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31 January 2023

Activities Report For Quarter Ended 31 December 2022

ADX Energy Limited (ASX: ADX, “ADX” or “the Company”) is pleased to provide an update to its activities for the quarter ended 31 December 2022.

HIGHLIGHTS

Overview

- *Commencement of production at Anshof-3 oil discovery well*
- *Anshof Independent Reserves review confirms ADX net 2P reserves of 4.1 MMBOE ^{Note 1}*
- *Farmout to fund 50% of Welchau-1 well for a 20% economic interest*
- *Final repayment of A\$ 2,187,500 loan notes (used for acquisition Vienna Basin Fields)*

Production

Vienna Basin Fields and Anshof- 3 Production

- *Sales Revenues increased by 29% (A\$ 4,421,85 for the quarter) with Anshof contribution*
- *Oil Equivalent Production Rates increased by 41% (averaging 273 BOEPD)*
- *Brent Oil Price decreased by 12% (averaging USD 88.71 per barrel)*
- *Gas Price decreased by 12% (averaging EUR 144.4 per MWh)*

Appraisal and Development

Anshof Field - Upper Austria

- *Anshof-3 Commercial Production* early production system installed, and commercial production commenced during October 2022
- *Anshof Development Drilling* planning and procurement ongoing for Anshof-2 and Anshof-1 development wells
- *Anshof Reserves* Eocene oil independent review finalised and announced

Exploration

Upper Austria - Exploration Licenses

- *Welchau 800 BCFE gas prospect* long lead items procured, and drill site secured
- *Oil Prospect matured for drilling and Gas prospect generation* to add new targets

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- **Farmout program** resulting in Welchau Area farmout to Kepis and Pobe Financial Group as well as well as ongoing discussions with multiple parties to fund exploration and appraisal programs in Upper Austria

Romania - Iacea Mare Production and Parta Exploration License

- **Parta Exploration License** extension material submitted to the relevant Romanian authorities
- **Iacea Mare Production License** a detailed report on the proven geothermal potential of the license completed

Italy - Sicily Chanel Exploration

- **New License Award Process for gas exploration** awaiting ministerial response following submission of gas prospectivity report as well as financial and technical capability information

Renewable Energy Projects – Austria

- **Vienna Basin Green H₂ Project** proposal for the supply of the renewable electricity received and evaluated. Electricity and natural gas grid access planning progressed
- **Zistersdorf Solar Project** review of a single 2.5 MWp PV plant option and EPCIC proposal received
- **Oil, Gas and Geothermal Multi Energy Project** scoping study for the Gmunden Multi Energy Project completed and discussions with potential energy off-takers progressed

Finance and Corporate

- **Cash Balance** A\$ 3.57 million at end of quarter
- **Loan Notes Repayment A\$ 2.187 million** full repayment the outstanding balance for the Vienna basin field acquisition

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PLANNED ACTIVITIES FOR QUARTER 1, 2023

Vienna Basin Production – Austria

- **Zistersdorf and Gaiselberg Fields.** Workover program to reinstate oil production from shut in wells

Anshof Field Development - Upper Austria

- **Anshof Development Drilling.** Preparation for equipment procurement and services for drilling of the Anshof-2 and Anshof-1 wells
- **Development planning.** Ongoing planning and engineering for installation of permanent production facility at Anshof-3 location
- **Production license.** Application preparation and submission to Mining Authority

Exploration

- **Upper Austria AGS Licences**
 - *Welchau 800 BCFE gas prospect.* Ongoing permitting and well planning to enable earliest drilling
 - *Farmout program.* Further farmin option for Welchau to be advised. Ongoing engagement with multiple parties on other prospects
 - *Prospect maturation.* Ongoing maturation of oil and gas prospects.
- **Italy - Sicily Chanel**
 - *d363C.R.-AX license (gas).* Awaiting ministerial response

Renewable Energy Projects – Austria

- **Vienna Basin Green H₂ Project.** Finalisation of the structure and terms of the renewable electricity proposal and third-party evaluation. Additional planning work and discussions with electricity and gas grid operator
- **Zistersdorf Solar Project.** Complete the evaluation of a single 2.5 MWp PV plant and potential self-consumption configuration
- **Oil, Gas and Geothermal Multi Energy Project.** Determine interest from gas prospect partners and potential energy offtakers

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OPERATIONS REPORT

Production Activities

ZISTERSDORF AND GAISELBERG PRODUCTION ASSETS – Vienna Basin, Austria

ADX is operator and holds a 100% interest of the production

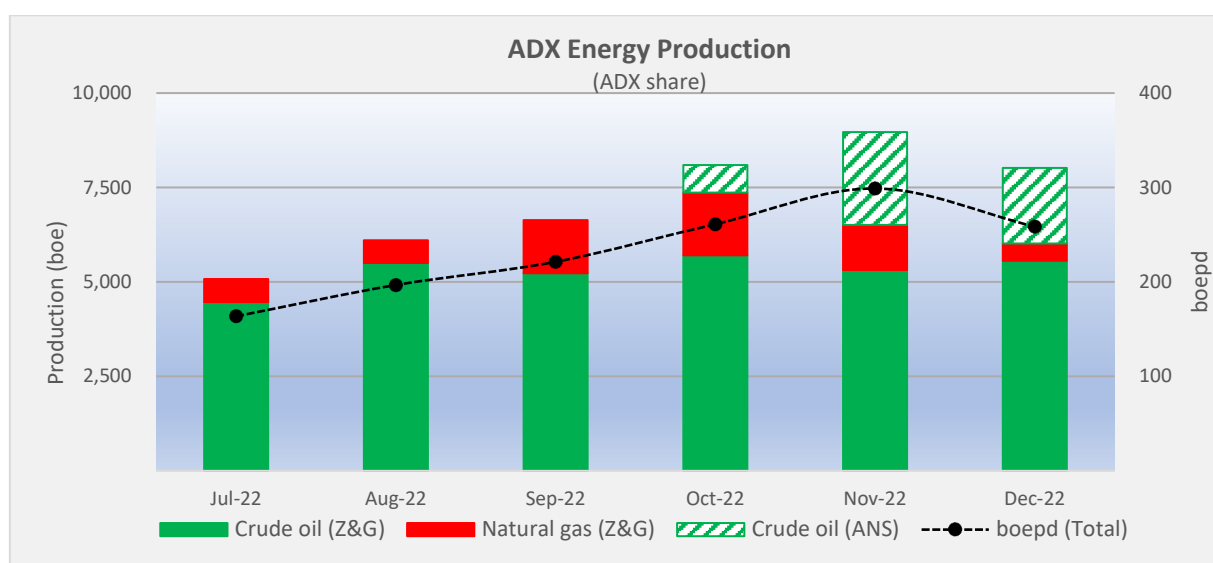
ANSHOF OIL DISCOVERY (Long Term Well Testing) – Upper Austria

ADX is operator and holds an 80% interest of the production

Production Operations

Oil sales commenced at the Anshof -3 discovery well in Upper Austria on the 16th of October 2022.

Combined field production rate averaged 273 BOEPD during quarter (compared to 194 BOEPD in the previous quarter), a 41% increase compared to the previous quarter. The increase is primarily due to the commencement of the long-term production test at Anshof-3 well and the perforation of a new gas zone at the Vienna Basin fields. A workover program commenced during the quarter to restore production from shut in wells.

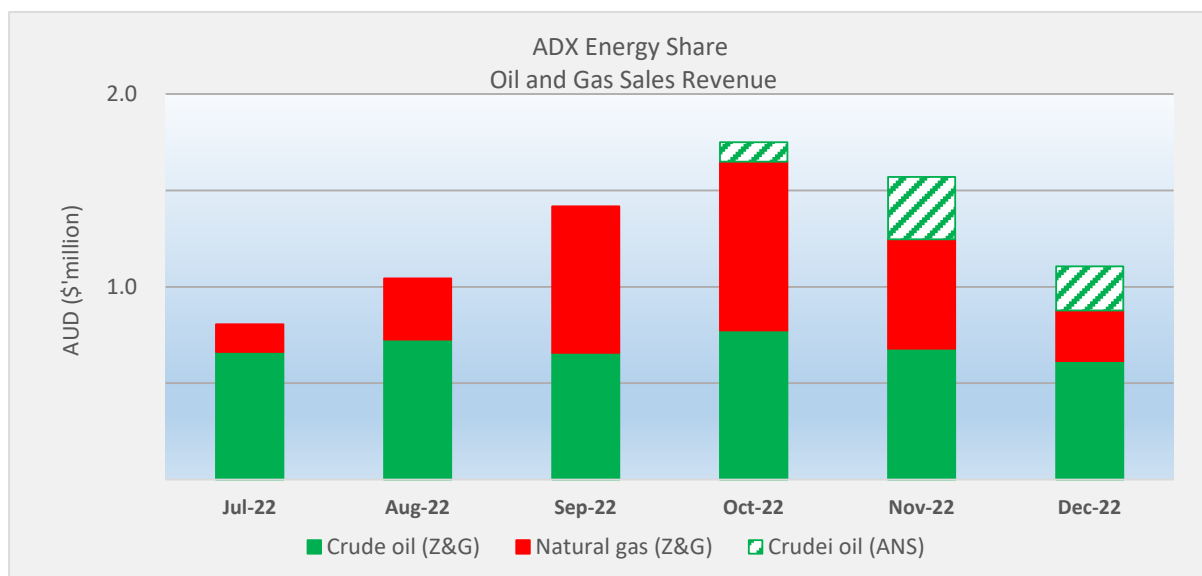


Production histogram showing the partial recovery of oil down time at the Vienna Basin fields and commencement of production from Anshof-3

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Field Revenues and Product Pricing

Average Brent reference oil pricing weakened during the quarter averaging USD 88.71 per barrel (a decrease of 12% compared to the previous quarter). Gas prices decreased from September 2022 pricing peaks with a decrease of 12% compared to the previous quarter.



Oil and gas revenue histogram showing impact of gas price and commencement of Anshof-3 oil production

Average sales revenues increased substantially despite lower oil price during the quarter with increasing gas revenues and the commencement of production at Anshof-3.

Table 3 below shows sales revenues of EUR 2,847,373 for the December 2022 quarter compared to EUR 2,208,380 in the September 2022 quarter. There were no hedging gains or losses for the December quarter with Brent crude oil traded within the hedging range of the zero cost collar described below.

Table 1 - Quarterly Production Summary						
	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Crude Oil Sold (Barrels) - Z&G	5,703	5,318	5,561	16,582	15,198	9%
Crude Oil Sold (Barrels) - ANS (ADX Share)	733	2,458	1,995	5,186	-	
Gas Delivered (M ³)	272,663	196,011	75,666	544,340	429,810	27%
Total Oil Equivalent (BOE)	8,097	8,970	8,017	25,085	17,817	41%
Avg Production Rate (BOEPD)	261	299	259	273	194	41%

Table 2 - Quarterly Sales Price Summary						
	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Avg Oil Pricing (US\$ / BBL)	\$ 93.33	\$ 91.67	\$ 81.12	\$ 88.71	\$ 100.85	-12%
Avg Gas Price (Euro / MWh)	€ 193.61	€ 127.48	€ 112.15	€ 144.42	€ 164.67	-12%

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Table 3 - Quarterly Sales & Hedging Revenue Summary

	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Oil Revenue (Euro) - Z&G	€ 498,387	€ 438,737	€ 390,851	€ 1,327,975	€ 1,388,863	-4%
Oil Revenue (Euro) - ANS (ADX Share)	€ 64,862	€ 209,845	€ 145,215	€ 419,922	€ -	
Gas Revenue (Euro)	€ 564,903	€ 367,154	€ 167,419	€ 1,099,476	€ 819,517	34%
Total Sales Revenue (Euro)	€ 1,128,153	€ 1,015,736	€ 703,484	€ 2,847,373	€ 2,208,380	29%
Hedging Revenue (Euro)	€ 0	€ 0	€ 0	€ 0	€ 0	
"Swap Contracts"						
Total Revenue (Euro)	€ 1,128,153	€ 1,015,736	€ 703,484	€ 2,847,373	€ 2,208,380	29%
Total Revenue (A\$)	\$ 1,751,974	\$ 1,577,395	\$ 1,092,481	\$ 4,421,850	A\$/Euro =	0.6439

Oil and Gas Hedging

No additional hedging transactions were executed in the quarter. The zero-cost collar contract with BP announced on 31 May 2022 expired on 31 December 2022. As a result, 100% of ADX' crude oil production is unhedged from 1 January 2023.

Brent crude oil prices averaged approx. USD 88.50 per barrel during the quarter. The combination of the ban by European Union and the United Kingdom of seaborne imports of crude oil from Russia effective from 5 December 2022 and the ease of the Covid-Zero policy in China have significantly reshaped market fundamentals during the quarter. ADX is closely monitoring market conditions and additional oil hedging may be put in place in Q1 2023 in line with the rolling hedging strategy implemented since the acquisition of the Vienna basin fields. Oil production from the Anshof-3 well is unhedged.

Independent Reserves Review

Independent consultants RISC Advisory Pty Ltd (RISC) were engaged to provide an independent reserve and resource assessment for ADX' Anshof field located within the ADX-AT-II license for exploration, production and gas storage in Upper Austria (Molasse Basin). The RISC Competent Persons Report (CPR) has an effective date of 1 October 2022. ADX holds an 80% economic interest in the Anshof field and a 100% interest in the remainder of the ADX-AT-II license. ADX also holds a 100% interest in the ADX-AT-I exploration license. Refer to ASX release dated 31 October 2022.

The results of the RISC CPR for 2P (Proven + Probable) reserves category are summarised as follows;

- 2P (Proven + Probable) gross reserves¹ estimated at **5.2 million barrels of oil equivalent** as at 1 October 2022. *Note 1*
- The estimated Net Present Value (NPV8) of the 2P gross reserves is **EUR 42.3 million (approx. A\$ 67 million)** in real terms. The NPV8 was calculated at RISC's oil price forecast of an average USD 71 per barrel and discounted at 8%. ADX forecasts better well performance and therefore less production wells to fully develop Anshof than has been estimated by RISC. This has the potential to significantly enhance field economics.

ADX' 80% net share of the Anshof 2P gross reserves increases ADX' total reserves position by 236% to 5.85 million barrels of oil equivalent including the producing Gaiselberg and Zistersdorf fields located in the Vienna Basin.

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The report highlighted the large 3P (proven + probable + possible) reserves and 3C contingent resource potential of the field of 26 million barrels of oil equivalent (refer table 1 below) which ADX plans to appraise with further drilling.

Ongoing production performance from the Anshof-3 discovery well at a controlled rate of approximately 100 barrels of oil per day (refer to ASX release dated 24 October 2022) indicates excellent reservoir continuity and pressure support.

Note 1: Proved and Probable Development Justified Reserves including associated gas produced from the field assessed in accordance with SPE-PRMS 2018 Petroleum Resources Management System.

RISC's CPR was conducted in accordance with SPE-PRMS 2018 with an effective date of 1 October 2022. The 1P, 2P and 3P Reserves have been classified as Undeveloped Reserves (Development Justified) and additional 3C Contingent Resources (Development Pending) have also been identified. A summary of the gross oil and gas reserves and resources for the Anshof field is below in Table 1.

Table 4: Anshof Field Reserves and Resources

Oil & Gas Reserves	Oil (MMstb)			Gas (MMscf)			Total (MMboe)		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
Anshof gross reserves	0.4	5.0	12.0	96	1,169	2,812	0.5	5.2	12.5
ADX net share	0.3	4.0	9.6	76	935	2,250	0.4	4.1	10.0
Oil & Gas Contingent Resources	Oil (MMstb)			Gas (MMscf)			Total (MMboe)		
	1C	2C	3C	1C	2C	3C	1C	2C	3C
Anshof gross Contingent Resources	0	0	12.9	0	0	3,041	0	0	13.5
ADX net share	0	0	10.3	0	0	2,433	0	0	10.8

Notes:

1. The notional reference point for reserves is the permit boundary or export line inlet.
2. ADX has an 80% economic interest in the Anshof discovery area and 80% entitlement to its gross resources.
3. Probabilistic methods have been used to determine oil in place and recoverable oil. Deterministic methods were used to develop production profiles and well numbers.
4. The 1P case is economically marginal but falls within the typical 10% audit tolerance. Therefore, volumes can be classified as reserves.
5. 1P reserves are based on a 3-well development of the 1P area. 2P reserves are based on a 14-well development of the 2P area. 3P reserves are an upside performance of the 2P wells. An additional 15 wells are estimated to fully develop the high case field area, with this incremental resource classified as contingent resources.
6. Associated gas resources include inerts sold with the gas. There is no fuel and flare.
7. Conversion factors are 7.3 bbl per tonne of oil and 5,800 MMscf per MMboe of gas.

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A. Proved Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

B. Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. Possible Reserves are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside of the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the possible development scope). Standalone Possible Reserves must reference a commercial 2P project.

Appraisal & Development Activities

ANSHOF EOCENE OIL PROJECT – ADX-AT-II LICENCE, Upper Austria

ADX is operator and holds an 80% interest in the Anshof Discovery Area. Refer to ASX release dated 22 November 2021 regarding the farmout of 20% interest in Anshof to Xstate Resources Limited.



Oil tanker offloading at Anshof-3 location

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Anshof -3 Extended Production Testing

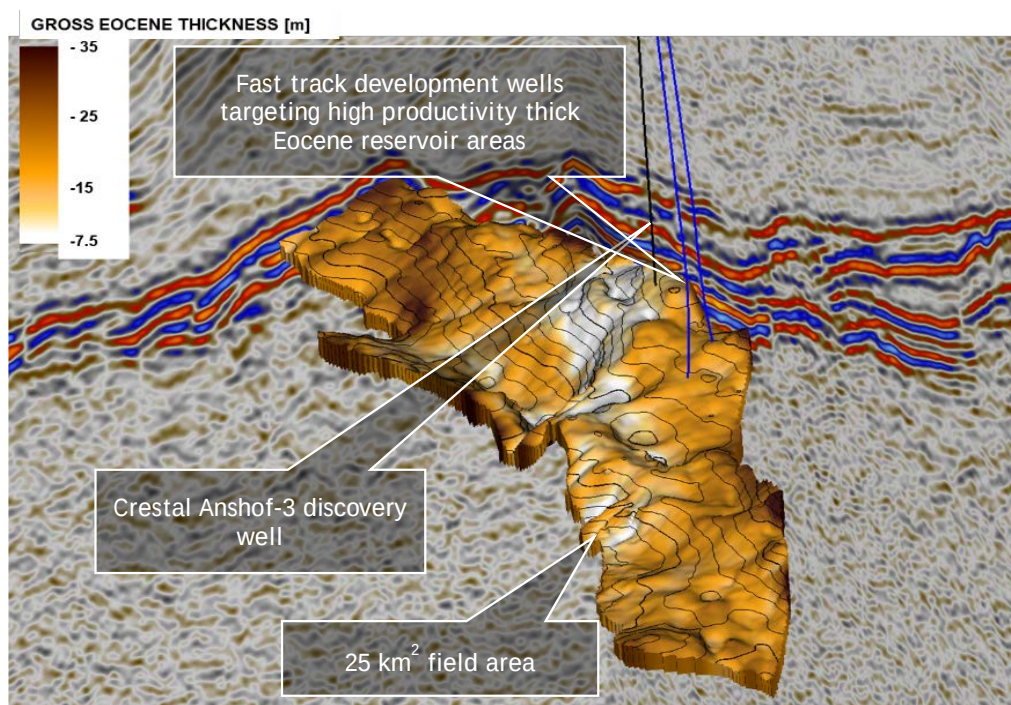
An extended production test commenced on 16 October 2022. The well produced at a stable rate 113 barrels per day during the quarter. Well production indicates reservoir performance exceeding expectations in relation to pressure support and deliverability. Water-free 33° API crude oil production has been maintained throughout the quarter. Crude oil quality meets all the required specifications of the transporter and the buyer (OMV-refinery near Vienna).

Insignificant pressure decline was observed after a total production of approximately 8,000 barrels to date. Strong pressure support was confirmed by pressure build up measurement which was recorded for 314 hours (13 days) during the Christmas and New Year period. Reservoir pressure at the end of the shut-in period was estimated at 165.8 bar compared to an initial reservoir pressure of 169.4 bar based on surface pressure measurement.

Limited crude oil storage capacity at the Anshof-3 well site continues to cause production interruptions, mostly at the end of weekends when road transport is curtailed by road regulation. ADX has commenced a procurement process for additional storage vessels (2 x 50 m³) in order to mitigate this limitation. The additional tanks are expected to be installed during the second quarter of 2023. Once the additional storage is in place, it is envisaged that oil production from the well can be increased.

Anshof -2 and Anshof -1 Development Drilling.

The Anshof-2 and the Anshof-1 development wells will be drilled from the same drilling and production site as the Anshof-3 well.



Anshof field outline based on 3D model utilising 3D seismic and offset well data showing the Anshof-3 well and the Anshof-2 and Anshof-1 well locations (shown in blue)

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The wells are planned to progressively target thicker reservoir intersections on the 25 km² mapped Anshof structure. Anshof-3 did not intersect an oil water contact and the well continues to produce water free, hence a large upside potential area remains to be appraised and developed.

Drill preparations continued during the quarter to drill Anshof-2 targeted for the third quarter 2023 and a date yet to be determined for the Anshof-1 well. The activities are summarised as follows;

- Planning and long lead item equipment purchases are at an advanced stage for the drilling of both the Anshof-2 and Anshof-1 wells. The key long lead items such as well casings, well cellars and the wellheads have been purchased during the quarter.
- Relevant construction permits are in place with siteworks construction and cellar installation expected to commence in March/April 2023 for both wells.
- ADX has general framework contracts in place with RED Drilling & Services GmbH for a drilling rig and a completion workover rig to undertake the work.

The Anshof-2 well will appraise the extent of the downdip oil in the structure. It will be a high angle well with its meterage penetration of the Eocene reservoir maximising both the well oil flow rate and potential reserves recovered by the well.

Anshof-1 well will be drilled as a producer in a more crestal part of the structure and as with Anshof-2 in a thicker part of the Eocene reservoirs relative to the Anshof-3 well located in the western part of the structure. The bottom hole location of Anshof-1 will be optimised utilising data gathered from the Anshof-2 well.

Anshof Production License Application

Technical documentation supporting a planned production license application were prepared during the quarter. The production license submission to the relevant Authority is planned for end of January 2023 with approval anticipated during the first quarter of 2023.

Permanent Production Facilities Planning and Engineering

Planning and design work continued for the planned permanent production facilities installation after the drilling of Anshof-2 and Anshof-1 wells. The plan is to install permanent production facilities at the Anshof-3 well site with new production pipelines to RAG Exploration & Production GmbH's (REP) export facilities at the Sierning field approximately 4 km away. The production facilities and pipelines will enable 24-hour field production operations and replace the current early production system where oil production is limited by trucking availability to REP's Voitsdorf export facility. The commitment to the permanent facilities investment will be made based on the Anshof-2 and Anshof-1 well results.

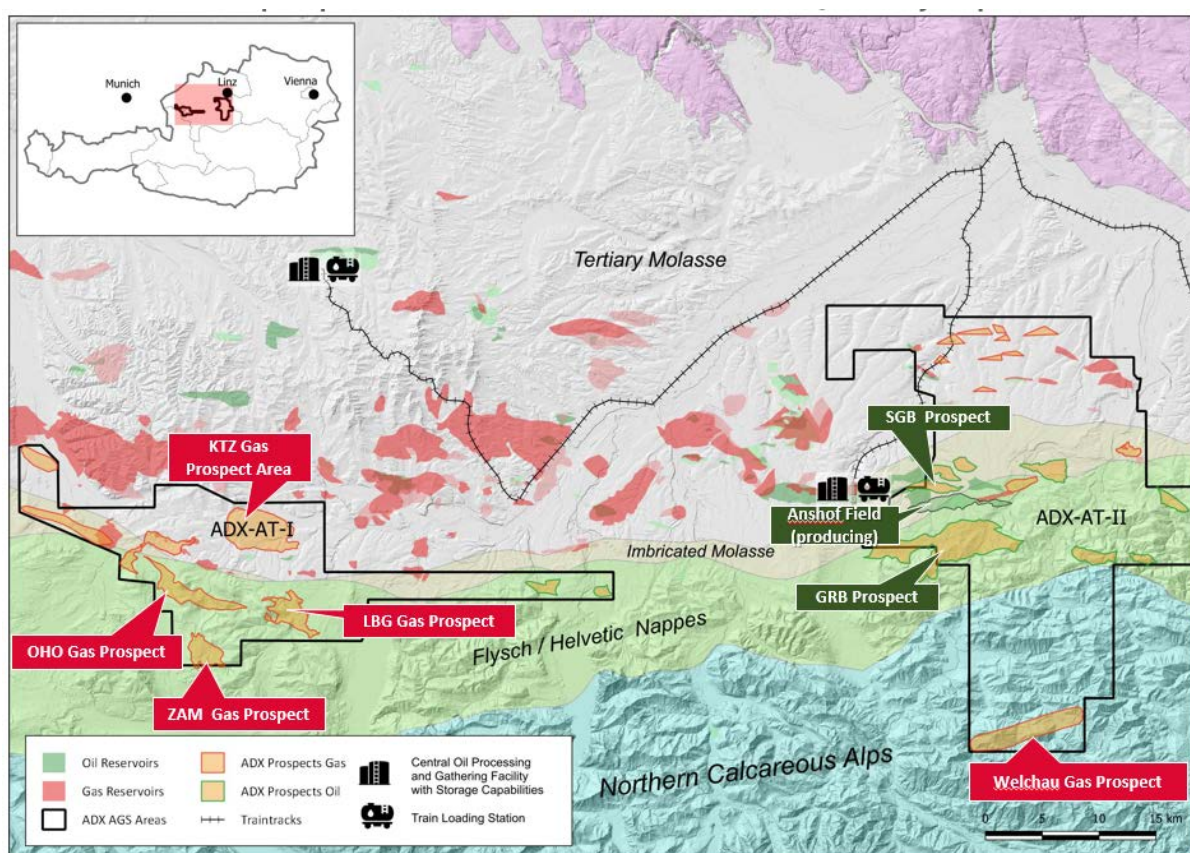
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Exploration Activities

Upper Austria AGS Licenses – Austria

ADX is operator and holds a 100% interest in the ADX-AT-I and ADX-AT-II exploration licenses other than in the Anshof Discovery Area where ADX is operator and holds an 80% economic interest

During the quarter ADX focused on prospect generation and ongoing technical and commercial analysis work to mature prospects for drilling. Following license extension in May 2022, ADX Upper Austria license areas now encompass a total of 1,022 km² and is shown in the map below. The map also shows selected key prospects which are discussed further below.



Map of expanded Upper Austrian license areas and prospects

Welchau Gas Prospect

Exploration activity during the quarter was focussed on progressing the Welchau prospect both technically and also in terms of drilling preparations.

Technical work focused on further geotechnical studies (structural balancing work) to better understand the relationship between the downdip Moln-1 well gas discovery (OMV, 1989) and the updip shallower Welchau anticline which contains the Welchau prospect. The structural balancing work also further

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progressed potential follow up prospects which are analogous to the Welchau prospect. In case of a successful Welchau well, there would be a significant risk reduction for follow up prospects which would result in an upgrade in the prolific Upper Austria prospect portfolio.

Procurement of long lead items for the drilling of the Welchau-1 well continued during the quarter, as did detailed well design engineering and the finalisation of the logging and testing program.

Western Gas Prospects in license ADX AT-I

As a result of continued high gas prices in Europe with the likelihood of further gas shortages in the short to medium term, several companies have shown considerable interest in ADX' the gas prospect portfolio. While the area in the ADX-AT-II licence around the now producing Anshof oil field has a number of shallow very low risk small to medium size gas prospects, the interest has focused further west in the ADX-AT-I. Here, ADX has a number of sizeable gas prospects with medium to relatively low risk profile close to existing infrastructure. Based on that interest and the current focus on gas, ADX has continued to further mature prospects in this area and further de-risked existing prospects with state of the art 3D seismic AVO responses and AI (Artificial Intelligence) classification work. The "KTZ" prospect area is an example for an area which contains a number of stratigraphic structural gas prospects which are relatively shallow to drill (i.e. 1000 meters) but still could hold significant resources.

Anshof Oil Field Satellite Prospects

The continued better than expected production performance of the Anshof-3 well has further de-risked the satellite prospects adjacent to the Anshof field such as the Gruenburg and Steingrub prospects. During the past quarter both prospects have been matured to a drill ready status.

Farm-in Funding Activities

ADX has been engaged in an ongoing program of exploration funding activities which has resulted in two earn in funding transactions within its Upper Austrian licenses, initially a transaction to fund 40% of the Anshof prospect in 2021 and more recently a transaction to fund 50% of the Welchau prospect. On the 29th of November 2022 ADX announced an investment agreement with Kepis & Pobe Financial Group Inc., (KPFG) a leading Canadian energy finance and development group. KPFG has committed to fund 50% of well costs to earn a 20% economic interest in the Welchau farmin area which includes the Giant Welchau gas prospect (800 BCFE¹). KPFG satisfied completion conditions, including the payment of initial funds for long lead items during the quarter. KPFG may also elect to fund a further 50% of the Welchau-1 well cost to earn a further 20% economic interest in the Welchau farmin area (Option). The Option will lapse at the end of February 2023.

In addition to the abovementioned transactions, ADX is engaged in ongoing discussions with multiple parties to fund further exploration and appraisal programs in Upper Austria.

¹ ASX Release 20 June 2022

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PARTA EXPLORATION PERMIT AND IECEA MARE PRODUCTION LICENSE – Romania

ADX holds a 49.2% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via its wholly owned subsidiary, ADX Energy Panonia srl, holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Appraisal Sole Risk Project) and a 100% interest in the Iecea Mare Production license. ADX is the operator of the permit pursuant to a services agreement with Danube.

A regional geothermal study was conducted over the Parta license and a detailed report was completed for the Iecea Mare production license with a special focus on the ADX's IMIC-1 well. ADX has been approached by several local communities in relation to geothermal projects mainly for district heating, given its drilling experience and extensive 2D and 3D seismic database in the area. A very high geothermal gradient was encountered while drilling the well in the order of 6 degrees/100 metres which is of interest for a potentially viable geothermal project.

Work was undertaken during the quarter in relation to the Parta license extension to provide material to the relevant Romanian authorities following several positive meetings with the governing authority for the possible extension of the current license period (Note: The total validity of the Iecea Mare production license is 20 years and is not affected). The governing authority NAMR is supporting the extension which can be granted through a government process.

Permit d 363C.R-.AX – Offshore Italy

ADX is operator and holds 100% interest in the d 363C.R-.AX Exploration Permit

During the previous quarter ended September 2022, the Italian licensing authorities offered ADX the opportunity to ratify the d363C.R-.AX license under a number of conditions including that only the gas potential within the license is commercially exploited. Refer ASX announcement 30 August 2022. ADX submitted a report highlighting the excellent shallow gas prospectivity of the license which is located in shallow water depths as well as follow-on reports outlining ADX's financial and organisation capability.

ADX is awaiting ministerial response following the above-mentioned submissions.

New Ventures

Portfolio Expansion Opportunities

During the quarter ADX was invited to assess several exploration and production opportunities from companies operating in countries where ADX is also active as an operator. ADX completed the review of production opportunities in one of its core countries of operation in Europe. ADX has reviewed unique exploration and development opportunities in Romania where ADX seeks to leverage its in-country experience.

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Renewable Energy Projects – Austria

Vienna Basin Green Hydrogen Project

During the quarter, ADX has focussed its attention on progressing discussions with a leading renewable electricity producer in Lower Austria for the supply from the grid of 100% of the electricity requirements for the pilot phase of the Vienna Basin Green Hydrogen Project (21 GWh per annum) in the form of baseload energy (for maximisation of the electrolyser utilisation).

These discussions have led to a revised proposal from the potential supplier which was received in December 2022 and is being evaluated. Subject to reaching an agreement on the structure and terms of the renewable electricity supply arrangements, ADX is planning to engage a specialist consultancy firm to advise on the proposal's compliance with European green hydrogen certification (CertifHy) to ensure that certified green hydrogen can be produced provided that the other aspects of the project also comply with the requirements (including greenhouse gas emissions in the production process being below acceptable thresholds).

Further planning work has been undertaken with respect to the injection of green hydrogen in the local and regional gas grid (blending up to 10% of the pipeline flow) to estimate the quantities which could be injected and identify potential tie-in points. Natural gas and electricity grid access optimisation will determine the location of the electrolyser and the project's basis of design in the next phase of planning work.

In Q1 2023, ADX is seeking to finalise commercial terms and documentation relating to renewable energy supply for the pilot phase. Additional planning work and discussions with Netz Niederösterreich (the electricity and natural gas grid operator in the Zistersdorf area) will also be undertaken with the view of firming up the project's timeline and costing.

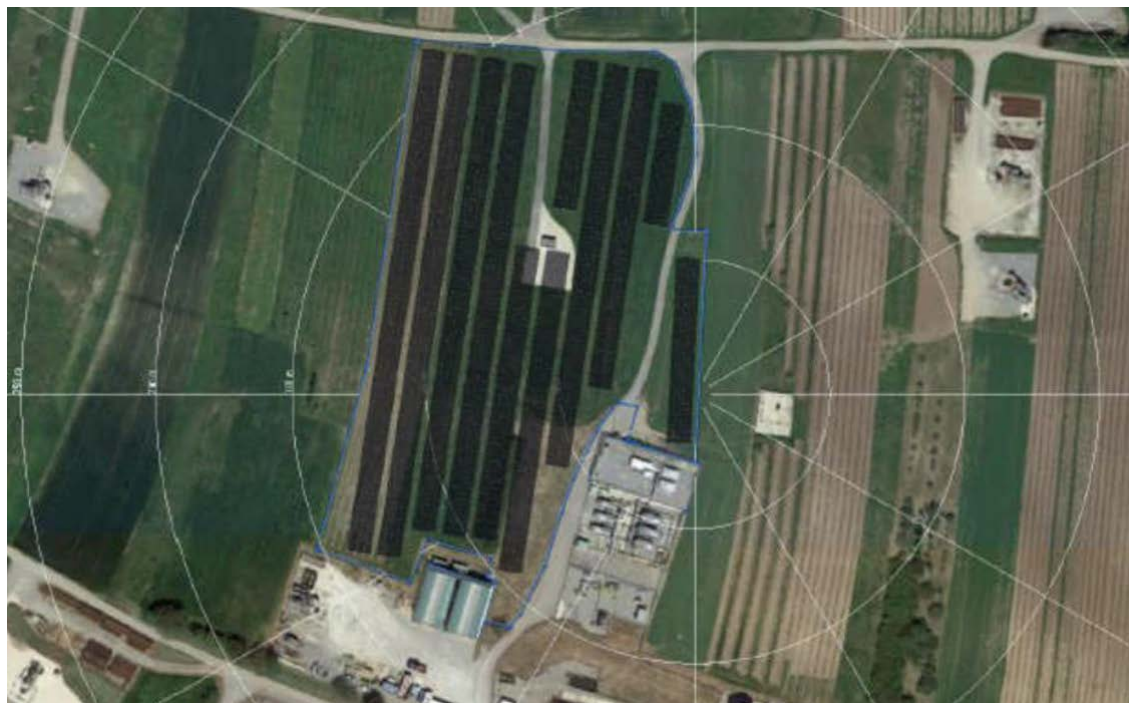
Vienna Basin Solar Project

Further to the execution of a letter of intent with RWA Solar Solutions GmbH (RWA) on 21 September 2022 regarding joint feasibility studies for the potential joint development of PV plants at the Vienna Basin fields, RWA submitted to the electricity grid operator a feed-in application for the potential injection of solar generated electricity into the grid. This application was still pending at the end of the quarter.

In parallel, ADX and RWA reviewed the possibility of replacing the 2 ground-mounted PV plants (with a combined capacity of approx. 2 mega Watt peak (MWp)) initially envisaged by a single ground-mounted PV plant with a capacity of 2.5 MWp over a land area of 2 hectares. ADX received during the quarter a proposal from RWA for engineering, procurement, construction, installation and commissioning of such PV plant.

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ADX and RWA also progressed the development of a self-consumption model for the revised PV plant configuration (2.5 MWp) whereby 100% of the solar electricity generated by the plant would be used to run the Vienna Basin Fields' operations by using a dedicated battery system.



Potential layout of a 2.5 MWp PV plant at the Gaiselberg site

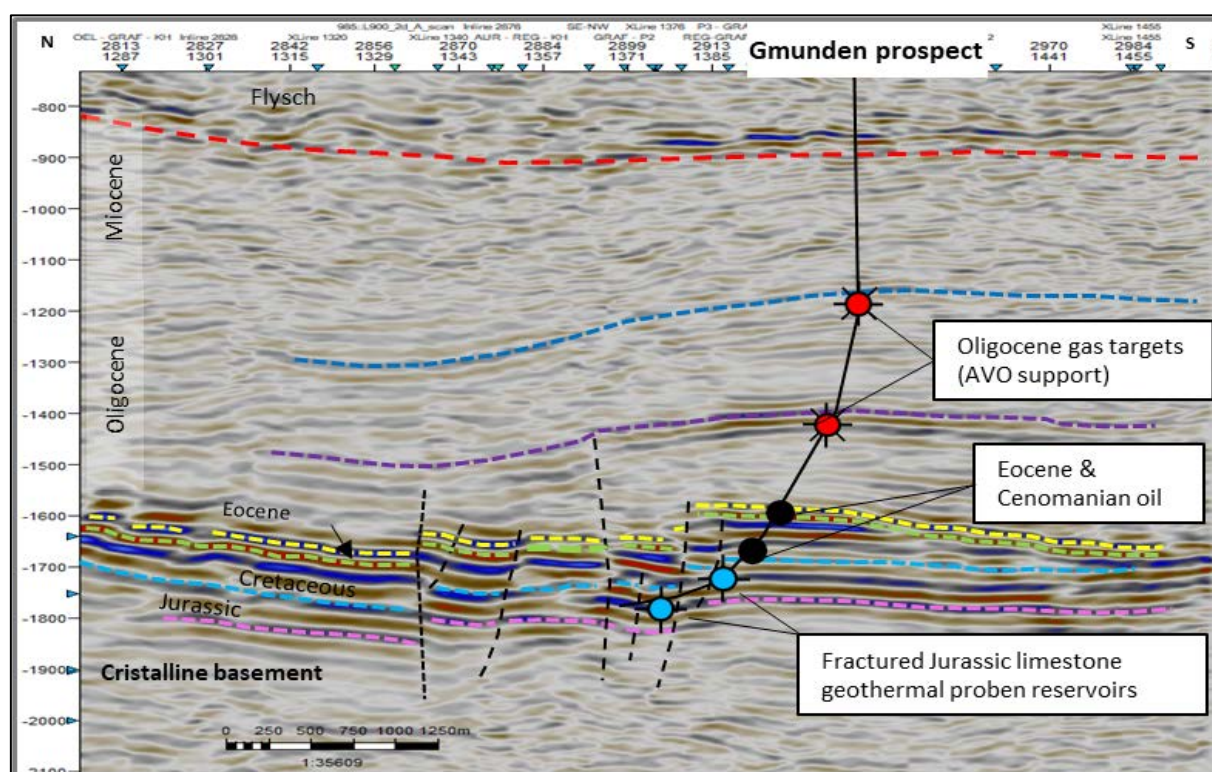
Oil, Gas and Geothermal Multi Energy Project in Upper Austria

The Molasse Basin is a proven, highly active geothermal growth area with an outstanding 90% success rate for geothermal wells. Numerous geothermal wells in the foreland Molasse of Southern Bavaria and Upper Austria provide a valuable database to build the geological model and demonstrate the profitability of geothermal wells. The combination of a high geothermal gradient and excellent proven reservoirs provide low risk commercialisation opportunities for geothermal developments.

The Gmunden Multi Energy project is located in the Eastern part of the ADX-AT-I exploration licence in Upper Austria. The project targets oil and gas potential as well as fractured Malmian (Jurassic) limestone. The Gmunden Multi Energy project has a combination of oil, gas and geothermal resource potential. The project has a geothermal power capacity of 14.4 MW and could generate 115 GWh per annum of geothermal energy (power and heat) based on one multilateral well and 2 industrial off-takers.

ADX is reviewing funding models for a multi energy well targeting shallower gas and oil as well as testing the deeper geothermal potential. The seismic cross section below shows the multiple energy potential which could be appraised by a single well.

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Gmunden oil, gas and geothermal prospect cross-section

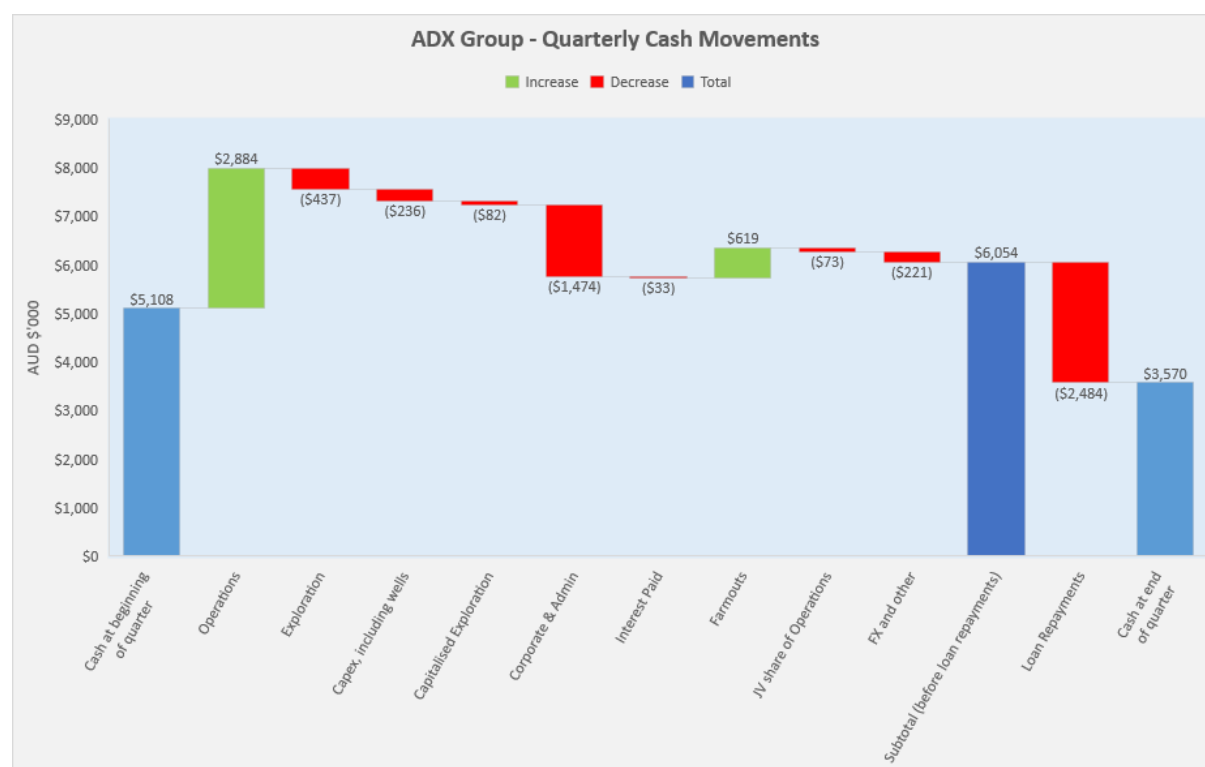
Finance and Corporate

Operations

During the December 2022 quarter, cash revenue received from oil and gas operations in Austria totalled A\$ 4.8 million (for oil and gas sales for the period September 2022 to November 2022). This revenue included A\$ 427,000 for ADX's 80% share of the Anshof oil sales. December 2022 oil and gas revenue of EUR 0.73 million (A\$ 1.09 million) was received after the quarter end.

Cash flows from operating activities was A\$ 951,000 for the quarter, which included ADX's share of early production operations from the Anshof project.

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Cash Balances

ADX' cash at the end of the quarter was A\$ 3.57 million. This cash balance includes A\$ 0.8 million held by 49.2% owned subsidiary Danube Petroleum Limited and its Romanian subsidiary ADX Energy Panonia srl for Romanian operations.

Cash excludes funds secured for bonds and guarantees. Restricted cash totalled A\$ 1.07 million at the end of the quarter.

Loan Repayments

In November 2022, ADX fully repaid the outstanding balance of its Loan Notes, totalling A\$ 2,187,500. The outstanding balance was the remainder of a A\$ 3.5 million financing in October 2019 which was utilised in 2019 to fund the completion of the acquisition of the Zistersdorf and Gaiselberg oil and gas fields located in the Vienna Basin, as well as agreements for exploration data and access arrangements to RAG Austria AG's production infrastructure in Upper Austria.

In addition, ADX's Austrian subsidiary (ADX VIE GmbH) repaid its second principal instalment of bank loans (EUR 183,333 / A\$ 296,168). As at 31 December 2022, EUR 753,333 (A\$ 1,184,673) remains repayable in five equal, semi-annual instalments until 31 December 2024.

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Unmarketable Parcel Share Sale Facility

On 19 December 2022, ADX announced the establishment of a share sale facility (Facility) for holders of fully paid ordinary shares in the Company (Shares) valued at less than \$ 500 (Unmarketable Parcel). Based on the price of Shares at the close of trading on 16 December 2022 (Record Date) of A\$ 0.007, a holding of 71,428 Shares or less constitutes an Unmarketable Parcel.

The Company is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

In accordance with the Company's Constitution and ASX Listing Rules, a letter and Share Retention Form (Retention Form) was sent to all shareholders holding an Unmarketable Parcel of Shares as at the Record Date.

Shareholders who hold an Unmarketable Parcel and wish to retain their Shares must "opt-out" of the Facility by returning their duly completed Retention Form to the Company's share registry (Computershare Investor Services Pty Limited) in accordance with the instructions on the Retention Form, by no later than 5:00pm (WST) on Friday 3 February 2023 (Closing Date), or acquire additional Shares prior to that time such that their holdings comprise a marketable parcel. Any shareholder who holds an Unmarketable Parcel and does not return a duly completed Retention Form by the Closing Date will have their Shares sold through the Facility.

Shareholders wishing to take advantage of the Facility and have their Shares sold by the Company do not need to take any action. A summary of key dates remaining in relation to the Facility are as follows:

Event	Date
Closing Date for receipt of Retention Forms	3 February 2023
Estimated Remittance of Sale Proceeds of Unmarketable Parcels	Prior to 28 February 2023

Additional ASX Information

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A\$ 275,000 excluding staff costs. Full details of exploration activity during the quarter are included in this Quarterly Activities Report.
- ASX Listing Rule 5.4.2: Production expenditure in Austria during the quarter was A\$ 2,258,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A\$ 79,000, excluding staff costs. Full details of production and appraisal activities during the quarter are included in this Quarterly Activities Report.

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- ASX Listing Rule 5.4.3: A tenement schedule is provided at the end of this Activities Report.
- ASX Listing Rule 5.4.5: Payments to related parties of the Company and their associates during the quarter was A\$ 246,000. This consists of A\$ 6,215 paid for office rental to an entity related to Director Ian Tchacos and A\$ 239,328 for executive directors consulting fees, salaries and non-executive director fees.

Tenement Table

Tenements held at the end of the quarter, their location, ADX percentage held at the end of the quarter and changes thereof:

Permit	% held at the beginning of the Quarter	% held at the end of the Quarter	% change
Onshore Austria, Zistersdorf and Gaiselberg Production License	100%	100%	-
Upper Austria AGS Licenses ^(a)	100%	100%	-
Onshore Romania, Parta ^(b)	100%	100%	-
Onshore Romania, Iecea Mare Production Licence ^(b)	100%	100%	-
Offshore Italy, d363C.R.-AX ^(c)	100%	100%	-

Note a: Concession agreements for exploration, production and gas storage in Upper Austria (Upper Austria AGS). ADX announced a farmout to ASX listed Xstate Resources Limited (Xstate) to earn a 20% economic interest in the Anshof Prospect Area. Xstate have earned their 20% economic interest.

ADX announced a subsequent farmout to KPFG to earn 20% economic interest and ADX will retain an 80% economic interest in the Welchau Farmin Area.

ADX retains a 100% interest in the remainder of the ADX-AT-II exploration license and the entire ADX-AT-I exploration license.

Note b: ADX holds a 49.2% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via ADX Energy Panonia holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Appraisal Sole Risk Project) and a 100% interest in the Iecea Mare Production license. ADX is the operator of the permit pursuant to a Services Agreement with Danube.

Note c: ADX has commenced a process with the Italian Designated Authority to convert the exclusively awarded application to a ratified licence. This process was commenced after the award by the Ministry of Industry.

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Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Paul Fink'.

Paul Fink

Chief Executive Officer

+61 (08) 9381 4266

paul.fink@adx-energy.com

A handwritten signature in black ink, appearing to read 'Ian Tchacos'.

Ian Tchacos

Executive Chairman

+61 (08) 9381 4266

ian.tchacos@adxenergy.com.au

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

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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 and Italy 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 Limited is a qualified geophysicist with 25 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).

PRMS Reserves Classifications used in this release:

Developed Reserves are quantities expected to be recovered from existing wells and facilities.

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Developed Non-Producing Reserves include shut-in and behind-pipe reserves with minor costs to access.

Undeveloped Reserves are quantities expected to be recovered through future significant investments.

A. **Proved Reserves** (1P) are those quantities of Petroleum that by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will be equal or exceed the estimate.

B. **Probable Reserves** are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.

C. **Possible Reserves** are those additional Reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves that are located outside the 2P area (not upside quantities to the 2P scenario) may exist only when the commercial and technical maturity criteria have been met (that incorporate the Possible development scope). Standalone Possible Reserves must reference a commercial 2P project

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Resource Classifications used in this release.

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.

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.

Low Estimate scenario of Prospective Resources - denotes a conservative estimate of the quantity that will actually recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate scenario of Prospective resources - denotes the best estimate of the quantity that will actually be recovered from an accumulation by an oil and gas project. It is the most realistic assessment of recoverable quantities if only a single result were reported. When probabilistic methods are used, there should be at least a 50 % probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate scenario of Prospective Resources - denotes an optimistic scenario of the quantity that will actually be recovered from an accumulation by an oil and gas project. When probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will be equal or exceed the high estimate. ADX has only reported Best Estimate Prospective Resources Scenarios in this release.

Prospective resources have been estimated on the following basis.

ADX has calculated resource estimates probabilistically under the PRMS guidelines outlined in chapter 4.2.3 (June 2018 revision), following the interpretation of all available well data and seismic data including 3D seismic data within the licenses and within the basin.

Historical success rates for exploration in the basin have been high when utilizing 3D seismic. A similar success rate is expected for future drilling given the proximity to oil and gas fields. Given the availability of infrastructure and high-quality productive reservoirs in the basin there is a high probability that successful exploration or appraisal will result in commercial production.