

5 August 2020

Austrian Government Finance Package Provided to ADX

“A Euro 1.13 million (A\$ 1.86 million) low cost, minimal security loan for ongoing growth of the Austrian Business”

Key Points:

- **Attractive Terms** for Euro 1,130,000 loan with only Euro 120,000 collateral, a low interest rate of 0.56 % and repayment holiday till 30 June 2022.
- **Assistance Program** from Austrian State Financing Bank (AWS) and commercial banks to support companies with a robust business model to weather the COVID-19 crisis in a strong position for growth.
- **Funding Flexibility** enabling funds to be used ongoing business costs and future investments.
- **Funding for Building the Business** via geotechnical work for reserves and resources development, ongoing production and reliability enhancement and portfolio growth.

ADX Energy Ltd (ASX Code: **ADX**) is pleased to advise it has secured Euro 1.13 million funding for its wholly owned Austrian subsidiary ADX VIE GmbH via a program of Austrian state financing from **Austria Wirtschafts** (“Economy”) **Service (AWS)** and Volksbank Wien AG (**Volksbank**) which is ADX local commercial bank.

The funding is provided with very favourable terms including an average interest rate of 0.56%, minimal collateral of Euro 120,000 held in an ADX account with Volksbank, a loan term of 4 years and a repayment holiday until 30 June 2022. The use of funds is very flexible including all ADX VIE operating costs, capital costs and service of existing debts.

The additional source of funding enables ADX to continue to build its Austrian business activities during a challenging period without parent company support. Key investment initiatives being pursued by ADX in Austria that this funding can assist are as follows;

- Ongoing production and reliability enhancements at the Company’s Zistersdorf and Gaiselberg producing fields (Z&G).
- Geotechnical work to enhance the current field reserves position at Z&G as well as the maturing for drilling of the large but underdeveloped resource potential (Mesozoic deep water Flysch reservoirs) that can be accessed from the existing Z&G production footprint.
- Securing a highly prospective appraisal and exploration acreage position surrounding RAG’s producing fields in Upper Austria.

- Pursuing further production acquisitions in Austria where ADX can enhance its production position within or in very close proximity to exploration and appraisal acreage which ADX expects to be awarded in Q4 2020.

The AWS funding program has been initiated as a result of the COVID-19 pandemic in conjunction with commercial banks to help companies with robust business models to exit the crisis in a strong position for the ongoing growth of their business. In order to secure AWS funding it was necessary for ADX to demonstrate the ongoing viability of its business because AWS funding is not available for struggling companies or companies without a business model likely to succeed in the future.

The Board of ADX appreciates the financial support received from the Austrian state with very favourable terms that enable the Company to continue to build its unique position as only one of three production operators in Austria. The provision of funding is especially significant given the relatively short duration of business operations since acquiring the Zistersdorf and Gaiselberg fields in December 2019.

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END OF THIS RELEASE - Authorised for lodgement by Ian Tchacos, Executive Chairman

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