively small area (“Play Type”), *refer to Figure 2*
- **Resource Potential** previously advised by ADX is **369 BCF best technical prospective resources** from five (5) high graded gas prospects (refer ASX announcement 30 August 2022)

**Cautionary Statement:** 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 exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

- **Economic Viability** of a potential discovery in this Permit is enhanced by:
  - **Shallow water depths and drill depths** of approximately 100 metres and less than 2000 metres respectively, with several leads and prospects shallower than 1500 meters,
  - **Proximity to infrastructure** access tie in point onshore at Mazara (less than 50km from the Permit) connected to the TRANSMED pipeline - a major import route for gas into Italy,
  - **Stacked pay and productive sands** yielding peak well production rates of 20 to 30 MMSCFPD based on Argo-Cassiopea fields, *refer to Figure 3*,
  - **Sweet biogenic gas (99% methane)** is likely based on gas recovered from the historic Nilde-2 well in the Permit and the analogous, nearby Lippone-Mazara field,
  - **Favourable fiscal terms** with 10% royalty and 28% corporate tax, and
  - **Excellent gas pricing in Italy** currently EUR 34.2 per MWhr (equivalent to US\$11.7 per mcf)
- **Regional Knowledge** has been developed applicable to the Permit from previous exploration programs in the Mediterranean by ADX in Tunisia to the south of the Permit, *refer to Figure 5*
- **Resources Update** following the purchase of additional, available seismic and well data, *refer Figure 6*. This will be followed by further gas prospect maturation work and commissioning an independent expert’s report
- **Shareholder Webinar** will be held in early September providing additional commercial and technical information regarding the Permit’s potential

Page | 1



**Figure 1: Location map showing the C.R.150.AU Permit, water depth, the nearby Argo-Cassiopea (offshore) and Lippone-Mazara (onshore) producing fields, as well as local gas pipeline infrastructure**

**ADX Executive Chairman, Mr Ian Tchacos, said,** “The Board of ADX is delighted by this exciting new country entry and the addition of the Sicily Channel Permit to the ADX portfolio at a time when energy security and the demand for gas in Europe is at a premium. Persistence and geological knowledge of the area has paid off for ADX. Our Chief Executive, Mr Paul Fink identified the potential of the area for oil and then subsequently for gas following our exploration work and state of the art 3D seismic acquired in both Tunisian and Italian waters to the south of this Permit.

“As is the case for the Shallow Gas Play we are pursuing in Upper Austria, the availability of historic, high quality 2D seismic data and production well data has strengthened our confidence in the potential of the Sicily Channel Permit. The availability of data also reduces the exploration timeline significantly for this proven gas play. The Permit which was previously the focus of oil production is totally under explored for gas but is ideally located in terms of water depth, distance from shore and availability of gas export infrastructure. The recent, nearby shallow gas discoveries and field developments by ENI has opened up the Sicily Channel for gas exploration.

“Of further significance for ADX, we are now a qualified operator in Italy having demonstrated our financial capacity and technical competency in a pro-development jurisdiction supporting the exploration for and the development of gas since the election of Ms Giorgia Meloni and the formation of a center-right coalition.

“We now look forward to further studies utilising additional seismic and drilling data which will be purchased to further evaluate the prospectivity of the Sicily Channel Permit and provide further updates to our shareholders.”

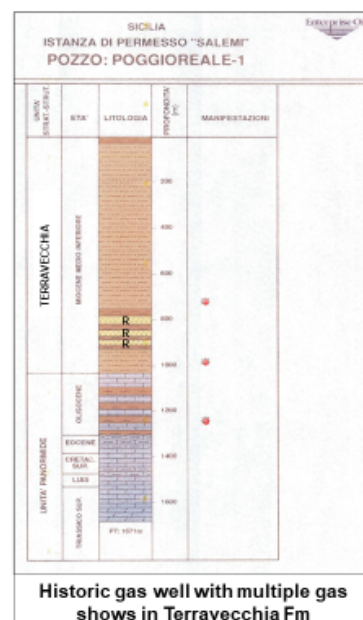
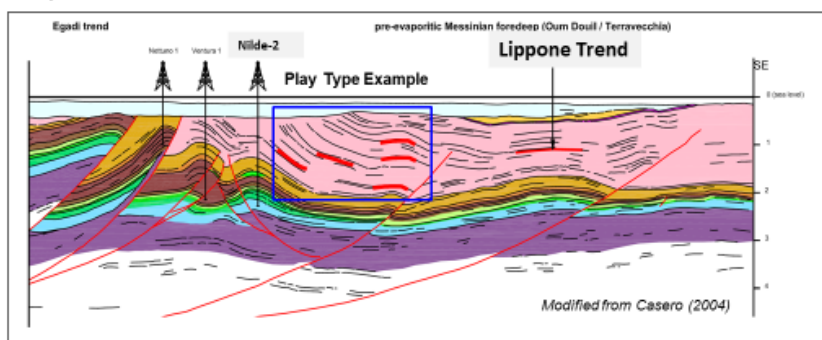
ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that Audax Energy S.r.l. ("AUDAX"), a wholly owned subsidiary of ADX Energy Ltd, has been formally awarded the new C.R150.AU Exploration Permit ("Permit") in the Sicily Channel, by the Italian Ministry of Environment and Energy Security (Ministry). AUDAX is the Permit Operator and holds a 100% equity interest. The Permit is valid for an initial exploration period of six (6) years with up to two(2), three (3) year renewal periods. In the event of a discovery, an exploitation concession has a term of twenty (20) years, which may be extended for a further ten (10) years. The Permit is exclusive to AUDAX and assignable.

### Gas Play Identification

The gas play has been identified utilising historic 2D seismic and drilling data (eg from the Nilde-2 oil well) in the Permit. ADX has mapped prospects in the Permit which are geologically similar to the nearby Argo-Cassiopea field (offshore) and analogous to the Lippone-Mazara field (onshore). The methane rich (99%) biogenic gas play has been encountered in stacked pay reservoirs which provide the setting for large resource potential in a relatively small structural area.

**Figure 2: Summary of biogenic gas play expected to be encountered in Permit based on nearby analogous gas field (Lippone) and historic exploration well data**

- A **Biogenic gas play** within Terravecchia Fm. proven by Lippone-Mazara gas field (**99% methane**)
- **Gas shows in wells** drilled onshore and offshore Sicily (e.g., Poggioreale-1, Onda-1, Orlando-2 and **Nilde-2 in the Permit**)
- **Source & Seal:** shales and argillites of the Terravecchia Fm.
- **High Quality Reservoir:** Upper Miocene sandstones (porosity up to 33%)
- **Traps:** mixed structural-stratigraphic traps over structural highs and pinchouts



**Historic gas well with multiple gas shows in Terravecchia Fm**

ADX advised at the time of submitting its application for the Permit for gas exploration that **the best technical prospective resource potential for five (5) high graded gas prospects was 369 BCF<sup>1</sup>** (refer ASX announcement 30 August 2022).

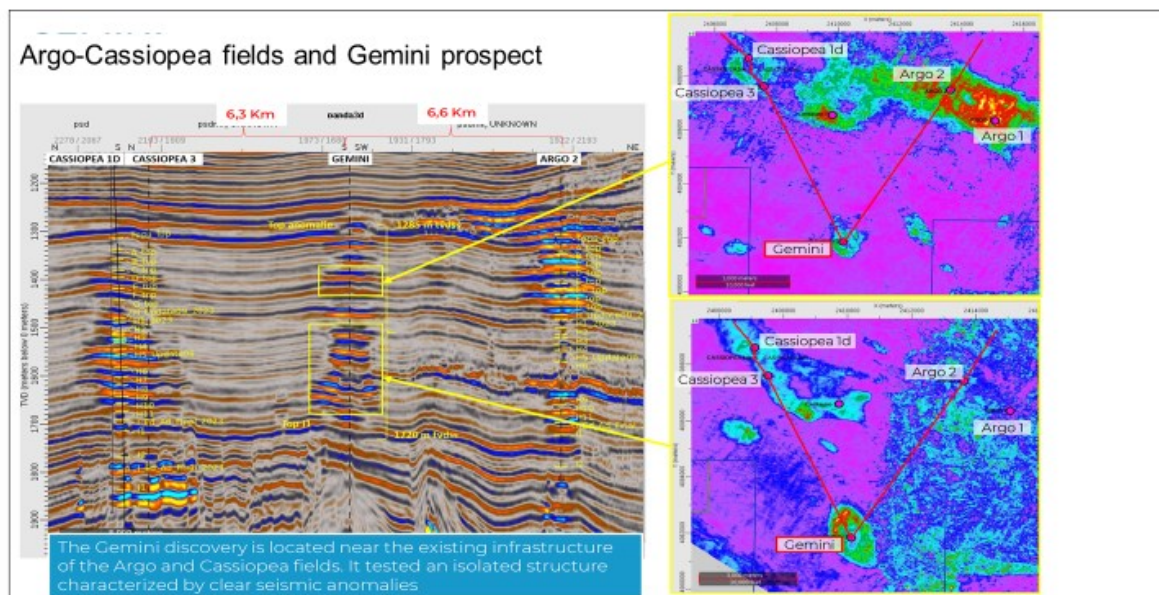
**<sup>1</sup>Cautionary Statement:** Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

*Economic Viability of Discoveries in Permit*

The economic viability of potential gas discoveries in the Permit is enhanced by the following attributes;

- The majority of the permit is located on a coastal shelf with water depths of less than 100 metres. The drill depths for the targeted high porosity sandstones of Terravecchia Formation (Miocene age) are expected between 700 and 2000 metres, based on historic drilling for deeper oil targets and some 2D seismic lines.
- The Permit is located approximately 50 kilometres from a potential gas tie in point onshore at Mazara. The gas network in this area is connected to the TRANSMED pipeline which is the major import route for gas into Italy from Algeria.
- The likely presence of high quality, stacked sands with approximately 30% porosity increases the productive and resource potential of wells in the Permit. Based on data from Argo-Cassiopea field well production rates of between 20 to 30 MMSCFPD and recoveries of approximately 50 BCF per well can be expected.

**Figure 3: 3D-amplitude anomalies maps of Argo-Cassiopea gas fields and the successful Gemini prospect (right). Cross section multiple stacked gas-bearing sandstone reservoirs (left)**



Source: from Assorisorse Exploration Scout Group June 2025

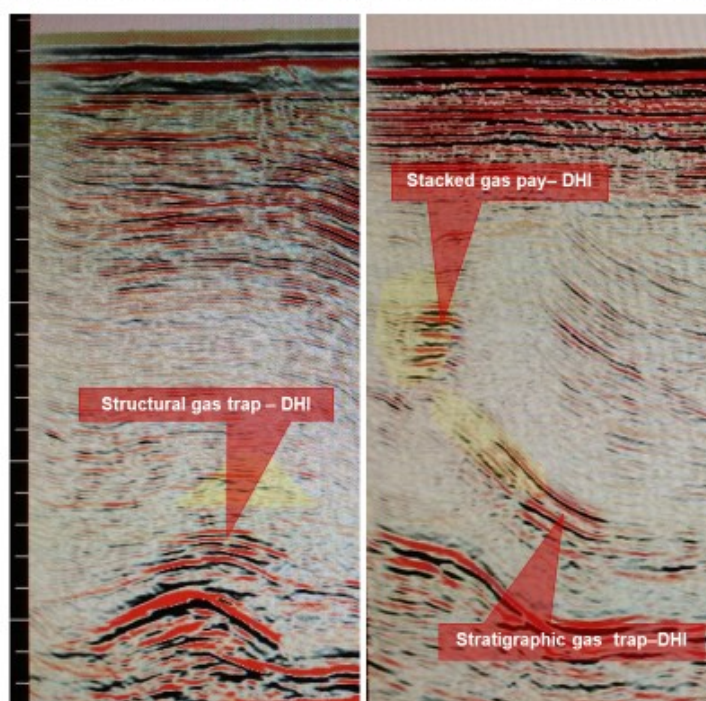
- High value, sweet, biogenic gas (99% methane) requiring minimal processing is expected based on gas shows from the historic Nilde-2 well in Permit and the analogous, nearby Lippone-Mazara field.
- The fiscal terms are very favourable for offshore Italian gas fields. A 10% royalty is payable after a 1 BCF annual royalty holiday and 28% corporate tax is payable on profits.
- Gas pricing in Italy compares favourably to other European jurisdictions due to the dependence on imported gas. Currently EUR 34.2 per MWh (equivalent to US\$ 11.7 per mcf). Italy is the second largest gas market in Europe (in demand terms) supported by power generation and industrial consumption. PSV (Italian gas reference price) historically trades at a small premium to Dutch TTF gas prices.

*Permit prospectivity identified from previously purchased 2D Seismic Data*

Previously purchased high quality 2D seismic in the Permit shows the presence of potential shallow biogenic gas sandstone reservoirs, close to historical wells such as the Nilde-2 well.

Historic 2D seismic data within Permit, owned by ADX, clearly indicates the Miocene ("Terravecchia") high porosity sandstones are coincident with strong Direct Hydrocarbon Indicators (DHI's). This is in line with the much higher resolution very recent 3D seismic acquired by ENI, refer to Figure 4.

**Terravecchia Fm. potential traps in Permit with Direct Hydrocarbon Indicators (DHI's)**



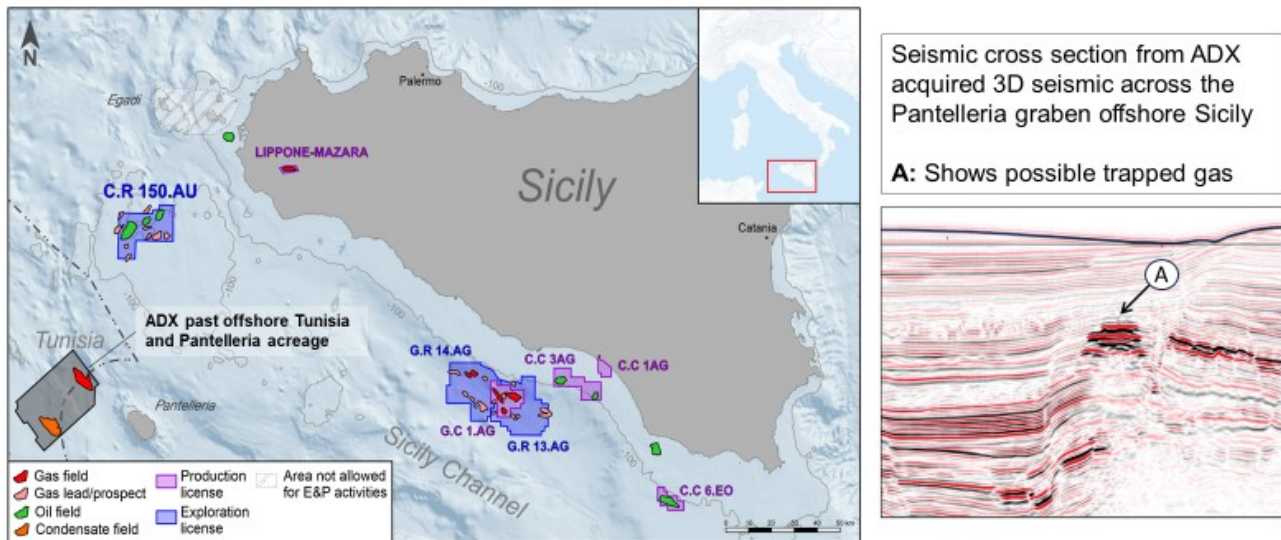
**Figure 4: Seismic cross sections from historic 2D seismic in the Permit used by ADX to identify potential trapped gas in different structural settings with DHI's**

*Past experience offshore Tunisia and Italy*

ADX has the benefit of extensive experience and regional knowledge developed when the Company held acreage to the south of the Permit, offshore Pantelleria island and in Tunisian waters adjacent to Italy. ADX acquired a large state of the art 3D seismic program and drilled the Lambouka deep water exploration well, near the border with Italy. The Lambouka well which targeted a deeper oil play intersected gas shows in the upper section. The high-quality 3D seismic acquired by ADX resulted in transformational imaging of structural and stratigraphic traps within a thickened Miocene and Pliocene aged sedimentary zone.

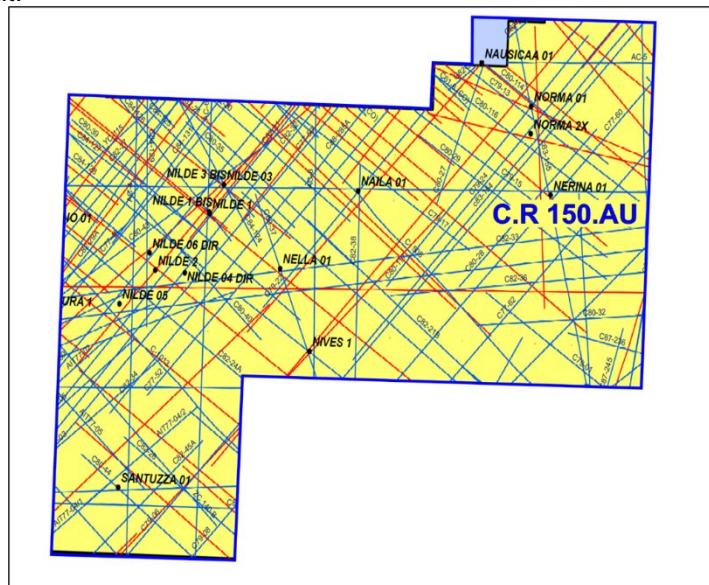
The insights gained by ADX from previous exploration programs in the Mediterranean initially attracted the Company to the Permit for its remaining oil potential (Nilde Oil Field Redevelopment) and then subsequently for shallower gas potential when the Permit was offered to ADX as a gas only exploration Permit.

**Figure 5: Map showing location of past ADX exploration programs offshore Tunisia and Pantelleria (3D seismic and Lambouka-1 well) in relation to the C.R. 150.AU permit and seismic cross section across Pantelleria graben**



### Forward Work Program

An extensive well and 2D seismic data set exists from historic exploration targeting deeper oil targets in the Permit. The existence of this historic data has enabled ADX to evaluate the prospectivity of the Permit prior to the licence application. Additional data is available which can be purchased from a database accessible to ADX. The availability of this data will enable ADX to immediately commence exploration activities with a view to demonstrating the potential of the Permit for gas exploration and high grading exploration targets for further seismic processing, new 3D seismic acquisition and drilling. In the near term ADX is planning to purchase additional seismic for potential reprocessing and well data with a view to undertaking further gas prospect maturation work and the commissioning of an independent expert's report to further validate and demonstrate the potential of the permit.



**Figure 6: Map showing historic 2D seismic and well data in Permit that is available to ADX**

*Shareholder Updates*

ADX will conduct a Shareholder Webinar in early September providing additional commercial and technical information to shareholders regarding the potential of the Permit. A Sicily Channel Permit Update Presentation will be lodged on the ASX ahead of the Shareholder Webinar .

**For further details please contact:**

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**

**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 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.

**End of this Release**