

16 August 2018

INFORMATION MEMORANDUM – ADX'S ROMANIAN ASSETS

Dear Shareholder

Please find attached the relevant sections of ADX's Information Memorandum outlining the key investment attributes of ADX's interests in Romania held via subsidiary Danube Petroleum Limited (Danube), a special purpose vehicle created to secure ongoing investment in Romania at an asset level. This Information Memorandum is being used to target industry and financial investors for further funding to enable the drilling of a second well in the Parta Appraisal Program. ADX, via Danube, intends to retain a 50% interest of a funded two well drilling program which has the capacity to deliver meaningful cash flow and net present value to the ADX.

Key Investment Highlights are as follows;

- Proven appraisal potential from historically tested wells with exploration upside verified by an independent expert;
- Further low risk, low cost exploration potential in an underexplored basin where nearby drilling has demonstrated excellent results using modern 3D seismic;
- Established in-country asset and operating position with an experienced operating team on the ground;
- Near term drilling activity with a rapid pathway to meaningful cash flow;
- Attractive, established regulatory and fiscal environment in Romania with low royalties and corporate tax; and
- Excellent commodity pricing with open access to proximal facilities and low tie in costs that yield excellent success case economics and material Net Present Values.

ADX's majority interest in Danube provides exposure to two low risk appraisal opportunities with exploration upside provided by the Parta Appraisal Program, potential to become self-funding by the tie in of successful wells and then apply already permitted new 3D seismic in the Parta exploration permit to explore in a highly prospective yet under explored basin.

Yours Sincerely

Ian Tchacos
Executive Chairman

ADX Energy Ltd

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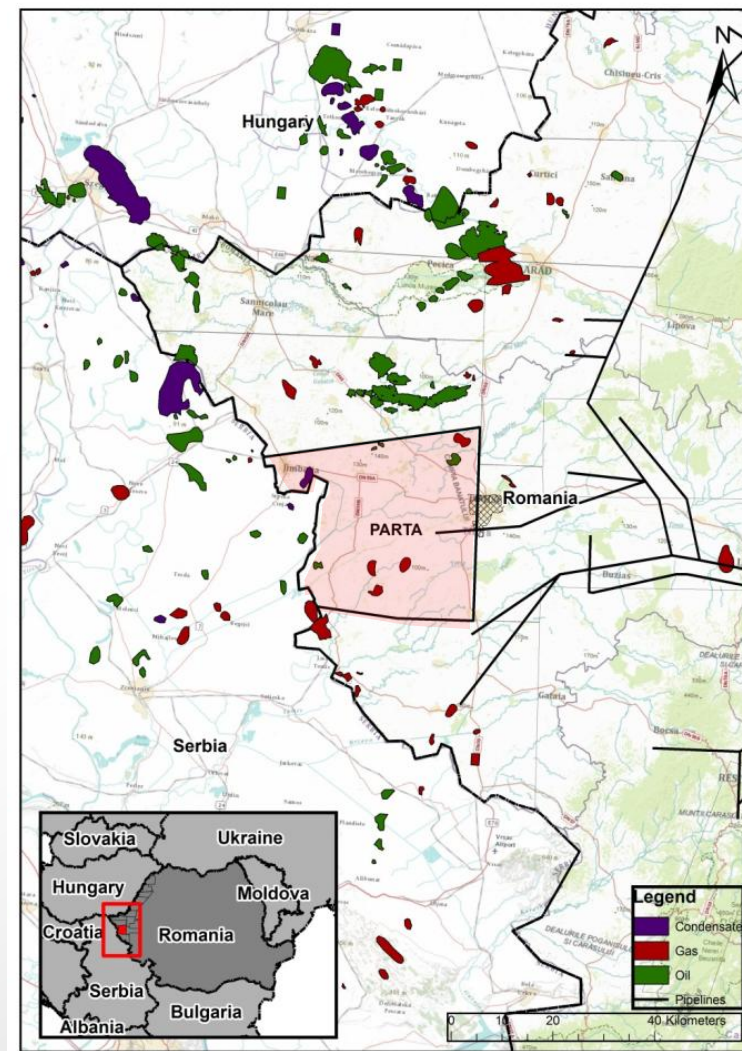


Danube Petroleum Limited

(A subsidiary of ADX Energy Ltd)

ROMANIAN APPRAISAL, DEVELOPMENT & EXPLORATION OPPORTUNITY

Investment Overview - August 2018



“An opportunity to participate in an immediate, low risk, appraisal opportunity with a rapid pathway to cash flow as well as further low risk exploration upside utilising yet to be deployed modern 3D seismic in a prolific yet under explored oil and gas province.”

Disclaimer Statement

This document has been prepared by ADX Energy Ltd for the purpose of providing an activity update to interested analysts/investors and shareholders. Any statements, opinions, projections, forecasts or other material contained in this document do not constitute any commitments, representations or warranties by ADX Energy Ltd or its directors, agents and employees. Except as required by law, and only to the extent so required, directors, agents and employees of ADX Energy Ltd shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of, or in connection with, the information contained in this document. This document includes certain statements, opinions, projections, forecasts and other material, which reflect various assumptions. The assumptions may or may not prove to be correct. ADX Energy Ltd recommends that potential investors consult their professional advisor/s as an investment in the company is considered to be speculative in nature.

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.

Prospective Resources: 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.

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).

Information Memorandum Summary

Presentation Format

- 1) Romania Overview and Executive Summary**
- 2) Asset Summary and Operating Overview**
- 3) Strategy and Economics**
- 4) Corporate and Commercial**
- 5) Additional Information**



1

Romania Overview and Executive Summary

- Romania Overview, Industry Background and Investment Overview

Industry and Country Summary

Oil and Gas Industry Overview

Established Industry, Stable Regulatory Framework & Strong Market Fundamentals

- One of the oldest oil and gas producing provinces in the world.
- Is the most prolific oil and gas producer in Central and Eastern Europe
- A well developed gas distribution and export infrastructure with substantial new investment in the gas pipeline network planned.
- Prevailing domestic gas price approximately US \$ 6.50 per Mcf
- A 300% increase in gas use projected to replace lignite for power generation
- Established and predictable regulatory framework and highly skilled work force

Attractive Fiscal Terms

- 3.5% Royalty Rate and 16% Flat Tax Rate

Strong IOC and Private Equity Backed Activity

- OMV Petrom is the dominant player other PE backed players include Amromco, Sandhills Petroleum, Expert Petroleum and Mazarine



Existing and Planned Pipeline Infrastructure. Source: Gas Infrastructure Europe

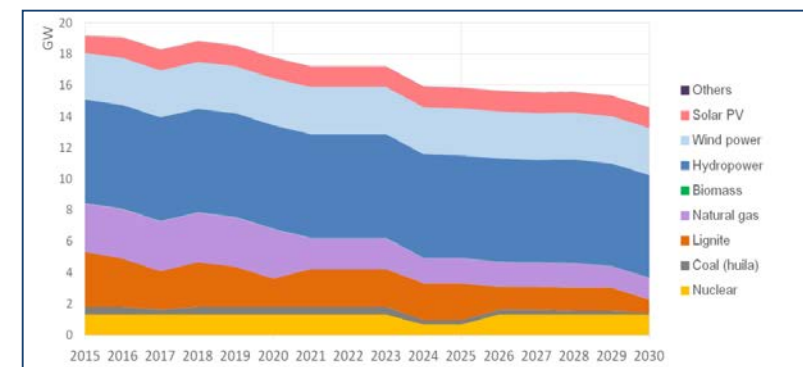
Romanian Country Overview

Romania is a politically stable country benefiting from increased economic prosperity over the past 20 years. Romania is a member of the European Union single market and a leading nation for attracting investment in Eastern and Central Europe. It has a fast developing, upper-middle income mixed demographic with a very high Human Development index and a skilled labour force. Economic growth is among the highest in Europe. Romania is rich in oil, iron ore, uranium, nickel, copper and natural gas. It is a regional leader in multiple fields, such as IT and motor vehicle production.

Economic Indicators

Area	24,000 km ²
Population	19.6 million (2018 E)
Population Growth Rate	-0.34% (2018 E)
Population Age (0 – 25 years)	27% (2018 E)
Population Age (25 – 55 years)	45% (2018 E)
GDP (Nominal)	USD 212 billion (2018 E)
GDP (Nominal Per Capita)	USD 10,900 (2018 E)
GDP (Growth Rate)	6.7% (2018 E)

Forecast Electricity Generation. Source: Ministry of Energy



Executive Summary

Opportunity Overview

- ADX has incorporated a special purpose vehicle Danube Petroleum Limited (Danube) focussed on the appraisal and development of two historic, tested gas discoveries (**Parta Appraisal Program**) defined on modern 3D seismic and the exploration of its **Parta Exploration Permit**.
- ADX operates the Parta Exploration Permit and the recently acquired **Ilecea Mare Production license** on behalf of Danube.
- ADX has commenced drilling planning, permitting, procurement and contracting for the Parta Appraisal Program.
- The Parta Appraisal Program is expected to commence in Q4 2018 to Q1 2019 with potential gas production within 12 months.
- Danube has secured a US\$ 2million investment by AIM listed Reabold Resources ¹ ("Reabold") which has the option to invest a further US\$ 0.5 million.
- **Based on an Independent Resource Assessment² of the Appraisal Program a US\$ 5 million investment is expected to result in;**

Most Likely NPV₁₀ = US\$ 55.9 million (2C Resources) & **Upside Potential NPV₁₀ = US\$ 127.7 million** (2C + Un risked Prospective Resources)

Investment Overview

Danube is seeking a further US\$ 2.5 million investment on the same terms as the recent Reabold investment to enable the drilling and testing of the two well appraisal development program.

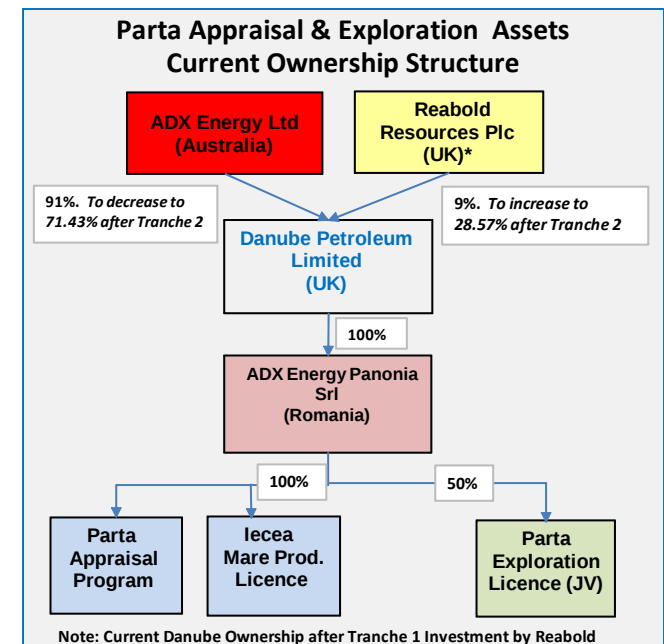
Existing Danube Funding

- ADX currently holds a 91% share holding in Danube. Reabold via a Subscription Agreement has committed to a US\$ 2million investment in Danube. Tranche 1 - US\$ 0.5 million (subscribed) and Tranche 2 – US\$ 1.5 million (held in escrow). Upon the completion of tranche 2 Reabold will hold a 29% interest and ADX will hold a 71% interest in Danube. Reabold has an option to invest a further US\$ 0.5 million.

New Investment Opportunity

- A US\$ 2.5 million investment to secure a 25% equity interest in Danube.
- An investment in excess of 20% enables the investor to secure a board seat on the Danube Board.
- Funds will be used to confirm the reserves and cash flow potential of the Parta Appraisal program.

- 1. Reabold is a UK publicly listed company that invests in near-term, high growth upstream oil & gas projects where its injection of capital will facilitate near term activity.*
- 2. A independent evaluation of the Parta Appraisal Program in Romania has recently been completed by ERC Equipose Pte Ltd (ERCE). ERCE is an international, independent consultancy specialising in geoscience evaluation, engineering and economic assessment.*



Key Investment Highlights

1) Proven appraisal potential with exploration upside

- Parta Appraisal Program contingent and prospective resources verified by third party expert (*report available for investors*)
- Multiple pay zones with previously tested zones and 3D seismic defined exploration.
- Substantial exploration license potential with licensed 200Km² 3D program planned

2) Established in country asset & operating position

- Established exploration and production license position.
- Licensed to operate exploration and soon for production.
- Highly skilled and experienced in country team.

3) Drilling activity with rapid pathway to cash flow

- Two appraisal well locations (redrills) approved by the authorities
- Long lead items & rig contracts ready to secure Q4 2018 - Q1 2019 operations
- Proximal gas plant to wells enables rapid and low cost tie in – Cash flow in Q1 2020

4) Attractive, established regulatory & fiscal environment

- Romania is part of the EU, the second largest Eastern Europe gas producer, excellent infrastructure access
- Long history in oil and gas, excellent fiscal terms and stable regulatory framework

5) Excellent commodity, access conditions and economics

- Stable gas price US\$ 6.5 / mcf +, low drill costs and accessible 3rd party processing
- Combination of low Capex, low royalty (3.5 - 5%), Low Corporate Tax Rate (16%) and strong gas price yields significant potential cash flows and excellent economics.

6) No transaction risk, transparent terms & material equity position available

- Direct investment in recently established special purpose private company (*Danube*)
- Existing legal, asset ownership and operating framework
- Clear investment terms established by knowledgeable third party investor
- Up to 25% equity interest and board seat available.

2

Asset Summary and Operating Overview

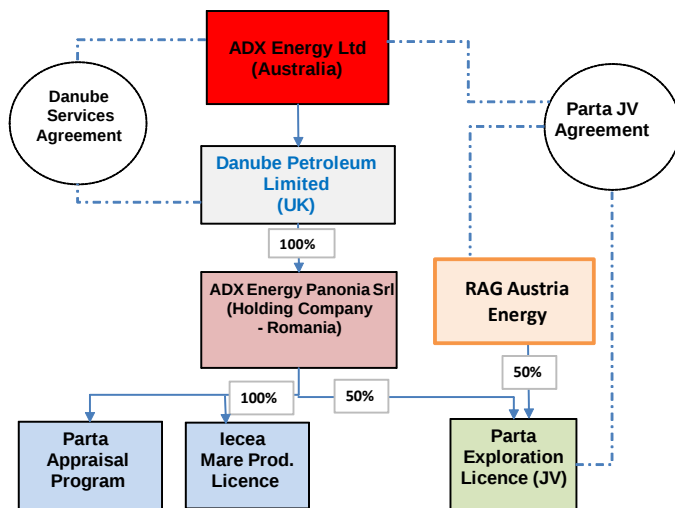
- Asset summary, Operating framework and Capability

Assets and Operations

Operating Framework and Capability

- ADX is a licensed **Exploration Operator** in Romania
- Upon transfer of the Iecea Mare production license ADX will also become a licensed **Production Operator**.
- ADX operates the Parta Exploration Licence pursuant to a joint venture agreement between ADX and RAG Austria AG ("RAG") ²
- ADX operates all Danube's assets pursuant to a Services Agreement between ADX and Danube.

Parta Assets and Commercial Structure



1. The Parta Appraisal Program is a sole risk project under the Parta Exploration Joint Operating Agreement. Panonia has a 100% interest in the project.
2. RAG is an Energy and gas transmission company based in Austria. RAG secured a 50% interest in the Parta Exploration license via farmin agreement.

Asset Summary

Danube holds a 50% interest in the 1,221 square km Parta Exploration license, a 100% interest in the Parta Appraisal Program ¹ and the 100% interest in the Iecea Mare Production license.

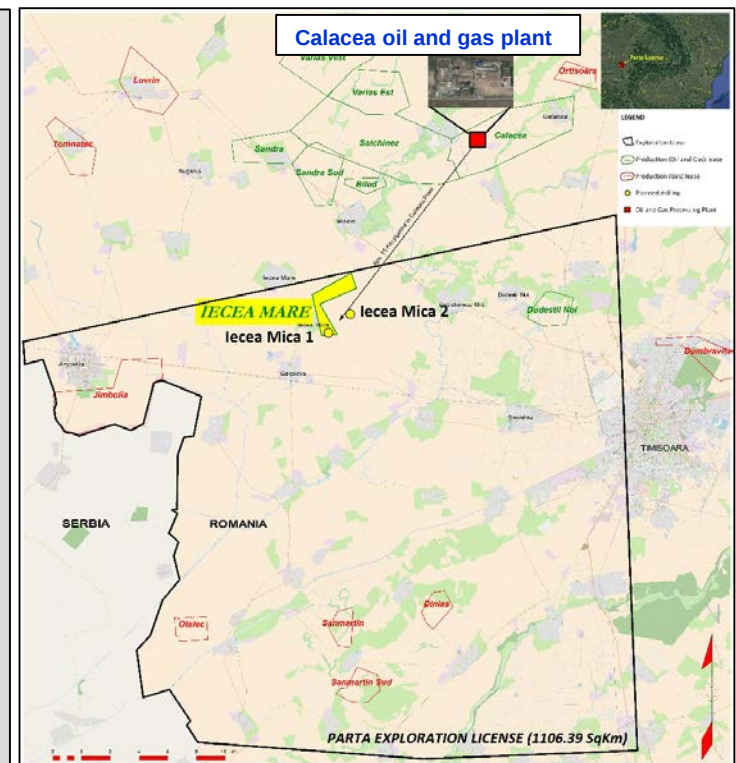
- The assets are located onshore in the Panonian Basin in Western Romania
- The Parta Appraisal Project includes the planned Iecea Mica 1 and Iecea Mica 2
- Assets held via a 100% owned local subsidiary ADX Energy Panonia SRL ("Panonia")

The Map shows the Parta exploration license, the Iecea Mare production license, the Iecea Mica 1 and 2 well locations and the available Calacea Gas Plant.

The Iecea Mica wells are targeting multiple pay zones with previously tested reservoirs and additional exploration potential defined on new 3 D seismic.

The acquisition of the Iecea Mare production license allows the location of production facilities within the existing license area without the need to secure a production license.

The short distance to the Calacea gas enables rapid low cost development.



Parta Appraisal Program Potential

Parta Appraisal Program (Danube 100 %)

Ilecea Mica (IM) -1 and IM -2 appraisal well resource potential is based on ERCE Independent Evaluation Report for the two appraisal wells in the Parta Exploration license and the recently acquired Ilecea Mare production license. [Refer to ADX ASX announcement dated 11 July 2018.](#)

➤ IM-1 and IM-2 wells will target multiple pay zones including established appraisal potential from historic wells drilled in the 1980's that were tested but never produced (2C Contingent Resources 22 Bcf) as well as exploration potential defined on 3 D seismic (Best Estimate Un Risked Prospective Resources 28 Bcf).

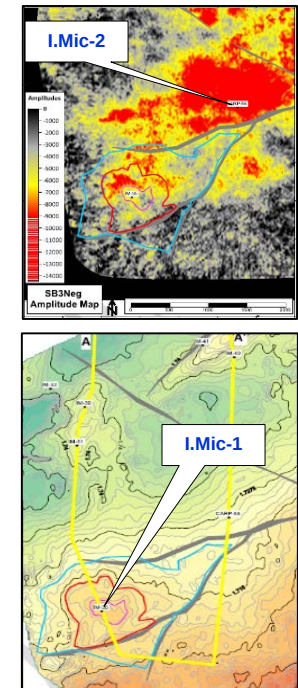
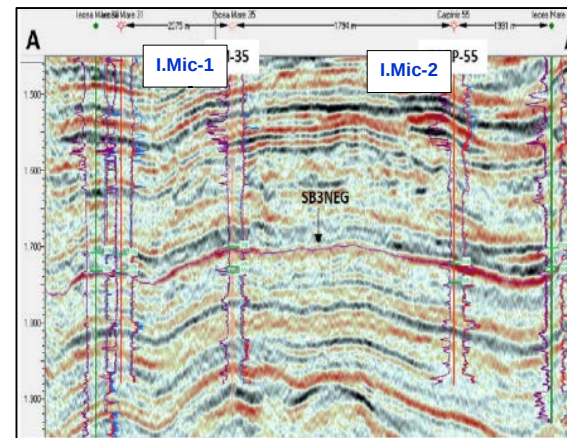
➤ Appraisal Program planned to commence in Q4 2018 – Q1 2019, the wells will be tested to determine flow rates and completed for production. It is intended that wells if successful will be tied in to the near by Calacea Gas Plant in late 2019. Access is available to the gas plant.

Indicative Work Program



Appraisal Program Resource Potential (based on ERCE Independent Review)

Recoverable Hydrocarbon Volumes			ERCE Estimates		
Prospect	Target Reservoir	PRMS Category	P90 (bscf)	P50 (bscf)	P10 (bscf)
IM-1	Pa IV	Contingent ¹	2.0	6.1	16
IM-1	Pa VI	Prospective ²	2.4	4.4	7.3
IM-1	Pa VIII inf.	Prospective	2.7	8.3	21.3
IM-2	PsB4.3	Prospective	5.4	15.6	39.1
IM-2	Pa IV	Contingent	4.8	15.5	43
Total Program		Contingent	6.8	21.6	59.0
Total Program		Prospective	10.5	28.3	67.7



- 1. Contingent Resources** are those quantities of petroleum estimated, as at 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 estimates that have a respectively 90% (P90), 50% (P50) and 10% (P10) probability that the quantities actually recovered will be exceeded
- 2. 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.

Exploration Potential - Parta License (Danube 50%)

Tier 1 Appraisal Character Prospects

Parta Permit Prospect Inventory (Tier 1 Prospects - Appraisal Character)

Tier 1 Prospects	Well No.	Seismic Coverage	HC fluid	P90	P50	Mean	P10	comment
Sacalaz C1 Gas [bcf]	1	new ADX 2D	gas	4.1	11.5	15.1	32.0	ADX new 2D, AVO anomaly on 3 proven reservoir levels
Sacalaz Badenian [mmbbls]	1	new ADX 2D	oil	3.6	8.3	10.0	19.2	ADX new 2D, large undrilled structure
IM 4041 Va+IVa- combined [mmbbls]	2	IM 3D	oil (tested)	0.4	1.2	1.7	3.7	IM 3D seismic, undrilled oil field compartment
IM 30310 Va not tested [mmbbls]	3	IM 3D	oil	0.6	1.3	1.6	3.0	IM 3D, untested deeper horizon, AA confirms closure
IM Badenian closure [mmbbls]	4	IM 3D	oil (gas)	0.8	2.1	2.8	5.8	IM 3D seismic, large strat upside but medium to high risk
Pa9 - C2 (Uivar) [bcf]	5	Repro. Vintage 2D	gas	4.3	11.8	15.3	32.0	large stratigraphic trap, but on 2D medium to high risk,
Pa35 [bcf]	6	ADX 3D (part)	gas	1.9	6.0	8.5	19.0	covered by ADX 3D, AA
Dudestii Noi - East [mmbbls]	7	Future ADX 3D		0.3	1.0	1.6	3.7	Badenian reservoir risk, but good upside, ADX 3D to come
Dudestii-90 REDRILL Lr. Pa [bcf]	8	Future ADX 3D	gas	2.1	4.4	5.1	9.2	Lr. Pannonian gas flow proven, ADX 3D to come
Dudestii Noi West- 58] [mmbbls]	9	Future ADX 3D	oil	1.1	2.4	2.9	5.5	undrilled oil field horst block, ADX 3D to come
Total Prospective Resources (Unrisked)								
Total Oil (mmbbls)			oil	6.8	16.3	20.6	40.9	
Total Gas (bscf)			gas	8.3	22.2	28.9	60.1	
Average Value Per Barrel								
Value Per Barrel (US\$/bbls) 60\$ oil			oil		8.7			NPV(10)
Value Per Mcf (US\$/mcf)			gas		2.7			NPV(10)
Probability of Success (Portfolio Average)								
Oil Prospectivity - P(Success)			oil		0.3			
Gas Prospectivity - P(Success)			gas		0.35			
EMV of Portfolio								
Oil Prospects (US\$ millions)			oil		42.6			
Gas Prospects (US\$ millions)			gas		21.0			
Total Risked Value US \$ millions			Oil & Gas		63.6			100% Equity Interest
Total Risked Value US \$ millions			Oil & Gas		31.8			50% Equity Interest

NOTE: Iecea Mare and Carpinis appraisal opportunities are excluded

Tier 1 prospects include - Shallow Pontian DHI supported proven Pliocene play gas prospects (600 – 1400m); Extensively proven Pannonian oil & gas play prospects (1000 – 2500 m); Deeper Miocene carbonates & clastic prospects & fractured basement proven less than 30 km from Parta (2200 – 3100 m)

Total Best Estimate Unrisked Prospective Resources = 16.3 mmbbls Oil and 22.2 Bscf Gas (arithmetically added; 100% Working Interest)
Risked Value Potential = US\$ 32 million (@ Danube 50% equity interest)

Exploration Investment Thesis

- 3D a game changer in proven area
- Deeper targets than previously drilled
- Potential for stacked pay
- Potential for fracture basement
- Initial Exploration success rates in same basin in Hungary 60% with new 3D seismic

3 D Seismic Programming

- 200km² licensed
- Large portfolio of different proven play type targets

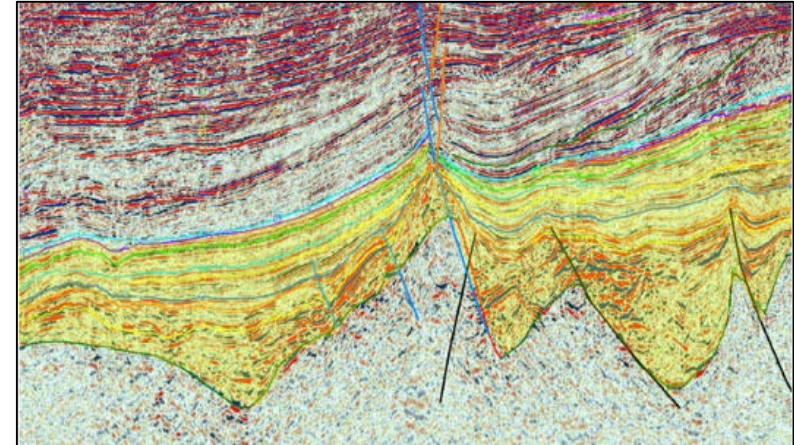
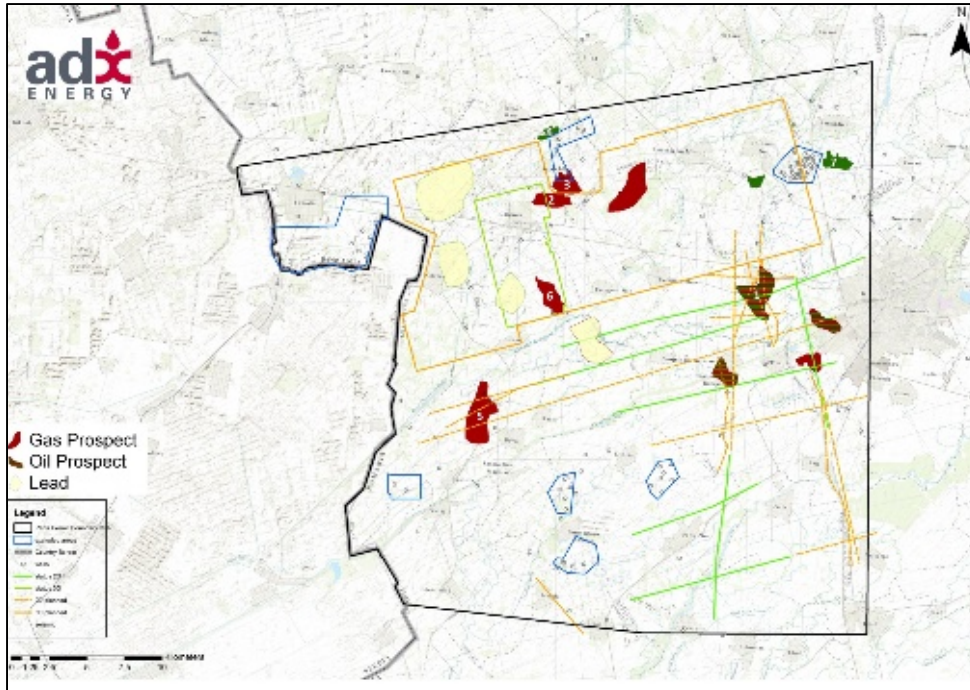
Exploration success

e.g. Serinus, Hunt and OMV, Oil discoveries in Pannonian

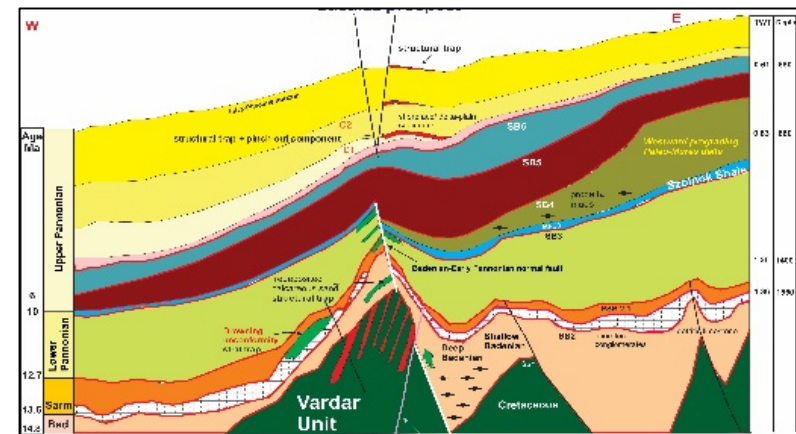
Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal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

Exploration Potential - Parta License (Danube 50%)

Tier 1 Appraisal Character Prospects (Continued)



Prospect on defined on ADX acquired high resolution ADX seismic



Sacalaz Prospect

- Shallow Pontian DHI supported proven Pliocene play gas prospects
- Extensively proven Pannonian oil & gas play prospects
- Deeper Miocene carbonates and clastics prospects & fractured basement proven less than 30 km from Parta

Exploration Potential - Parta License (Danube 50%)

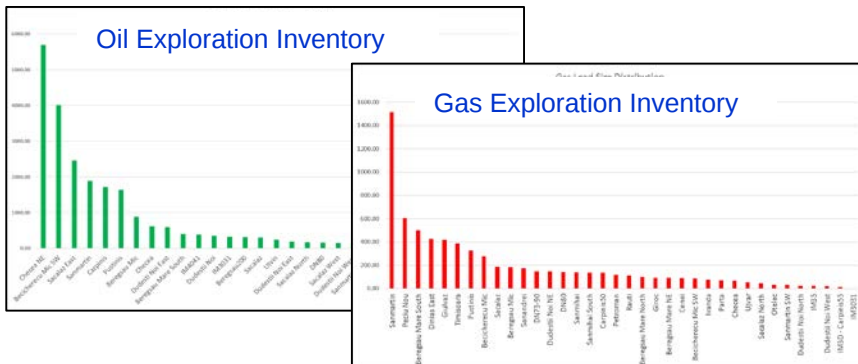
Exploration License Potential (Danube 50%) - Tier 2: Exploration Inventory

An extensive inventory of exploration prospects and leads exist in the Parta Permit. The best of these will be matured for drilling during 2019 with the already licensed 3D exploration seismic program shown in the map below.

The 54 Leads & Prospects identified include 13 oil & gas, 23 oil only and 18 gas only. The total Unrisked Best Estimate Prospective Resource Potential (arithmetically added) in the permit is;

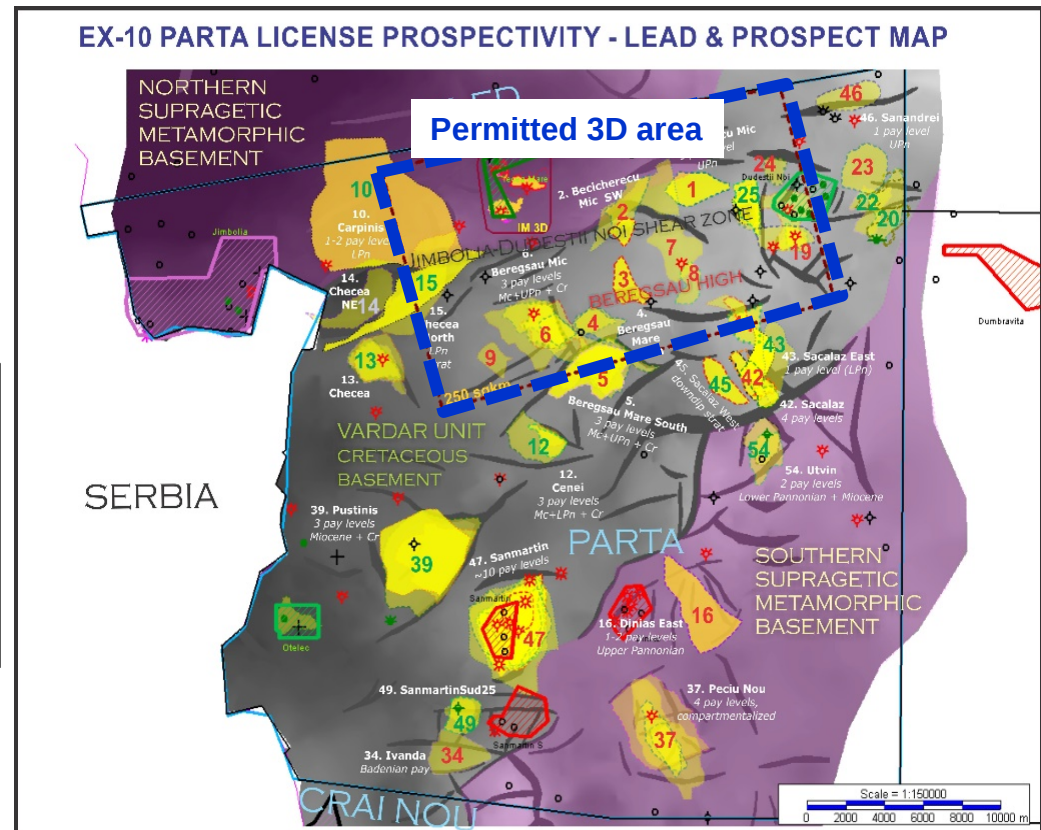
- **60 mmbbls of Oil**
- **300 bscf of Gas**

A large number will be covered by future 3D further reducing risk and optimizing portfolio ranking.



The 54 Leads and Prospects identified by ADX on mostly vintage 2D seismic that has been reprocessed by ADX. Deeper targets (Badenian fractured limestone and fractured basement) provide large undrilled resource potential in the permit that has been successful elsewhere in the Panonian basin.

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 moveable hydrocarbons.



Local Presence, Operating Capability and Knowledge

Romania Management Team



Paul Fink, Technical Director - MSc (Geophysics)

25 years of international petroleum exploration and production industry experience in technical and management positions. Past Romania experience with OMV (Petrom).

Tim Stoll, Operations Manager - MSc (Petroleum & Drilling Engineering)

18 years of international experience in technical and management positions. Extensive experience of production technology and operations management in Romania (OMV, Petrom)

Varinia Radu, Country Manager - MA, MBA, Attorney of Law

7 years oil and gas experience as legal advisor, company representative and board member. CMS partner, extensive Romanian authorities and regulator contact network.

Ciprian Soldan, Geoscience Manager - PhD (Reservoir Engineering)

5 years oil and gas experience on development and production with Petrom, Petrofac & Amromco

Szilamer Kovacs, Geologist - PhD (Geology)

15 years oil & gas experience mainly on Romanian exploration projects, extensive Pannonian basin experience in both Hungary and Romania (Romgaz).

Bogdana Balc, Lawyer - Attorney at Law

20 years of commercial and private law experience in Timisoara, Romania. Operations area representative for local authorities

Lucian O. Dragomir, Landman & Surveyor - PhD (Surveying)

20 years of commercial and private law experience in Timisoara, Romania. Operations area representative for local authorities

In Country Capability and Knowledge

- Local exploration and production operator status
- Local presence in country since 2008 and good standing with NAMR – National Agency
- Valuable local relationships, access to skills, knowledge of geology and operating capability
- A number of employees have worked in country with local operators including OMV Petrom, Rompetrol, Amromco and Petrofac
- In country Technical and Operations team supported by ADX for Corporate, Commercial and Administrative functions
- Well placed to access future acquisition or organic growth opportunities

ADX OPERATIONAL HISTORY

Milestone	Date
Bid Round Data Review	Q4 2009
PARTA Permit Award	Q1 2011
RAG Farmin to Parta Permit	Q2 2012
Acquire PARTA 2 D seismic	Q1 2013
PARTA Permit extension	Q2 2015
Complete PARTA Exploration 3 D seismic	Q4 2017
Acquire IECEA MARE 3D seismic	Jun 2017
Danube Incorporation	Oct 2017
PARTA Appraisal Program Sole Risk	Nov 2017
Commence Appraisal Program Planning	Jan 2018
Reabold Investment in Danube	Mar 2018
IECEA MARE Production License Acquisition	Jun 2018

3

Strategy and Economics

- Asset and corporate objectives, appraisal project economics

Strategy and Asset Objectives

Corporate Strategy

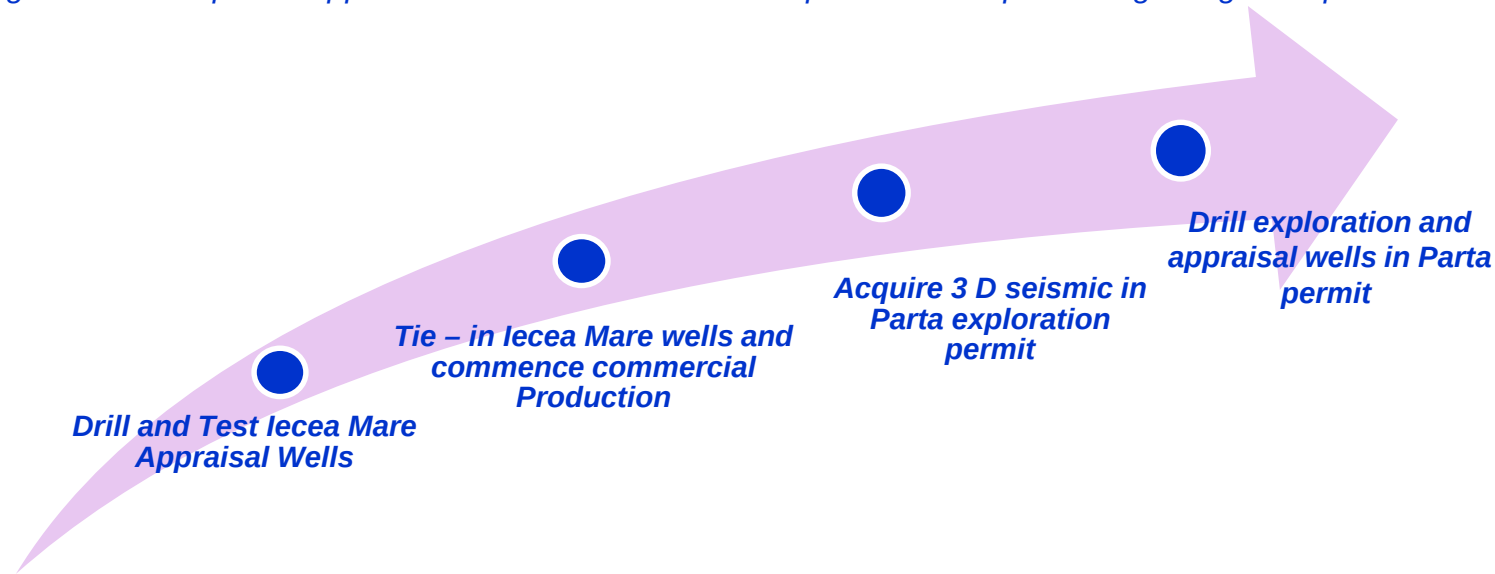
Danube Strategic Objectives are as follows

- Organically develop a material cash flow and resource position from the existing asset base.
- Exploit the historical absence of 3 D seismic technology in the low cost, low risk Pannonian basin for both appraisal and exploration opportunities.
- Explore deeper plays (2000m +) at low incremental cost not pursued historically or by existing production only focussed companies.
- Leverage in country position (assets, operator status and people) for further gazettal opportunities and value accretive acquisitions.
- Position the company for strong sustainable cash flow or if conditions are suitable value generating sale or public listing.

“Start with low risk appraisal opportunities with exploration upside, apply 3 D seismic to a highly prospective yet under explored basin, build a balance sheet and exploit risk aversion of other players not positioned to take low exploration or appraisal risk”

Asset Value Development

- Existing value development opportunities in current asset base provides exceptional organic growth potential



Economics - Parta Appraisal Program

Economic Evaluation Scenarios

The following Appraisal Program Scenarios have been considered in the following economic analysis.

1. Iecea Mica - 1 well Appraisal Success ¹	3. Iecea Mica - 1 well Appraisal and Exploration Success ³
2. Iecea Mica - 2 well Appraisal Success ²	4. Iecea Mica - 2 well Appraisal and Exploration Success ⁴

WELL	IM - 1		IM - 2		IM - 1		IM - 2		Notes
RESOURCE SUCCESS SCENARIO	Appraisal only		Appraisal only		Appraisal + Exploration		Appraisal + Exploration		
Development Assumptions									
Ultimate recovery [Bcf]	6.1		15.5		18.8		31.1		
Depth [m]	2500		2200		2500		2200		
No. of Producing wells	1		2		2		2		
Avg Cost per well [MUSD]	\$	3,100	\$	2,500	\$	2,800	\$	2,500	
Capex & Opex Assumptions									
G&G	\$	200	\$	200	\$	200	\$	200	
Appraisal Well (Drill, Test & Complete)	\$	3,100	\$	2,500	\$	3,100	\$	2,500	
Prod. Wells	\$	-	\$	2,500	\$	2,500	\$	2,500	
Prod. Facility	\$	1,500	\$	3,000	\$	1,500	\$	3,000	
Field pipeline	\$	1,100	\$	1,100	\$	1,100	\$	1,100	
Total Project Capex	\$	5,900	\$	9,300	\$	8,400	\$	9,300	
Operating Costs	\$	250	\$	350	\$	350	\$	350	
Economic Summary									
IRR	39%		49%		43%		79%		
Post Tax NPV at 10% Dcf [MUSD]	\$	15,869	\$	40,009	\$	43,850	\$	83,888	
ROI	3.69		5.48		7.00		10.39		
Avg Net Cash Flow [MUSD]	\$	2,114	\$	5,223	\$	5,797	\$	10,991	
Note: Gas Price = US\$ 6.233 / mmBTU; Inflation - 2% per annum; 10 year linear depreciation.									

1. ERCE 2C Contingent Resources Estimates are used for the Iecea Mica - 1 well see Parta Appraisal Potential Section

2. ERCE 2C Contingent Resources Estimates are used for the Iecea Mica - 2 well see Parta Appraisal Potential Section

3. ERCE 2C Contingent Resources Estimates and Best Estimate Prospective Resources are used for the Iecea Mica - 1 well see Parta Appraisal Potential Section

4. ERCE 2C Contingent Resources Estimates and Best Estimate Prospective Resources are used for the Iecea Mica – 2 well see Parta Appraisal Potential Section

Note: Gas Price = US\$ 6.233 / mmBTU; Inflation - 2% per annum; 10 year linear depreciation.

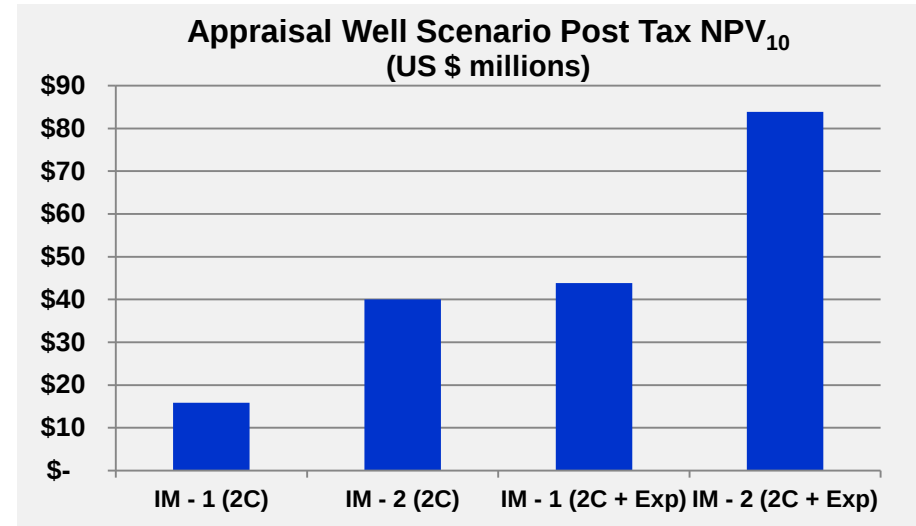
Economics Continued - Results and General Assumptions

Comments on Economics

- Excellent IRR for all cases ranging from 39% to 79%
- High Revenue Split and Rapid pay backs less than 3 years in all cases
- Excellent ROI range from 3.7 to 10.3
- Average cash flow (10 Yr) range from US\$ 2.1 to US\$ 10.9 mill / well
- **Significant NPV for appraisal only success and exceptional NPV for appraisal and exploration success**
 - \$15.9 mill Post Tax NPV₁₀ for single well appraisal success
 - \$128.9 mill Post Tax NPV₁₀ for two well appraisal and exploration success

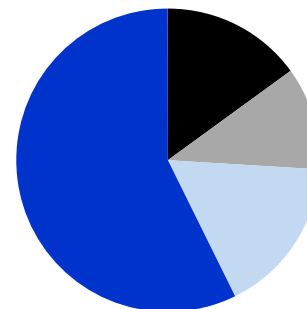
Key Project Assumptions

- ERCE 2C Resource and Best Estimate Prospective Resource Estimates
- Gas pricing 6.23\$/mmBtu
- Hydrocarbon Type: Dry Gas
- Reference price for Royalty is assumed higher than actually obtained quote, (10.36\$/mmBtu – EU market price for gas)
- Royalty rate 3.5%; 7.5% if daily production exceeds 3.9 MMscf/d
- Corporate Tax on profit 16% (No historical costs assumed)
- Tax depreciation model: AMROMCO/ ROMGAZ model, 10 yrs. Linear depreciation except for wells, wells depreciation based on ratio product output vs. allocated reserves.
- Inflation 2% p.a. applied on product prices and OPEX
- Max. initial daily production rate per well < 125,000 scbm/d (4.4 MMscf/d)
- Initial decline rate 20% per year for 4 years, later 10% per year
- Production limits are derived from near by Dinias 1 production data.

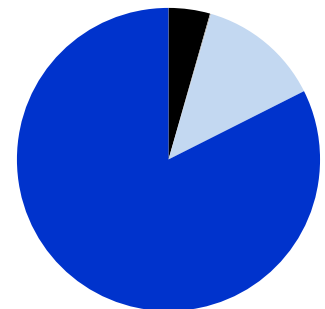


Note – Exploration Resources are Un Risked Best Prospective Estimates

Revenue Split
IM- 1 Well (2C Success)



Revenue Split
IM- 2 Well (2C + Exploration Success)



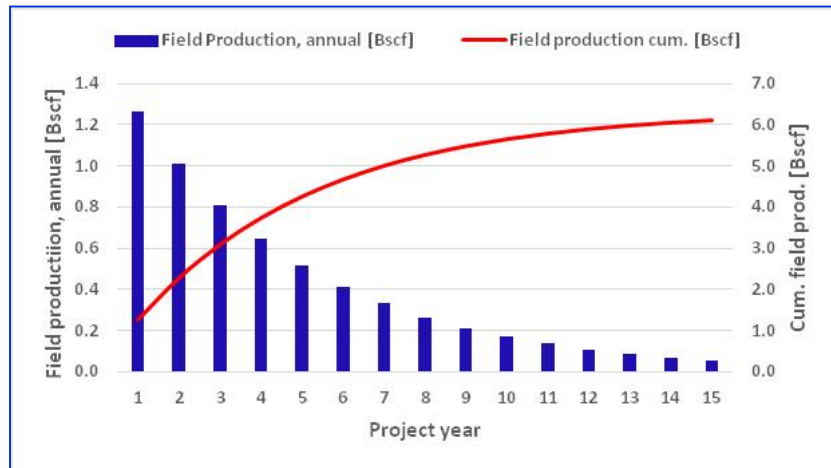
■ Capex ■ Opex ■ Royalty + Tax ■ Net Cash

■ Capex ■ Opex ■ Royalty + Tax ■ Net Cash

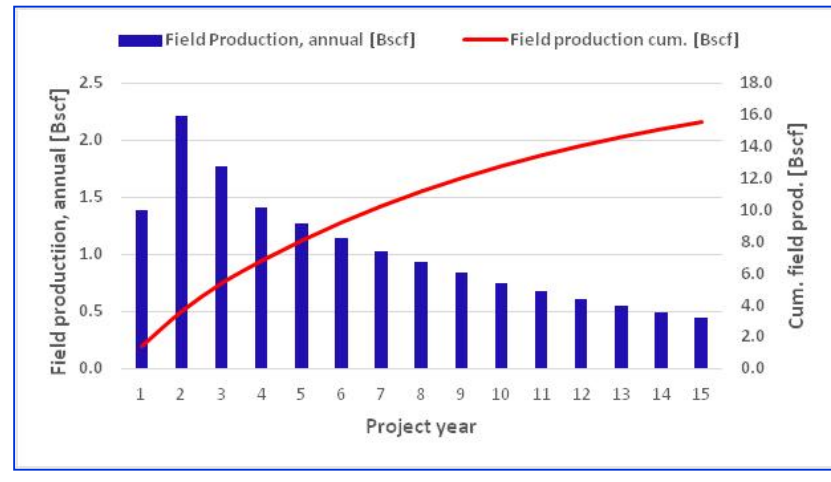
Economics Continued – Reserves & Production Profiles

IECEA MARE 1 & 2 Wells (2C Resource Cases)

lecea Mare 1 – Annual and Cumulative Production

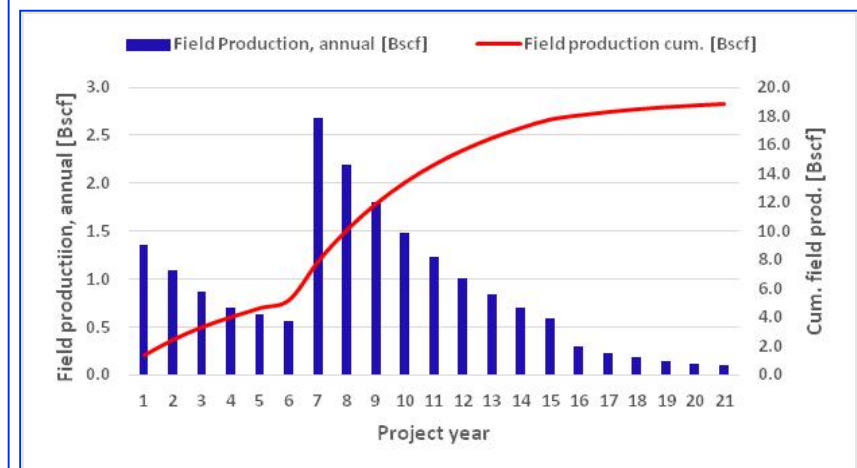


lecea Mare 2 – Annual and Cumulative Production

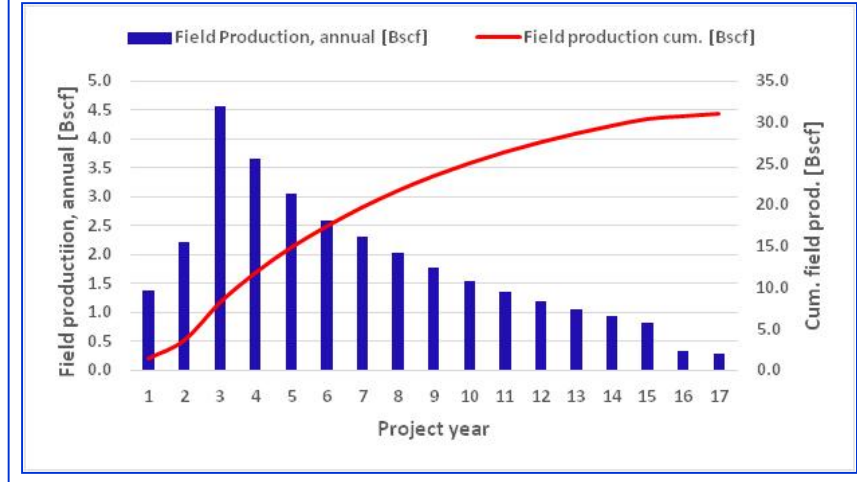


IECEA MARE 1 & 2 Wells (2C & Exploration Resource Cases)

lecea Mare 1 – Annual and Cumulative Production



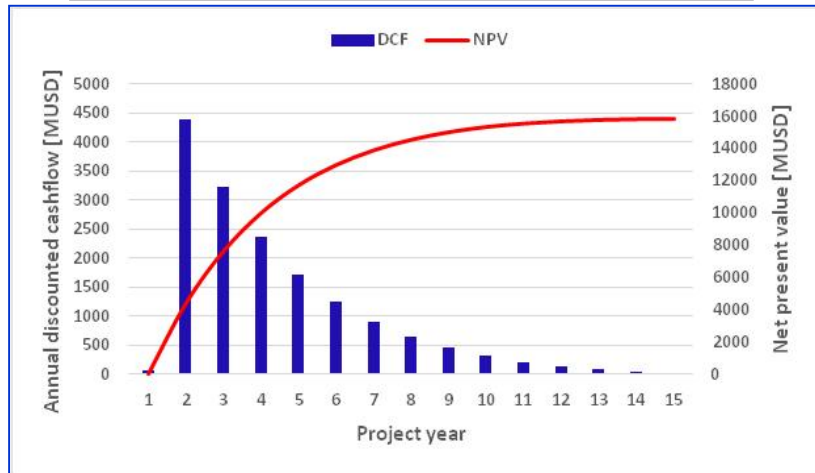
lecea Mare 2 – Annual and Cumulative Production



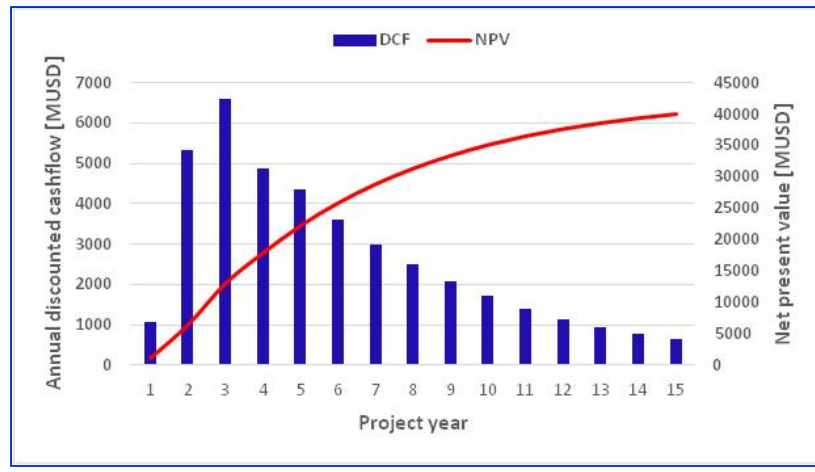
Economics Continued – Cash Flow & Cumulative NPV

IECEA MARE 1 & 2 Wells (2C Resource Cases)

lecea Mare 1 – Annual Cash Flow and Cumulative NPV

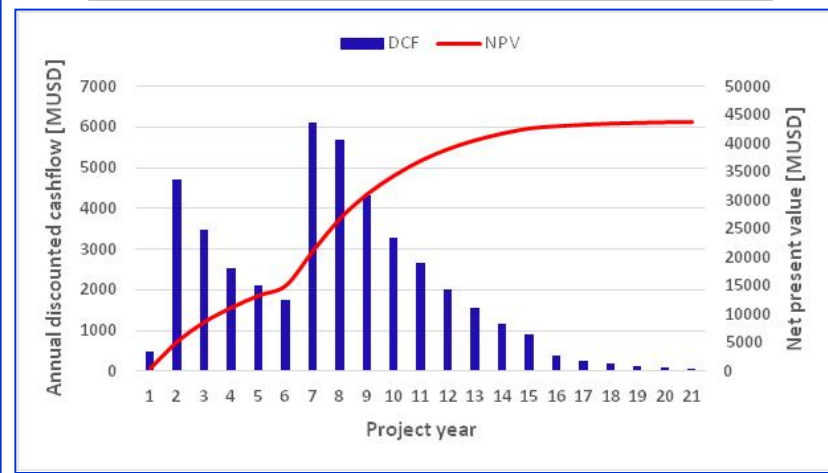


lecea Mare 2 – Annual Cash Flow and Cumulative NPV

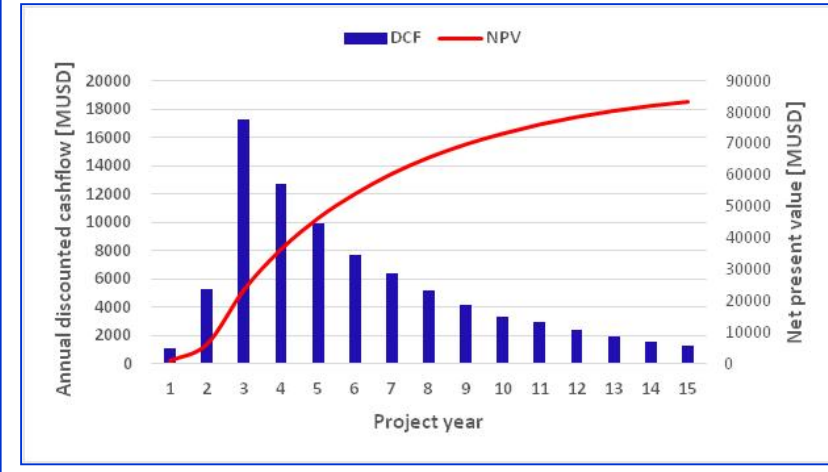


IECEA MARE 1 & 2 Wells (2C & Exploration Resource Cases)

lecea Mare 1 – Annual Cash Flow and Cumulative NPV



lecea Mare 2 – Annual Cash Flow and Cumulative NPV



4

Corporate and Commercial Summary

Danube Legal, Financial and Commercial

Legal and Commercial Summary

Background

- Danube Petroleum Limited (Company No 11034683) is a UK unlisted company registered on 27 October 2017
- Reabold entered into a conditional [Subscription Agreement](#) on 1 December 2017
- ADX transferred its shareholding in ADX Energy Panonia SRL ("Panonia") to Danube via [Share Transfer Agreement](#) in March 2018
- A Danube [Shareholder Agreement](#) was executed by ADX, Danube and Reabold on 27 March 2018
- Danube, ADX and Reabold entered in to a [Services Agreement](#) on 27 March 2018.
- Panonia is the concession holder for Parta Exploration Permit (50% interest), the Parta Appraisal Project (100% interest) and the recently acquired Iecea Mare Production license (100% interest)
- ADX is operator of the Parta Exploration Permit on behalf of RAG Austria AG ("RAG") and Panonia pursuant to the [Parta Joint Operating Agreement](#)

Danube Investment

- Investment in Danube will be made via a [Subscription Agreement](#) in the same form used with Reabold and become a party to the Danube [Shareholder Agreement](#).

Key Commercial Arrangements

- Danube holds all the Romanian appraisal, development and exploration assets mentioned in this memorandum via wholly owned Panonia.
- The finance, administrative and strategic management and control of Danube's assets are governed by [Shareholder Agreement](#).
- The operational management of the appraisal, development and exploration assets will be undertaken by ADX under the [Services Agreement](#) between ADX and Danube for the benefit of Danube shareholders. The work program and budget procedures are the same as existing Joint Operating Agreement arrangement for the Parta exploration permit between RAG and Panonia.
- The Parta Appraisal Project is sole risk project pursuant to the Parta Joint Operating Agreement where Panonia has a 100% interest.

Danube Capital Structure

Projected Capital Post Reabold

The following capital structure is based on a Tranche 1 and Tranche 2 investment by Reabold pursuant to a Subscription Agreement as well as an option which expires on the 27th of September 2018.

Projected Share Capital (Post Completion of Reabold Funding)

	Shares	New Capital (GBP)	Equity Interest
ADX Founder Capital	3,759,400	-	
Reabold Subscription			
Tranche 1	375,940	375,940	
Tranche 2	1,127,819	1,127,819	
Capital Post Subscription (T1 + T2)	5,263,159	1,503,759	
<i>ADX Shareholding</i>			<i>71%</i>
<i>Reabold Shareholding</i>			<i>29%</i>
Reabold Subscription Option	375,940	375,940	
Capital Post Option	5,639,099	1,879,699	
<i>ADX Shareholding</i>			<i>67%</i>
<i>Reabold Shareholding</i>			<i>33%</i>

Share Issue Price: (GBP/share) 1

Note: That T2 funds are held in escrow until an authority for expenditure is raised for Appraisal Program drilling. This is expected to occur during September 2018

Projected Capital Post Reabold & New Investor

The following capital structure is based on Reabold's investment and a further investment of US\$ 2.5 million buy a new investor on the same terms as Reabold.

Projected Share Capital (Post Reabold and New Investor Funding)

	Shares	New Capital (GBP)	Equity Interest
ADX Founder Capital	3,759,400		
Reabold Capital Post subscription	1,879,699	1,879,699	
Capital Post Reabold Investment	5,639,099	1,879,699	
New Shareholder Investment			
Tranche 1	375,940	375,940	
Tranche 2	1,127,819	1,127,819	
Option	375,940	375,940	
Capital Post Subscription	7,518,798	3,759,398	
<i>ADX Shareholding</i>			<i>50%</i>
<i>Reabold Shareholding</i>			<i>25%</i>
<i>New Investor Shareholding</i>			<i>25%</i>

Share Issue Price: (GBP/share) 1

The total new Capital is intended to provide sufficient capital to drill and evaluate both Parta Appraisal wells.

5

Additional Information

- *Additional Economics Data and Background on ADX*

Romania Industry Evolution and Current Trends

Romanian Oil and Gas History

Romanian recorded events

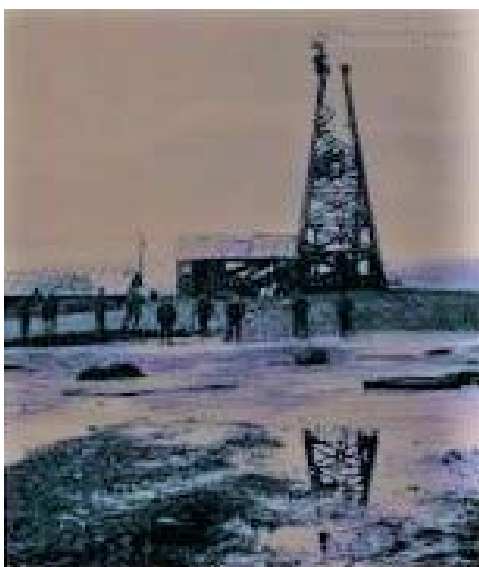
1857 : first record of oil production in world

1861 : The first well drilled in Romania, seal to a depth of 150 m

1885 -1910 : established a number of oil companies, generally with foreign capital: Star Romanian, Romanian-American, Vega, Concordia, Astra Romanian, credit oilfields, Orion, Columbia, Arena, Standard

1909 : First production of gas in the world

1913 : first European gas transmission pipelines, in Transylvania



Current Energy Market Trends

Romanian oil and gas market evolution depends on the interplay of several factors:

- Overall economic environment is very strong with strong growth energy demand
- Generally high gas prices in the EU (especially in Eastern Europe).
- Low coal prices (although Romanian coal fired power generation is expensive because of low quality coal and old thermal plants).
- Environmental concerns about lignite is likely to result in fuel switching for power generation.
- Renewable energy sources are being developed through energy efficiency measures.
- Significant investment planned for pipeline network
- An increase in national natural gas demand is anticipated up to 2035 which is expected to result in a doubling in domestic gas consumption.



Gas Market Summary

- Domestic production continues to expand its share of the consumption mix
- Industrial consumption represent approximately 47% of the consumption households consume 35%
- Domestic production continues to be resilient to the seasonality of consumption with stable gas prices in the US\$ 6.5 – 7 per mcf range
- Current domestic gas production is 35 Bcf per day

Gas Consumption in CEE: (2015 Bcm)



Gas Producers in the region² (2015 output, kboepd)



Source: BP Statistical Review of World Energy

Economics - Parta Appraisal Program Detailed Results Summary

Iecea Mica - 1 Well (2C Resources Case)

EXPENDITURE SUMMARY		RESULTS SUMMARY	
CAPEX Program		Ultimate recovery [Bcf]	6.1
	[MUSD]	Depth [m]	2500
G&G	\$ 200	No. of Producing wells	1
Appraisal Well (Test & Comp)	\$ 3,100	Cost per well [MUSD]	\$ 3,100
Prod. Wells	\$ -	Life of field [yrs.]	15
Prod. Facility	\$ 1,500	IRR	39%
Field pipeline	\$ 1,100	NPV at 10% Dcf [MUSD]	\$ 15,869
Inj. Well	other field	ROI	3.69
Inj. Facility	other field	Avg Net Cash Flow [MUSD]	\$ 2,114
Field compression	0	(Year 1 - 10 Undiscounted)	
TOTAL CAPEX	\$ 5,900		
OPEX			
	[MUSD/yr]		
base	\$ 250		
Revenues:	6018 MUSD/Bcf = 6.233 \$/mmBtu		
Gross Revenue: [MUSD]	\$ 39,392		

Iecea Mica - 2 Well (2C Resources Case)

EXPENDITURE SUMMARY		RESULTS SUMMARY	
CAPEX Program		Ultimate recovery [Bcf]	15.5
	[MUSD]	Depth [m]	2200
G&G	\$ 200	No. of Producing wells	2
Appraisal Well (Test & Comp)	\$ 2,500	Cost per well [MUSD]	\$ 2,500
Prod. Wells	\$ 2,500	Life of field [yrs.]	15
Prod. Facility	\$ 3,000	IRR	49%
Field pipeline	\$ 1,100	NPV at 10% Dcf [MUSD]	\$ 40,009
Inj. Well	other field	ROI	5.48
Inj. Facility	other field	Avg Net Cash Flow [MUSD]	\$ 5,223
Field compression	0	(Year 1 - 10 Undiscounted)	
TOTAL CAPEX	\$ 9,300		
OPEX			
	[MUSD/yr]		
base	\$ 350		
Revenues:	6018 MUSD/Bcf = 6.233 \$/mmBtu		
Gross Revenue: [MUSD]	\$ 103,614		

Iecea Mica - 1 Well (2C Resources & Prospective Resources Case)

EXPENDITURE SUMMARY		RESULTS SUMMARY	
CAPEX Program		Ultimate recovery [Bcf]	18.8
	[MUSD]	Depth [m]	2500
G&G	\$ 200	No. of Producing wells	2
Appraisal Well (Test & Comp)	\$ 3,100	Cost per well [MUSD]	\$ 2,800
Prod. Wells	\$ 2,500	Life of field [yrs.]	21
Prod. Facility	\$ 1,500	IRR	43%
Field pipeline	\$ 1,100	NPV at 10% Dcf [MUSD]	\$ 43,850
Inj. Well	other field	ROI	7.00
Inj. Facility	other field	Avg Net Cash Flow [MUSD]	\$ 5,797
Field compression	0	(Year 1 - 10 Undiscounted)	
TOTAL CAPEX	\$ 8,400		
OPEX			
	[MUSD/yr]		
base	\$ 250		
Revenues:	6018 MUSD/Bcf = 6.233 \$/mmBtu		
Gross Revenue: [MUSD]	\$ 131,559		

Iecea Mica - 2 Well (2C Resources & Prospective Resources Case)

EXPENDITURE SUMMARY		RESULTS SUMMARY	
CAPEX Program		Ultimate recovery [Bcf]	31.1
	[MUSD]	Depth [m]	2200
G&G	\$ 200	No. of Producing wells	2
Appraisal Well (Test & Comp)	\$ 2,500	Cost per well [MUSD]	\$ 2,500
Prod. Wells	\$ 2,500	Life of field [yrs.]	17
Prod. Facility	\$ 3,000	IRR	79%
Field pipeline	\$ 1,100	NPV at 10% Dcf [MUSD]	\$ 83,888
Inj. Well	other field	ROI	10.39
Inj. Facility	other field	Avg Net Cash Flow [MUSD]	\$ 10,991
Field compression	0	(Year 1 - 10 Undiscounted)	
TOTAL CAPEX	\$ 9,300		
OPEX			
	[MUSD/yr]		
base	\$ 350		
Revenues:	6018 MUSD/Bcf = 6.233 \$/mmBtu		
Gross Revenue: [MUSD]	\$ 210,136		

Note - Depreciation model:

AMROMCO/ROMGAZ model 10yrs. Linear, wells relative to product output

Note - Inflation: Assumed to 2% in all cases

ADX Corporate Overview

ASSET SUMMARY

Nilde Oil Redevelopment Project

- ✓ Offshore Sicily
- ✓ 100% equity
- ✓ 34 MMBO 2C Resources
(subject to ratification to operate)

Dougga Gas Condensate Project

- ✓ Offshore Tunisia
- ✓ 100% equity
- ✓ 165 MMBOE 2C Resources

Parta Appraisal Project

- ✓ Onshore Western Romania
- ✓ Interest held via UK SPV
(91% interest Danube Petroleum)
- ✓ 35 BCF mid case Contingent & Prospective Resources

➤ **200 MMBOE 2C
Contingent Resources
across asset base**

CORPORATE SUMMARY

ASX Code	ADX
Shares on Issue	1,128 million
No of Shareholders	2,545
Market Cap @ 1.3 cents	\$14.6 million
Cash at 30Jun 2018	A\$1.4 million

PLANNED ASSET ACTIVITIES

Parta Appraisal Program - Romania

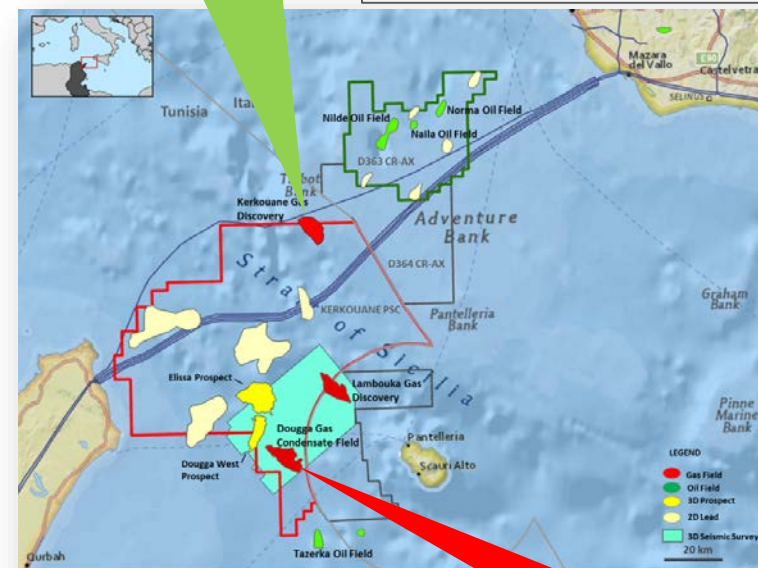
- 2 Appraisal / Development Wells
- Expected Commencement Q4 2018

Dougga Appraisal Program - Tunisia

- Dougga Sud Drilling and Testing
- Expected Commencement Q2 2019

**Nilde Oil
Redevelopment
34 MMBLS (2C)
Contingent Resource
(Subject to Ratification)**

**ADX Mediterranean
Asset Position**



**Dougga Gas
Condensate Project
165 MMBLS (2C)
Contingent Resource**

Note Contingent Resources Reporting Dates are as follows: Nilde 29/3/2018, Dougga 20/12/2017