

ADX Energy

INVESTOR PRESENTATION

February 2016

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CONTINGENT RESOURCES & DEFINITIONS

Refer to ASX announcement by ADX dated 17/2/2016. ADX confirms that it is not aware of any new information or data that affects the information included in that market announcement 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 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

Summary

- An ASX listed international energy explorer (ASX:ADX)
- Asset refocus on low cost, low risk, profitable asset commercialisation
- Portfolio of Appraisal, Development and Exploration assets
- Geographic focus – Offshore Mediterranean and Onshore Europe
- Experienced Board and Management team
- Company has been restructured to minimise administration and fixed overhead
- 11.5% interest in Riedel Resources. ASX listed Gold & Base metal explorer, ASX:RIE

Capital Structure

Shares on Issue	656.48 million
No of Shareholders	2,682
Market Capitalisation @ 0.05 cents	3.3 million
Top 20 shareholder Interest	58%

GEOGRAPHIC FOCUS

Offshore Mediterranean and Onshore Central Europe

- Acreage Contains 1 Oil Field, 3 Oil Discoveries and 1 gas condensate discovery



Parta, Romania
50% operated

4 Sicily Channel Licenses
(3 Italy & 1 Tunisia)
100% operated

Approximately 6,000 km² ADX operated assets * Combination of Development, Appraisal and Exploration Potential * Variety of proven hydrocarbon provinces * Areas we know well technically and commercially with potential for growth

STRATEGIC DIRECTION - Current Assets



- **Commercialisation of the Nilde Field Area Resources – Italy Sicily Channel**
 - Tangible low risk resource with proven production performance and substantial 1C resource (20 MMBBLS) that can be converted to reserves at low cost
 - Excellent reservoir productivity, moderate water depths, shallow drill depths and low fiscal take yield excellent economics (low break even oil price)
 - Good candidate for industry funding – oil traders, FPSO contractors

- **Explore Parta Permit with Industry Funding – Onshore Romania**
 - Prolific yet under explored oil and gas province – *yet to see 3 D seismic*
 - Large area of low risk, low cost exploration with excellent infrastructure and strong gas pricing
 - Poised for 3 D seismic due to permitting success by ADX
 - Strong farmin interest due to success in adjacent areas
 - Excellent opportunity to secure low cost production with development of balance sheet

- **Retain Offshore Tunisian Strategic Option – Offshore Sicily Channel**
 - Retain large contingent and prospective resource position in Kerkouane permit
 - Seeking farmout for seismic option or extension of permit

“A viable strategy in current environment with large value leverage”

CURRENT ASSETS

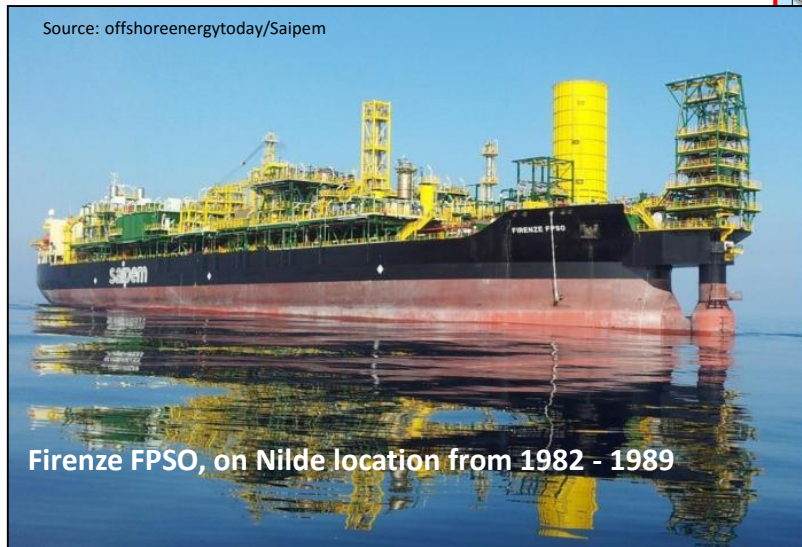
- **Nilde Field Area Project – Sicily Channel, Italy**
- **Parta Exploration Project – Onshore Romania**
- **Kerkouane Appraisal & Exploration Project
- Offshore Tunisia**

CURRENT ASSETS: Nilde Oil Field Area

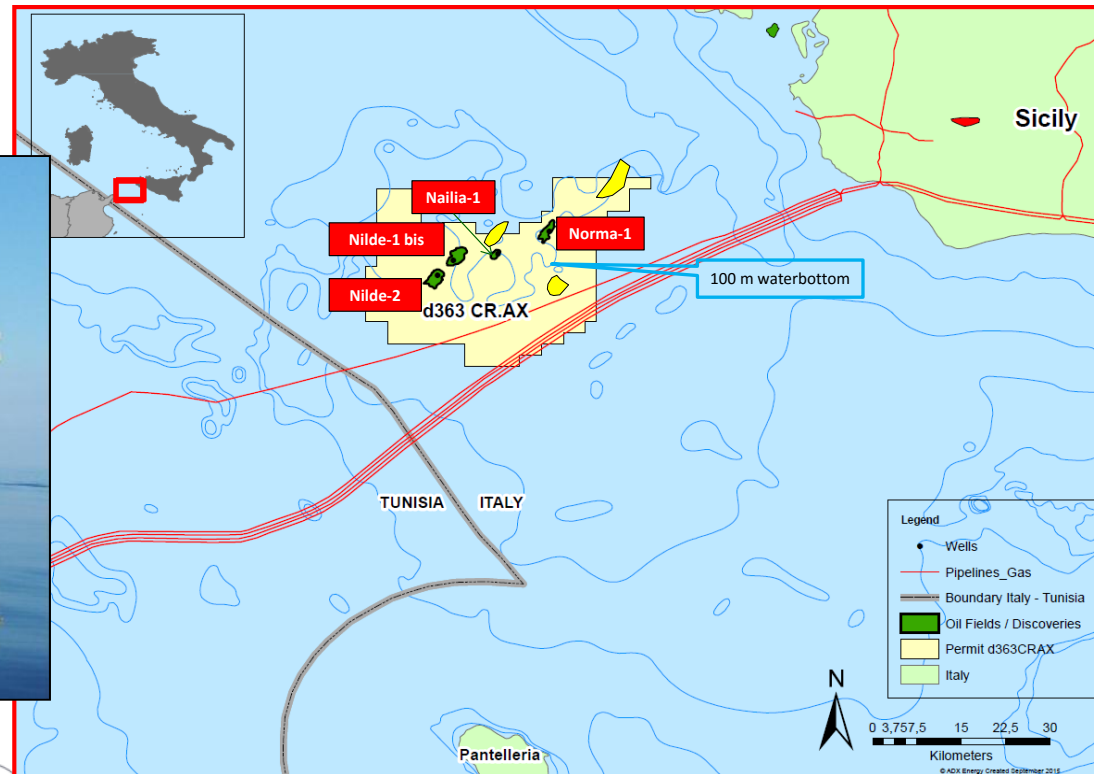
Background

- 1 Abandoned Oil Field with 3 Oil discoveries (all tested)
- Nilde field produced but abandoned early
- Excellent seismic and well data base
- 34 mmbo remaining 2C recoverable resources (independently audited)

Source: offshoreenergytoday/Saipem



Firenze FPSO, on Nilde location from 1982 - 1989



NILDE FIELD AREA - Contingent Oil Resources

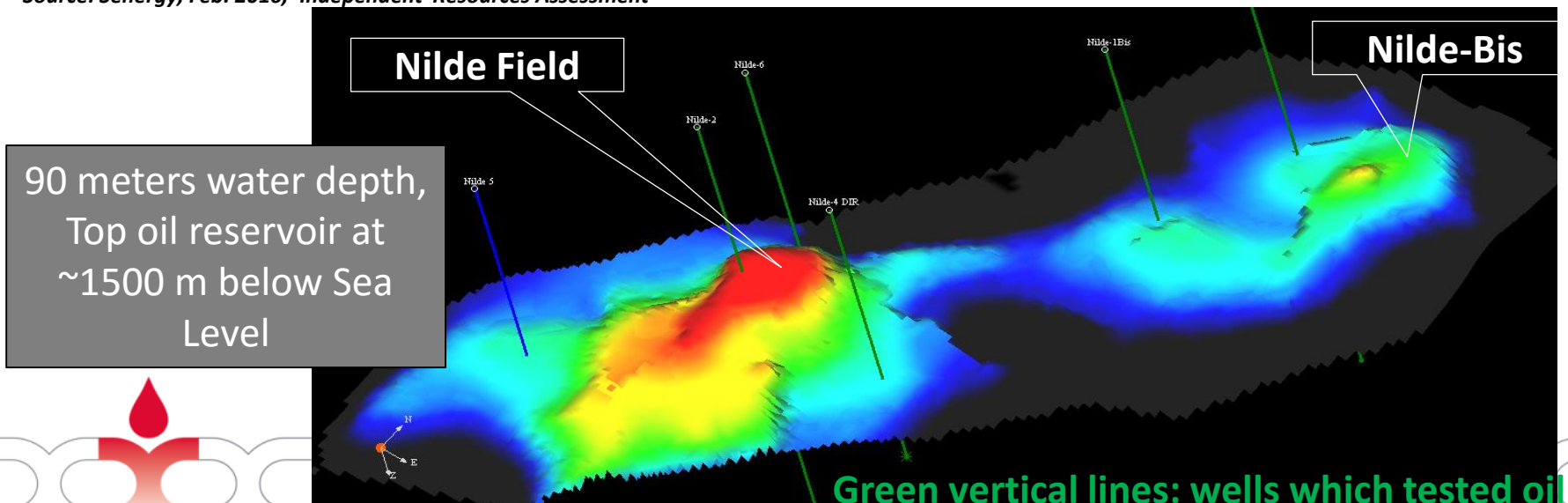
Gross Contingent ¹ Resources Volumes (MMstb)			
	1C ² Estimate	2C ² Estimate	3C ² Estimate
Nilde Field	8.7	13.1	17.8
Nilde- Bis Discovery	9.3	15.3	21.0
Norma Discovery	1.2	3.9	12.9
Naila Discovery	1.0	1.7	2.7
Total³	20.2	34.0	54.4

Notes

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Source: Senergy, Feb. 2016, Independent Resources Assessment



NILDE FIELD AREA - Key Project Attributes

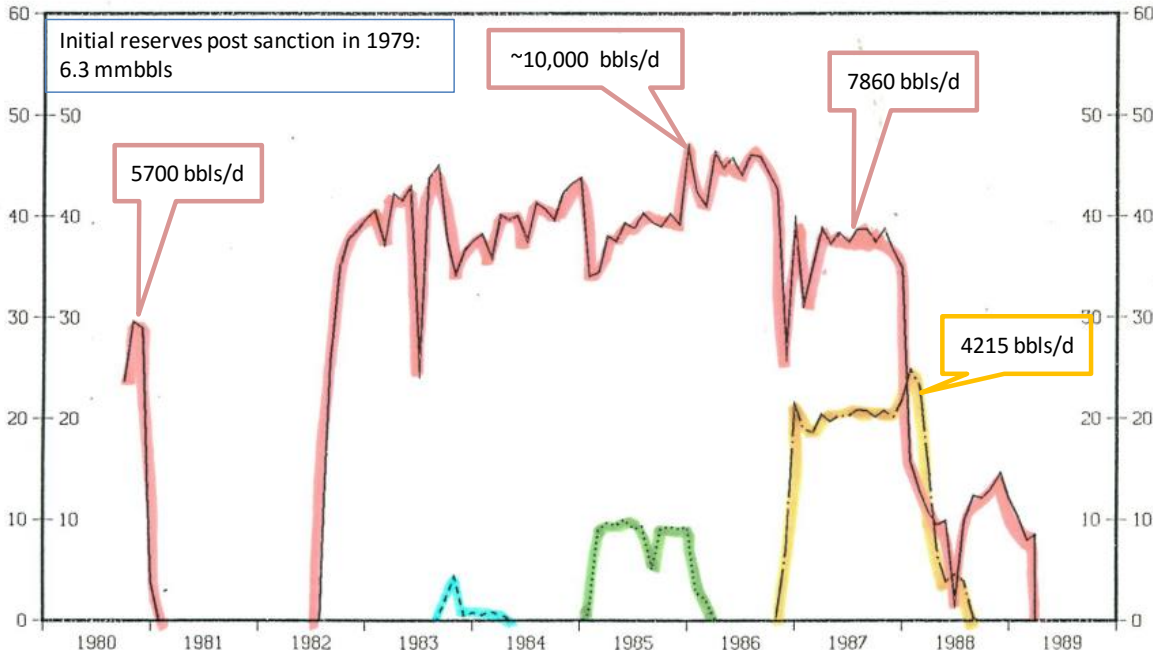


- Historical production and test data for all undeveloped discoveries provides confidence on reservoir performance and crude quality (light oil, 39° API).
- A substantial 1C resource at Nilde and Nilde-Bis of 18 million barrels.
- Potential for a staged low cost development focusing initially on Nilde remaining resources and Nilde-Bis (approx 28 million barrels 2C resource).
- High well production well productivities (approx 10,000 BOPD - vertical wells).
- Shallow drill depths (less than 1700m).
- Modest water depths (approx 90m at Nilde field location) and benign sea conditions.
- Excellent 2 D seismic data quality and good coverage.
- Simple, modest royalty based regime (4% royalty, with royalty free production of first 350,000 bbls oil).
- Robust indicative economics at sub US\$40 per barrel oil for 1C resource case.
- Near field exploration providing significant upside - sizable undrilled anticline located 7 kilometers NW of the Nilde main field area.

“High Confidence, Low Cost and Potentially Very Valuable Project”

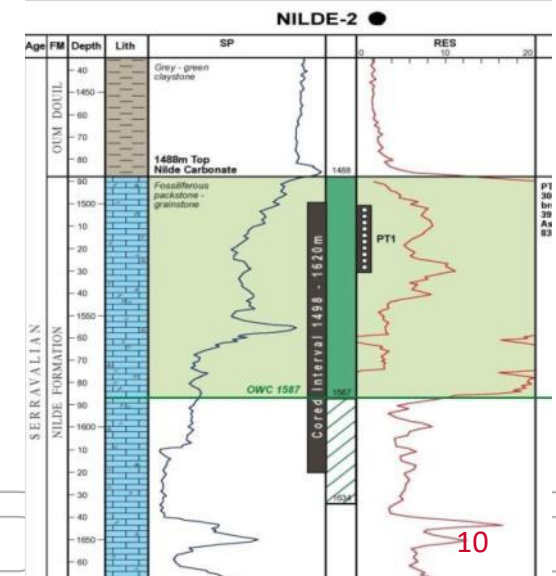
NILDE OIL FIELD - Production History

Nilde oil produced: 21 mmbbls from 112 mmbbls OIIP



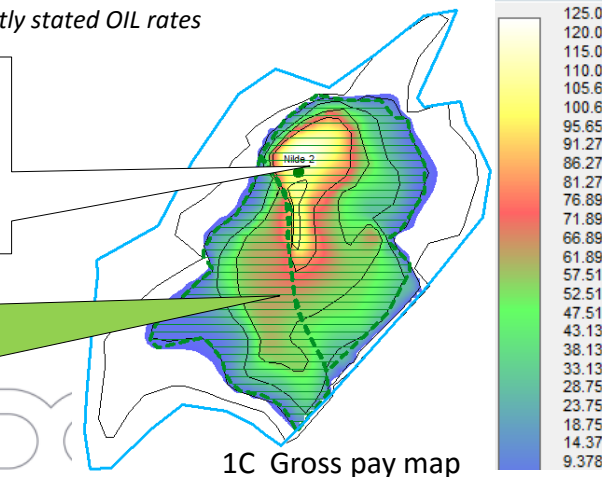
Source: ENI Nilde abandonment report which explicitly stated OIL rates

- 21 mmbbl 39 API oil produced mainly from one vertical well (Nilde-2)
- Late life well added (Nilde 6)
- Only one compartment of 2.5 sqkm drained
- Recovery factor at time of shut – in only 18.7%



NILDE-2 MAIN COMPARTMENT
2.5 sqkm, Oil column = 110 m
GRV= 143 sqkm*m
ENI OIIP estimated at 75 mmbbls

NILDE UNDRILLED
1.8 sqkm, Oil column = 75 m
GRV = 72 sqkm*m
OIIP inferred = ca. 40 MMBBLS

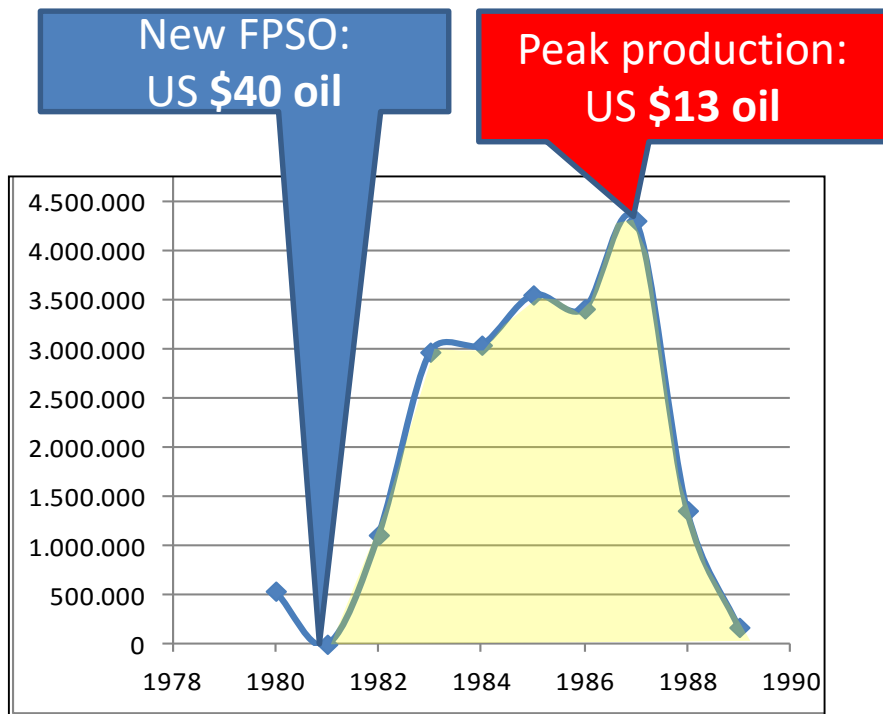


NILDE FIELD HISTORY

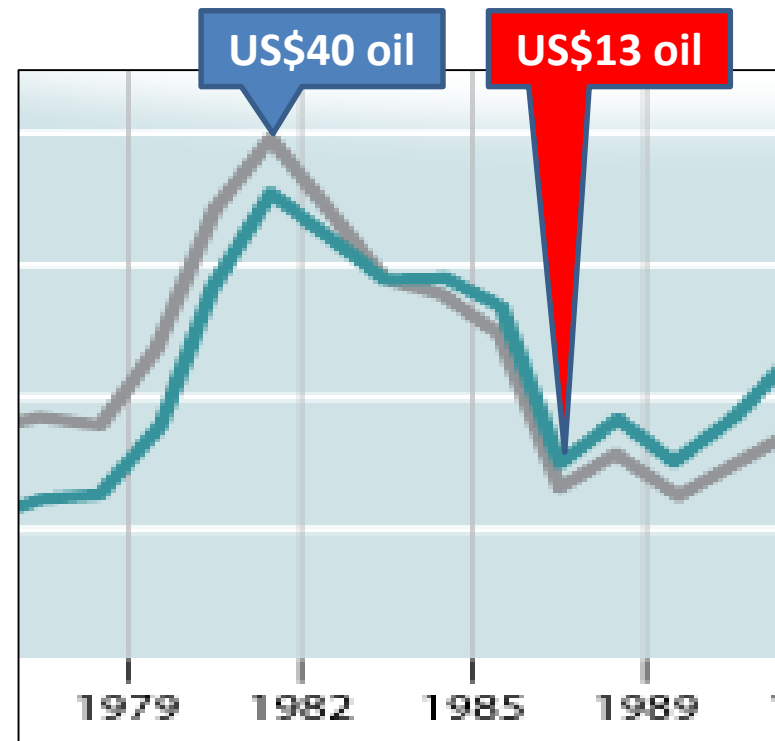
– Early abandonment

Peak production coincided with water break through and 1988 oil price collapse

NILDE total annual production in barrels of oil



Oil PRICE – REFINERY PRICES (grey: real, blue: nominal)



NILDE FIELD AREA COMMERCIALISATION

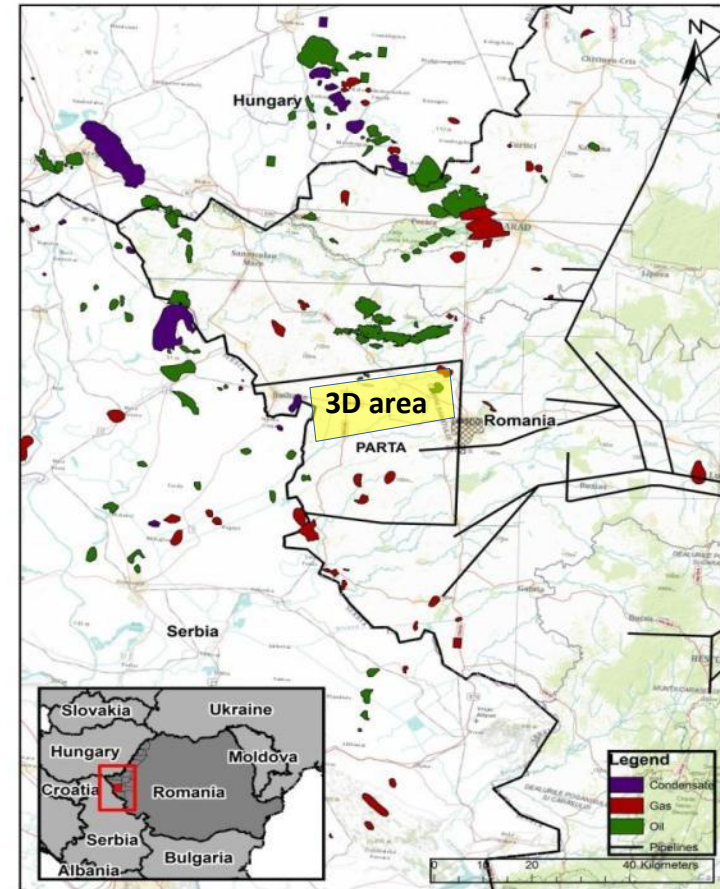
- Immediate Way Forward

- Develop a reservoir production simulation model utilising production history to better predict future well performance and optimise development
- Engage with contracting companies to determine a fit for purpose and cost effective development solution
- Develop and detailed capital and operating cost estimates to establish the commercial viability of the project
- Submit a field “Development Plan” to Italian Authorities
- Move ***Contingent resources*** into ***Reserves category***
- Engage with interested parties on joint development or funding
 - >> explore industry funding or contractor alliance structures

“Reserves can be secure for the project with desk top studies at minimal cost”

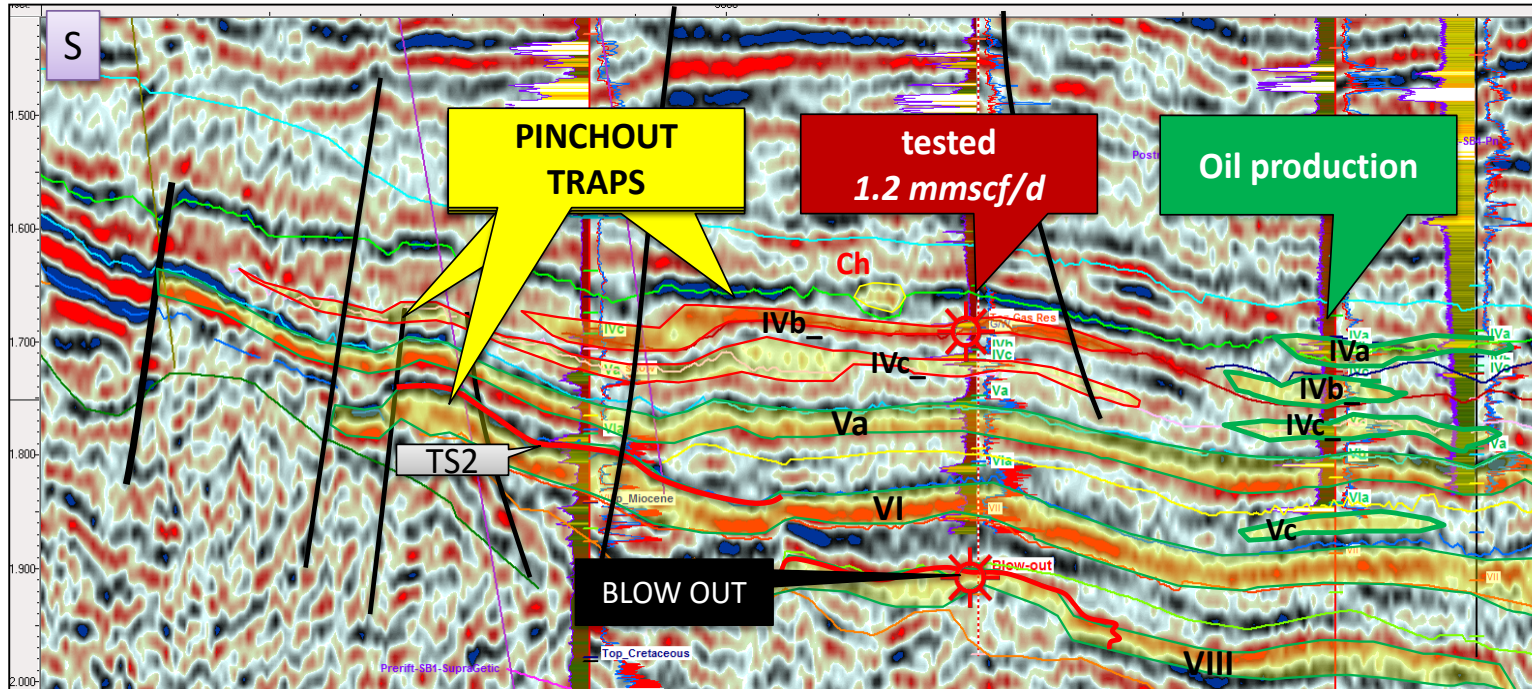
CURRENT ASSETS – Parta Permit Progress

- 30 months extension of first exploration phase agreed with NAMR, government ratification pending
- 2 D seismic acquired indicating excellent prospectivity
- Extensive landowner work to secure access resulting in community support and petroleum law is now applied as a efficient and fast default process in local courts to grant land access.
- As a result 3D seismic now can be acquired for “shooting fish in a barrel” prospects close to producing fields

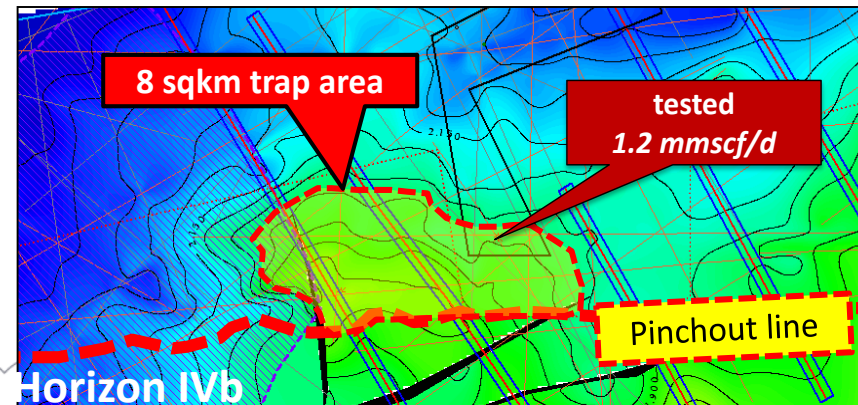


PARTA 3D SEISMIC IS A GAME CHANGER

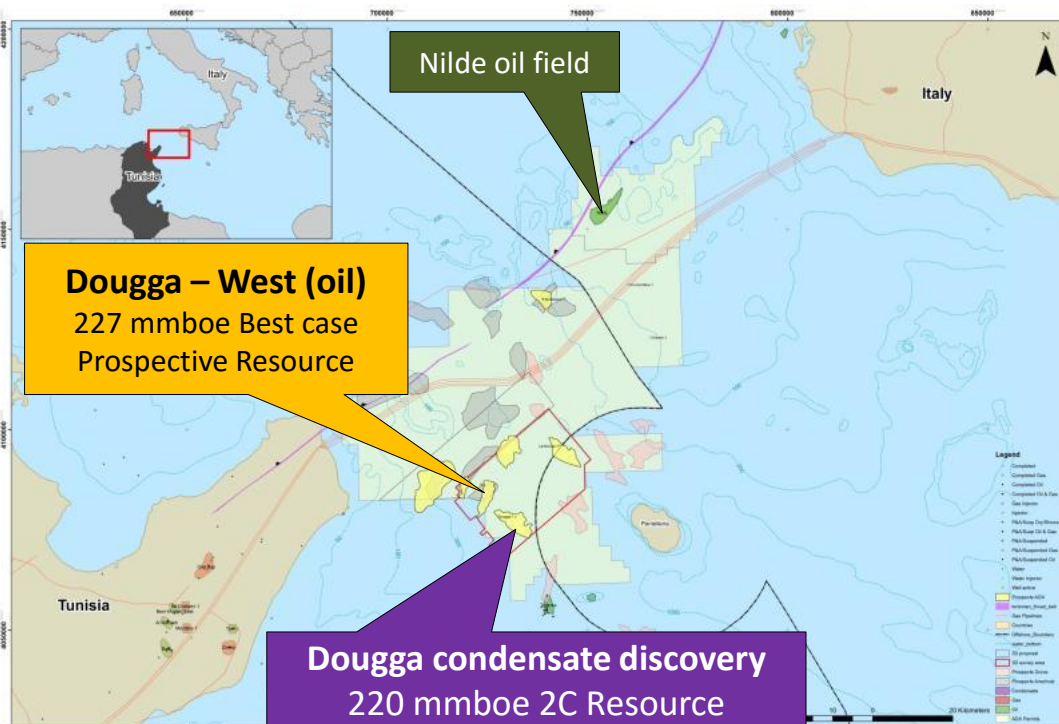
“Shooting Fish in a barrel”



- ✓ Oil & Gas charge proven
- ✓ Multi – horizon play proven
- ✓ Use 3D seismic to drill sweet spots



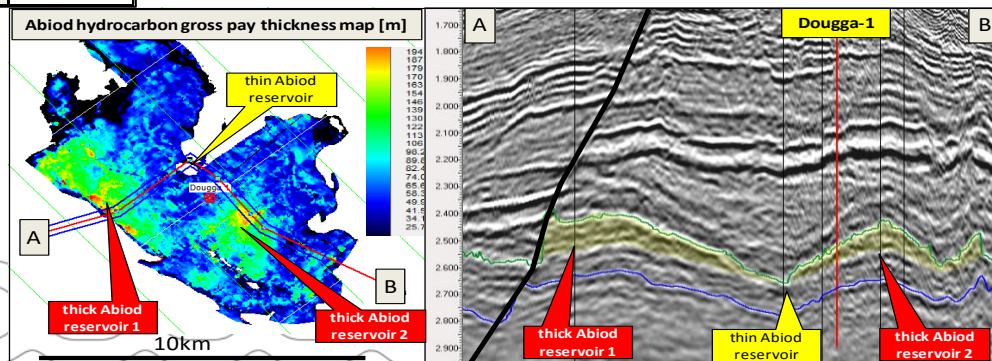
KERKOUANE PERMIT – Offshore Tunisia



- The ADX Tunisian offshore license area encompasses approx. 5,000 km² of a proven hydrocarbon province.
- Kerkouane (Tunisia) offers several very large resource size prospects and appraisal projects (Dougga-1 discovery) covered by 3D seismic.
- The current oil price environment however dictates a focus on countries with superior fiscal terms and lower costs. Hence the forward plan is to extend the Kerkouane license and farm down.

GROSS CONTINGENT + PROSPECTIVE RESOURCES	C1+LOW	C2+BEST	C3+HIGH
Total RECOVERABLE MMBOE	127	220	333
Total Sales Gas recoverable [bcf]	325	570	862
Total Condensate Recoverable [mmbbls]	50	87	131
Total LPG Recoverable [mmbbls]	16	29	45

Dougga Appraisal - Resources Summary
ASX release 14 Nov 2014



GROWTH STRATEGY

- Low cost, low risk production in areas we know well.
- Compliment current assets with low opex cash flow.
- Leverage value development at Nilde to secure other assets

Central & Southern Europe Opportunities:

A number of appraisal and re development opportunities are currently under review in Germany and Italy.

Romanian Opportunities:

The low oil price has created momentum in a market which used to be dominated by two national companies (Romgaz & Petrom) who were until recently hesitant to relinquish exploration/appraisal areas or sell producing assets. The opportunities include a producing oilfield inside the ADX Parta license in an area which will be covered by ADX 3D.

SUMMARY – Playing to our strengths

- ✓ A strategic adjustment has been necessary to adapt the new oil price regime >> ***Reduced administration costs and asset refocus***
- ✓ The “Nilde Oil Field Area” offshore Italy has the potential for a significant reserve >> establishing a commercial project through a relatively small investment in engineering and development studies.
- ✓ Nilde will be the Company’s priority. An ideal asset for the Company to progress in a low oil price environment >> ***Commercialising Nilde will yield substantial shareholder value***
- ✓ The near term focus is on low cost oil and profitability at US \$30 oil price instead of large resource additions. Potential to secure new opportunities available in European countries with excellent infrastructure and fiscal regimes.
- ✓ Retain options over large prospective and contingent resource positions that will come into play in longer term.

“A viable strategy to re build and flourish in a tough environment”

IMMEDIATE ACTIVITY – Outlook for 2016

1. Corporate

Continue to seek efficiencies and cost cutting opportunities, achieve recognition for tangible and substantial asset potential

2. Italy – Nilde area:

Move contingent resources into reserves and thereby create significant shareholder value. Engage interested parties for Industry finance and joint development

3. Romania - Parta:

Prepare with JV partner RAG for 3D seismic acquisition during the year and secure industry funding via joint farm out.

4. Low Cost Portfolio Enhancement in Core Areas

Take advantage of the current urgency for large E&P operators to divest from non core, small to medium sized (producing) assets in Romania, Germany and Italy.

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