

ADX Energy

Strategy and Opportunities Good Oil Conference

**Ian Tchacos - Executive Chairman
13 September 2016**

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CONTINGENT RESOURCES & DEFINITIONS

Tunisia: Refer to ASX announcements 26/9/2012 (contingent) and 6/9/2013 (prospective). **Italy:** Refer to ASX announcements 17/2/2016 (contingent) and 21/4/2016 (prospective). ADX confirms that it is not aware of any new information or data that affects the information included in those market announcements and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

All Italian contingent resource figures quoted in this presentation are third party verified.

Contingent Resources: those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the P_{90} (90% probability), P_{50} , and P_{10} , respectively, for individual opportunities. Totals are by arithmetic summation as recommended under PRMS guidelines. This results in a conservative low case total and optimistic high case total.

Persons compiling information about Hydrocarbons.

Pursuant to the requirements of the ASX Listing Rules 5.41 and 5.42, the technical and resource information contained in this presentation has been reviewed by Paul Fink, Technical Director of ADX Energy Limited. Mr. Fink 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 presentation 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)

- **Corporate Overview**
- **Geography**
- **Strategy**

Corporate Overview



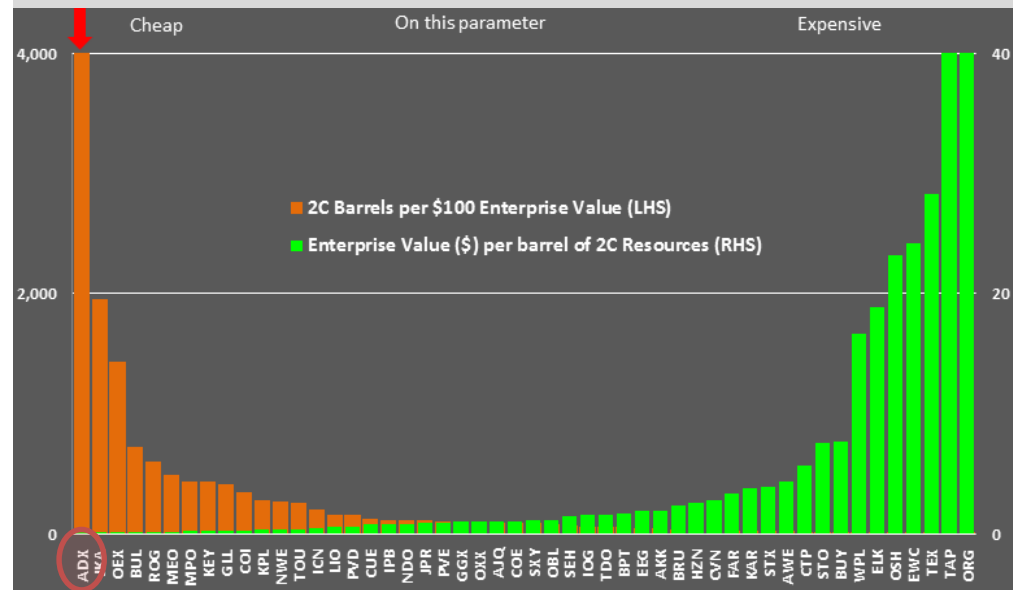
Summary

- An ASX listed international energy exploration and appraisal Company (*ASX:ADX*)
- Asset refocus on low cost, low risk, profitable asset commercialisation
- Portfolio of Appraisal, Development and Exploration assets *with compelling 2C resource base*
- Geographic focus – Offshore Mediterranean and Onshore Europe
- Experienced Board and Management team
- 11.5% of Riedel Resources (*ASX:RIE*)

Capital Structure

Shares on Issue	798.2 million
No of Shareholders	2,601
Market Capitalisation @ 0.7 cents	\$ 5.5 million
Top 20 shareholder Interest	52.51%

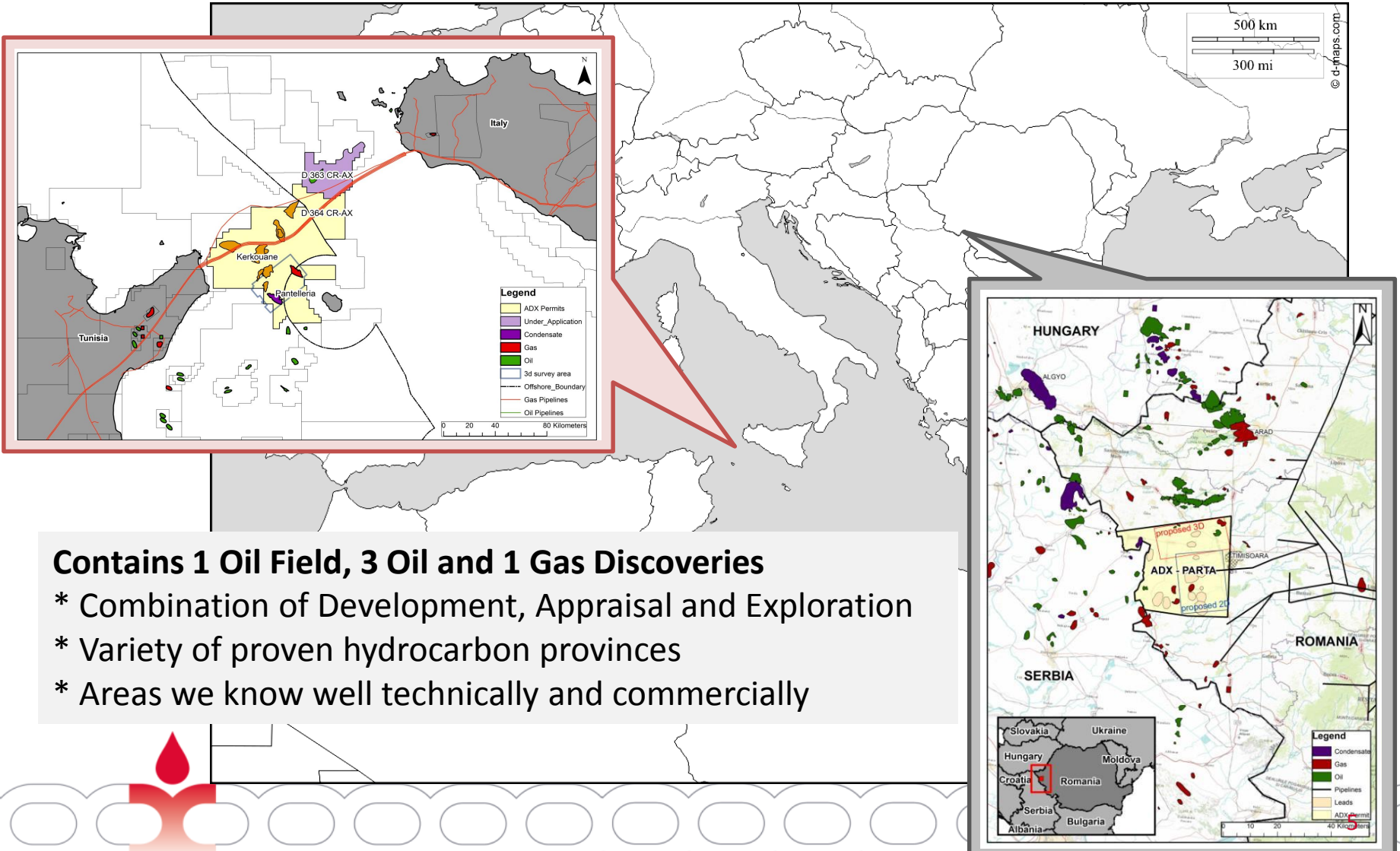
ASX 2C Resources / Enterprise Value



Source: Resource Invest

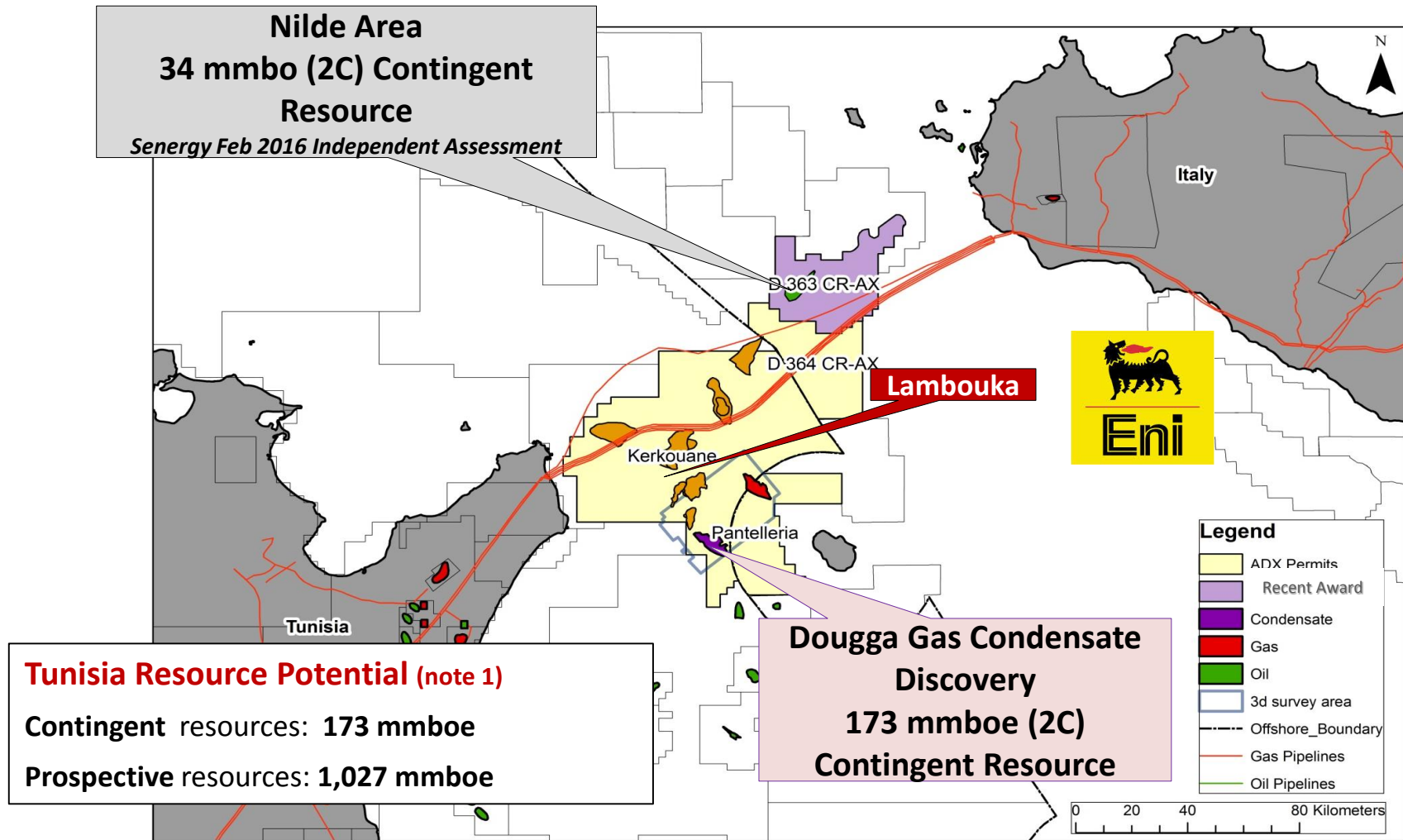
Geography

- Sicily Channel (Tunisia and Italy) and Romania (Onshore)



Sicily Channel Position

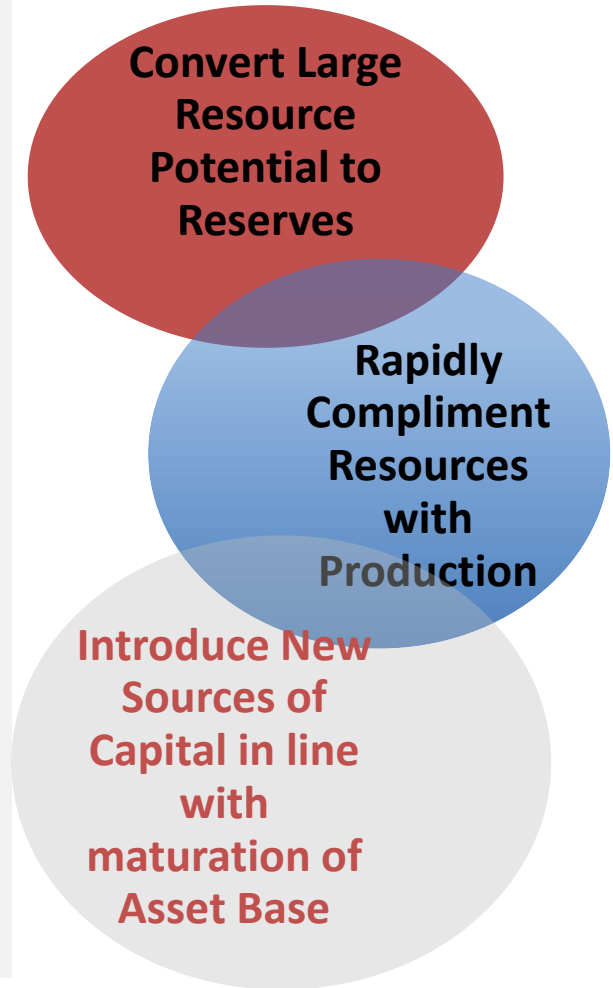
- All Permits at 100% equity



Note 1. Prospective and contingent resources were calculated using the probabilistic method and are best estimates. Conversion factor: 1BOE = 5.62 scf. Reporting date: prospective resources 6 Sept 2013, contingent resources 26 Sept 2012.

Growth Strategy

- ADX has large existing Contingent Resource base at the ***Nilde Oil Redevelopment*** and ***Dougga Gas Condensate Discovery*** - converting these to reserves will create exceptional value growth
 1. *Nilde is a low risk resource with proven production performance and substantial independently assessed 2C resource*
 2. *Dougga is a large well defined discovery requiring feasibility studies and an appraisal well to mature*
- ADX has identified and is assessing a number of ***Production Opportunities in Romania*** capable of delivering immediate cash flow, value addition through production enhancement and reserves additions.
 3. *Ability to leverage in country knowledge relationships and partnerships to access low cost, low risk production.*



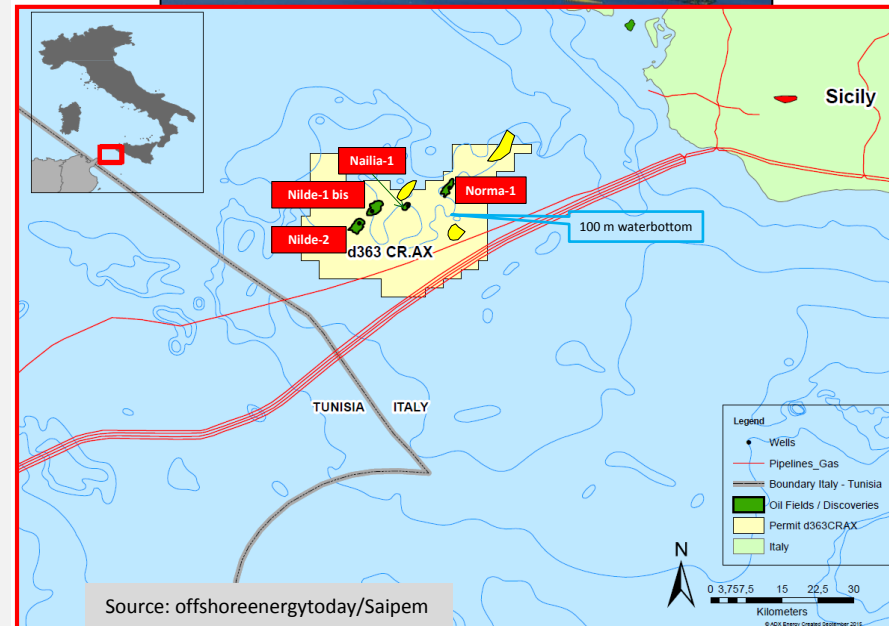
Recent Company Focus and Activities

- Stream line management, finance and administration to maximise effectiveness and minimise duplication
 - Revise and reform Board and Management
 - Close offices in Tunisia and Vienna centralising G & A functions
- Reposition the Company to focus on near term cash flow and longer term reserves development. *Focus on low cost, low risk, profitable asset commercialisation opportunities*
 - Aggressively progress the Nilde Oil Redevelopment Project
 - Secure a work program extension for the Kerkouane permit which includes the large Dougga gas condensate discovery and commence Dougga project feasibility work
- Target and assess production and reserves development opportunities onshore Romania.

- **Nilde Area Field Area – Offshore Sicily**
- **Nilde Redevelopment Project Potential**

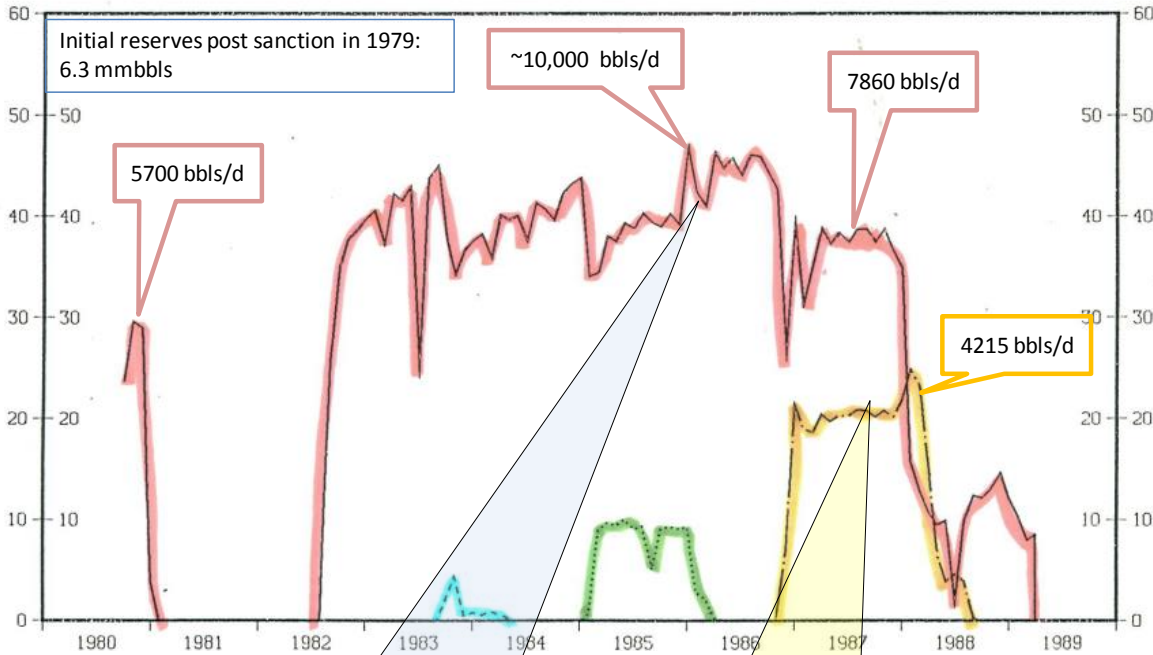
Nilde Oil Field Area - Back Ground

- 1 Abandoned Oil Field & 3 Oil discoveries (all tested) – between 1979 to 1990
- Nilde Oil field produced at approx 10,000 BOPD from a single well for 5 years before production acceleration resulted in premature water production
- Early generation FPSO facility could not handle water production nor did it have artificial lift facilities.
- Excellent 2D seismic and well data base
- Independently assessed 34 mmbo audited remaining 2C recoverable resources for Nilde & other oil discoveries
- A substantial 1C resource at Nilde and Nilde-Bis of 18 million barrels with 2C resource of 28 million barrels
- 5 exploration leads defined with existing 2D seismic have total best estimate prospective resources of 90 million barrels of oil.



Nilde Oil Field - Production History

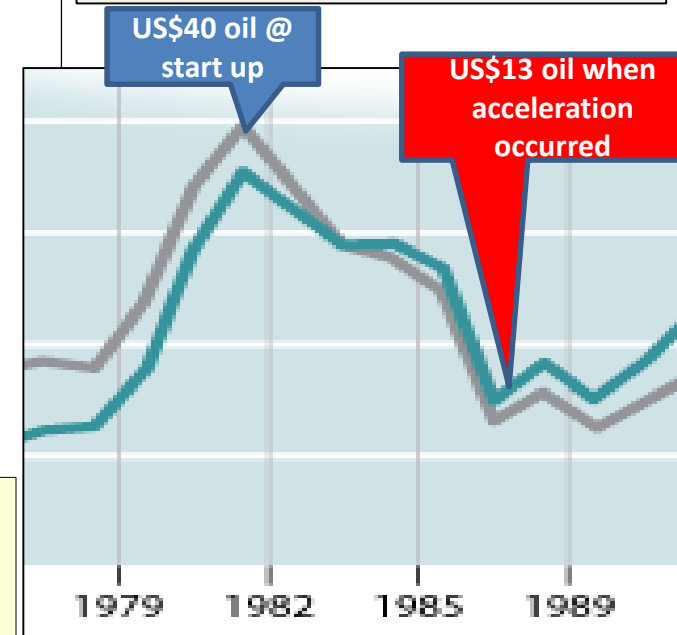
Nilde Oil Field produced: 21 mmbbls before abandonment



NILDE-2 produced for 5 years at flat rate of 10,000 BOPD with no water

NILDE – 6 was added when oil price dropped to accelerate production. Resulted in water encroachment with no water handling on vessel or lifting capability in wells

Production Acceleration coincided with water break through and 1988 oil price collapse



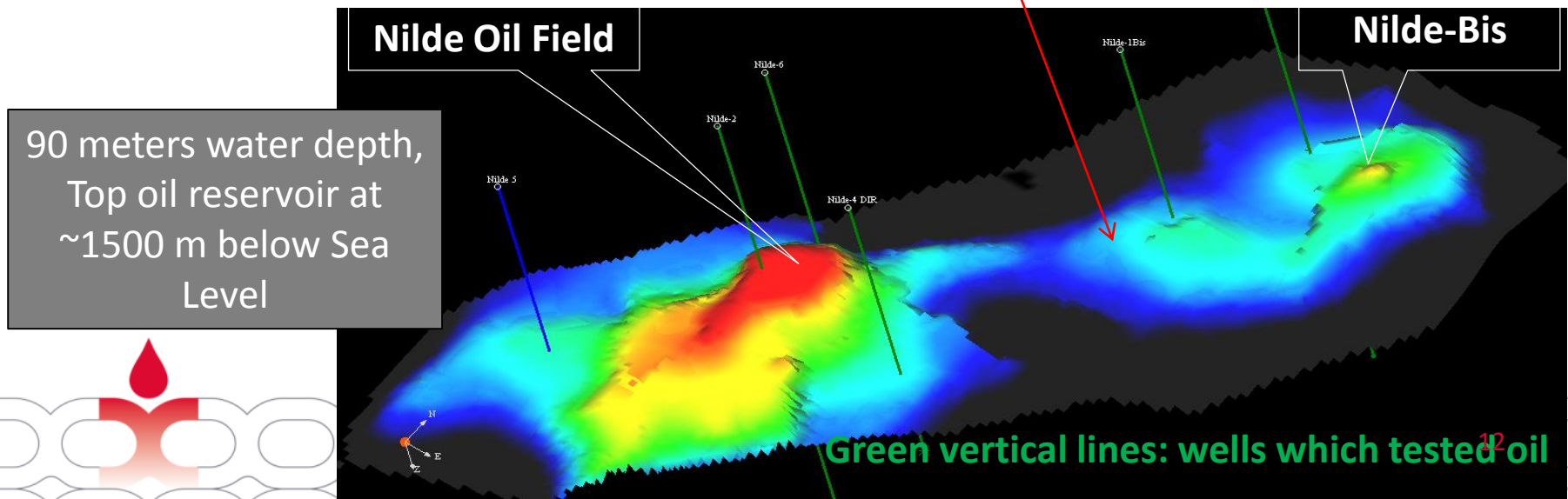
Nilde Oil Field – Contingent Resources

Gross Contingent ¹ Resources Volumes (MMstb)			
	1C ² Estimate	2C ² Estimate	3C ² Estimate
Nilde Field	8.7	13.1	17.8
Nilde- Bis Discovery	9.3	15.3	21.0
Norma Discovery	1.2	3.9	12.9
Naila Discovery	1.0	1.7	2.7
Total³	20.2	34.0	54.4

Notes

1. Contingent Resources: those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.
2. 1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the P₉₀ (90% probability), P₅₀, and P₁₀, respectively, for individual opportunities.
3. Totals are by arithmetic summation as recommended under PRMS guidelines. This results in a conservative low case total and optimistic high case total.

Source: Senergy, Feb. 2016, Independent Resources Assessment

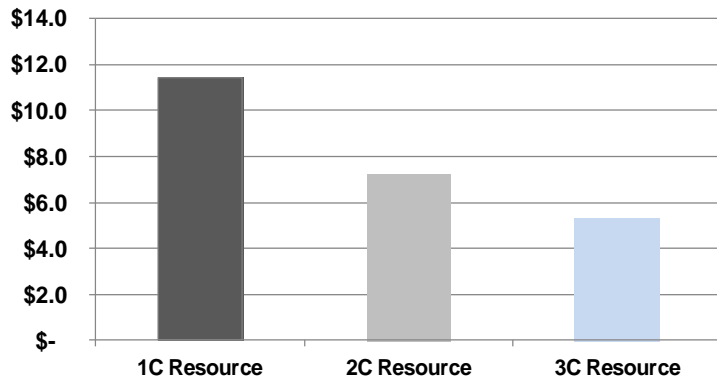


Nilde Oil Field – Indicative Economics

Development Scenario Assumptions

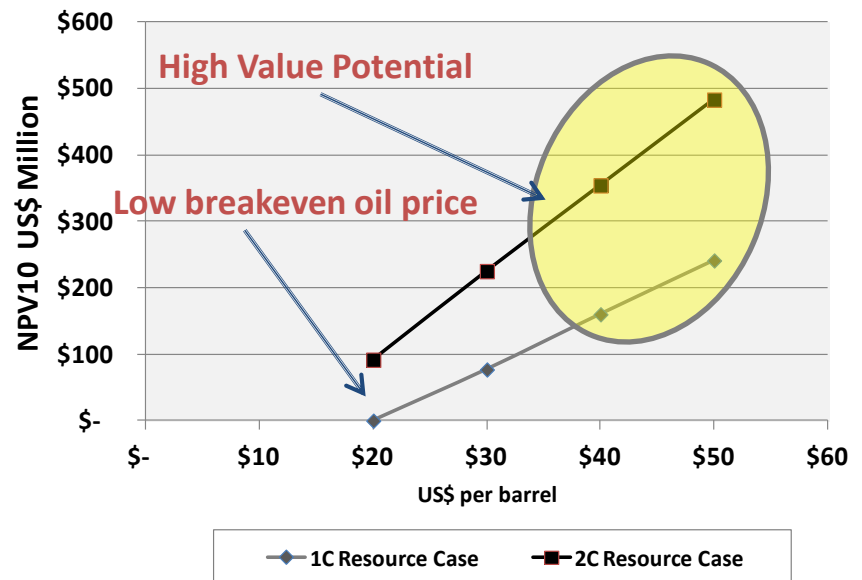
- 2 slanted production wells centrally located and one non utilised appraisal well
- Develop Nilde and Nilde Bis only
- FPSO Development – Build Owned and Operated
- Well total TVD 1700 m and 90 m water depth
- Oil export via tanker(s) to local refinery

US \$ Capex per Barrel



Low Capex / barrel – lower for a leased FPSO

Project NPV10 versus Oil Price "Nilde Project Indicative Economics"



Sources of Data

- Facilities costs from FPSO contractor estimates and drilling cost studies based on previous drilling performance and recent drill rig rates.
- Production rates based on Senenergy resource estimates; 6000 BOPD/well for 1C and 10,000 BOPD/well for 2C resource case

Nilde Field Redevelopment - Key Attributes

Technical

- Historical production and test data for all undeveloped discoveries
- Excellent 2 D seismic data quality and good coverage
- High well productivities (approx 10,000 BOPD - vertical wells).
- Shallow drill depths (approx 1700m), Modest water depths (approx 90m) and benign sea conditions.

Commercial

- Large equity interest available for farmout or sale
- High API oil proximal to refineries
- Transformational cash flow potential
- Majority of Development Capex can be accessed via a facilities lease
- Excellent environment for securing leased FPSO or MOPU

Fiscal & Regulatory

- Excellent fiscal terms - 4% royalty + Corporate Tax (27.5%)
- 5 year license term with one well commitment
- Similar offshore HSE regulatory obligations as Australia

Nilde Field Redevelopment

- Current Status

Progress on Project Definition and Commercialisation

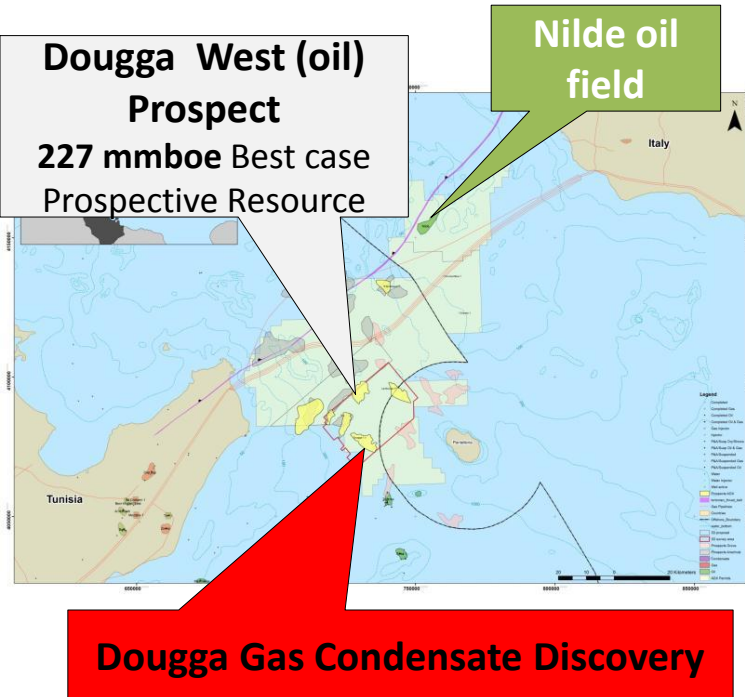
1. Secured all historical production and geological data required to complete subsurface assessment
2. Review of Nilde core only outstanding work to complete revised resource assessment, finalise geological model and commence production modelling
3. Have finalise drilling and completion costs studies for appraisal and development drilling.
4. Alternative design options are being considered with associated 3rd party facilities cost estimates available from FPSO or MOPU contractors
5. Ongoing engagement with potential funding partners with a view to securing appraisal / development drilling funding at an asset level.

On track to start marketing an asset farm out or part sale in October 2016

- **Dougga Gas Condensate Discovery – Kerkouane permit Offshore Tunisia**
- **Dougga Gas Condensate Project Potential**

Dougga Gas Condensate Field

- Background (100% equity)



Large Prospective Resource Potential
ADX Best Case Estimate: 1,027 mmboe

*Note 1. Prospective and contingent resources were calculated using the probabilistic method and are best estimates.
Conversion factor: 1BOE = 5.62 scf. Reporting date:
prospective resources 6 Sept 2013, contingent resources 26 Sept 2012.*

- The Dougga 1 well intersected approx 600 m gross gas column and tested condensate rich gas in 1981
- Dougga 1 is located in 328m of water, 45kms east of Cap Bon. Dougga gas is liquids-rich but also contains 18% to 30% CO₂.
- ADX acquired 3D seismic over the field and near field prospects
- Prior to the Arab spring highly reputable independent expert AGR Tracs assessed that the field was likely to be commercialised.
- Dougga project economics are attractive but contractor economics do not currently justify development.
- Previous project economics assumed offshore floating facilities.
- Near field discovery tie in opportunities and large exploration potential defined on 3 D seismic.

What Has Changed Recently

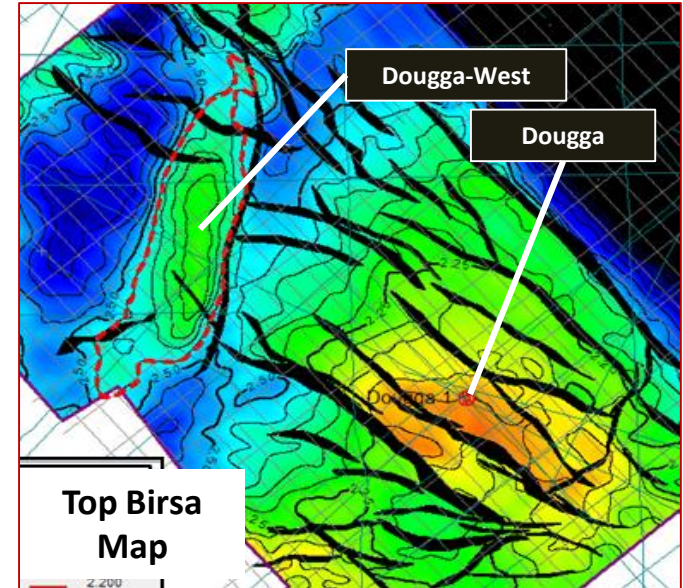
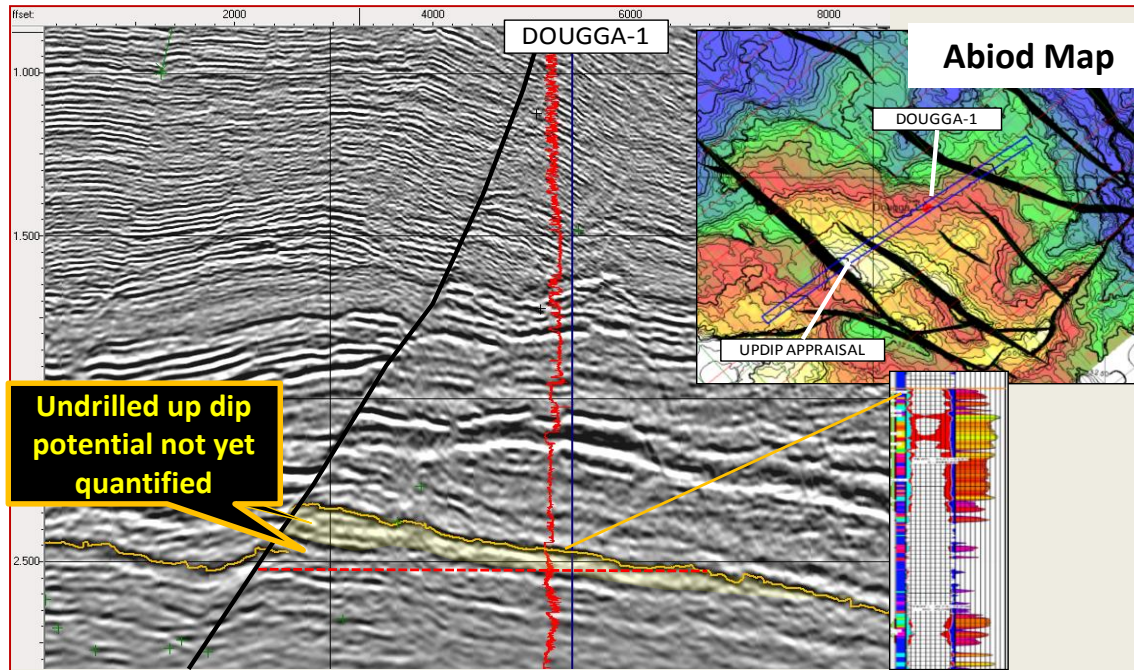
- ☐ ***Improvement in the political landscape and willingness of Tunisian Authorities to consider revised fiscal terms***
- ☐ ***Potential to significantly reduce Capex with revised development option.***
- ☐ ***Tunisia has become net importer of gas***

Dougga Gas Condensate Field

- Contingent Resource Potential

Contingent Resources Estimates	1C	2C	3C
Total Oil Equivalent [mmboe]	88	173	268
Liquids: Condensate & LPG [mmbls]	47	91	142
Sales Gas [bcf]	264	517	804

Sources: Competent persons reports (CPR) by TRACS and ISIS, Development Plan by Genesis
Dougga Gas Condensate Appraisal – Contingent unrisks resources The Tracs CPR from July 2012 estimates a 70% chance of success for a commercial development.



600 meter gas column intersected in Dougga #1 well mapped and supported by RFT pressure data.

300 Meters of Up dip potential based on 3D seismic not included in current resource assessment.

Dougga West Oil Prospect located within 9kms of Dougga

Dougga Gas Condensate - Key Attributes

Technical

- Large Condensate Rich Gas Resource
- Structure well defined with high quality 3D seismic
- Gas contains 70 to 90 Barrels / mcf of condensate and 18 – 30% CO₂
- The previous development scenario is based on floating offshore condensate removal and dehydration with a gas plant on shore.
- Appraisal well required to confirm up dip potential and economic flow rates.

Commercial

- An alternative development scenario based on a 45 km subsea tie back to an onshore plant is expected to reduce costs.
- Excellent gas market opportunities in Tunisia (now a gas importer) and Europe via Transmed pipeline.
- Gas sold at oil equivalent pricing in Tunisia.
- Substantial nearby satellite tie in opportunities defined on 3D seismic
- Large equity available for farmout or sale.

Fiscal & Regulatory

- PSC with 65% to 35% profit split for Government to Contractor, maximum of 45% Revenue can be claimed as Cost gas in any year.
- Tunisian Authorities have recently stated they will consider new license terms to facilitate a development
- The political situation in Tunisia has continued to stabilise with free elections.

Dougga Gas Condensate Project

- Current Status

Progress on Project Redefinition and Appraisal

1. *Since the Arab spring, ADX has concentrated on the exploration potential of the permit in order to maximize the value of its 740 sq km Geostreamer 3D seismic however ADX believes a Dougga commercialisation strategy is more desirable and achievable*
 2. A twelve month license extension was awarded in August 2016
 3. Commenced new feasibility studies based on a subsea tie back to an onshore tie back with a view to reducing development and operating costs
 4. Continue discussions with Tunisian authorities regarding an improvement in terms for a Dougga gas condensate development.
 5. Continue engagement with nearby stranded gas condensate discoveries defined on 3D seismic
 6. Attract a farminee to fund an appraisal well
- *Goal is to demonstrate the commercial viability of the Dougga gas condensate project and its potential to be a transformational project for Tunisia*

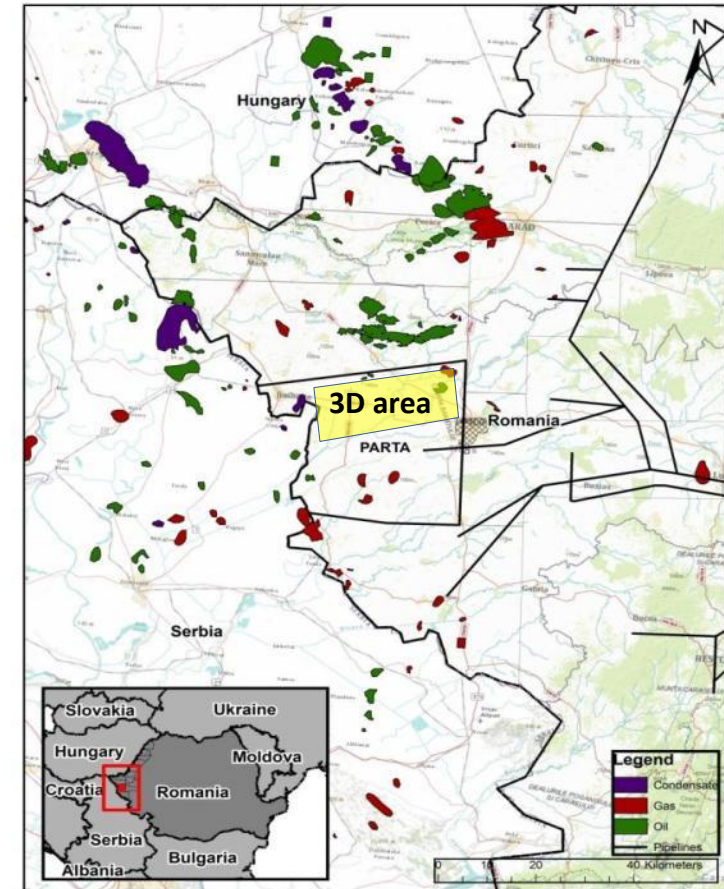
- **Parta Exploration Permit – Onshore Romania**
- **Romanian Onshore Production Opportunities**

Parta Permit Progress

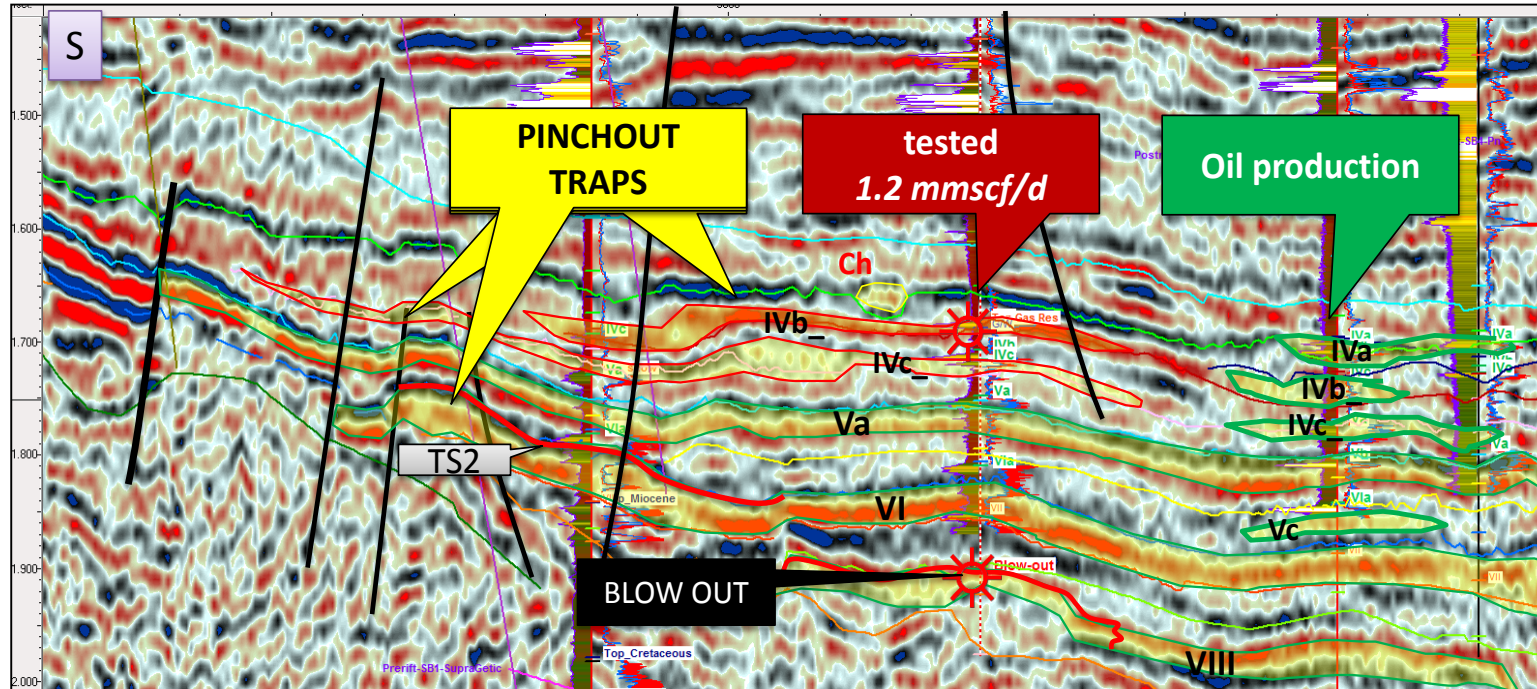
- 50% equity interest and Operator



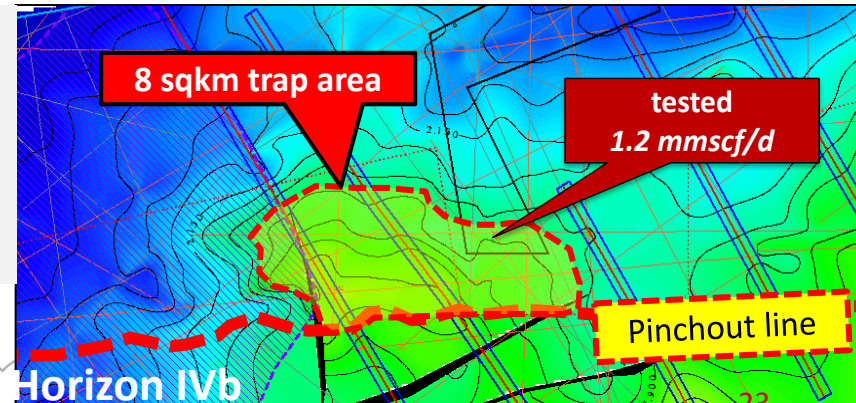
- 30 months extension of first exploration phase agreed with government ratification pending
- 2 D seismic acquired indicating excellent prospectivity
- Extensive landowner work to secure access resulting in community support and application of petroleum law as an efficient and fast default process in local courts
- As a result 3D seismic now can be acquired for prospects close to producing fields
- ***ADX well positioned for farm out***



PARTA Permit 3D Seismic is a likely game changer



- ✓ Oil & Gas charge proven
 - ✓ Proven multi – horizon plays
 - ✓ Use 3D seismic to drill sweet spots
- >>> *Like shooting fish in a barrel!*



Romanian Production Opportunities




Background

- Romania is a prolific oil and gas province with good infrastructure and excellent fiscal terms (*3.5% Well Head Royalty and 16% Corporate Tax*)
- Dominated by a few larger players seeking to maximise production from larger assets
- ADX is a qualified operator in Romania with 4 years of operations in the Parta Permit.
- ADX is well placed to leverage local knowledge and relationships to gain access to production opportunities.
- The low oil price has created momentum in a market for privately held assets.
- ADX is assessing a number of low cost, low risk, production opportunities with substantial reserves upside.

Acquisition Strategy

- Secure asset that is below the radar of large companies that dominate the landscape.
- Undertake immediate well reinstatement opportunities and development drilling to enhance production and cash flow.
- Get runs on the board while planning additional development drilling opportunities which can be progressed in a rising oil price environment to maximise returns.

Conclusions

- A three pronged approach to build a sustainable growth platform with nearly all the necessary pieces in place
 - Goal is to combine immediate production and reserves (*Romanian Production Acquisition*) with transformational near term development (*Nilde Redevelopment project*) and longer term value potential (*Dougga Gas Condensate, Sicily Channel exploration and Romanian exploration*)
 - Large resource base which can provide extraordinary value development by converting it to reserves and then production
 - 18 month ambitions – a series of transformational opportunities
 - Nilde Farmin
 - Nilde Appraisal Drilling
 - *Potential Romanian Reserves and Production Acquisition*
 - Dougga feasibility
 - Dougga development plan and fiscal terms discussions
 - Dougga farmout
- 

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