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31 January 2024

Activities Report
For the Quarter Ended 31 December 2023

ADX Energy Ltd (ASX: ADX, "ADX" or "the Company") is pleased to provide an update on its activities for the quarter ended 31 December 2023.

HIGHLIGHTS

Past Quarter Overview

- *Austrian production was down by 33% due to the temporary shut in of the Anshof-3 well, Vienna Field Production averaged 218 BOEPD with sales revenue totalling A$ 2.51 million for the quarter.*
- *Anshof-2 appraisal well was successfully drilled intersecting Eocene reservoirs shallow to prognosis with significantly better and thicker net reservoir than seen in the Anshof-3 production well but below the Anshof field oil-water-contact (OWC).*
- *Planning commenced to side track Anshof-2 well as a producer.*
- *A permanent production unit (PPU) with a capacity of 3,000 BPD contracted to replace the Anshof early production test unit.*
- *Regulatory approvals for the PPU as a permanent facility and the Anshof-3 well for permanent ongoing production.*
- *Environmental clearance received from the Department of Nature Protection of the State Government of Upper Austria to drill the Welchau-1 gas well.*
- *Commence construction of Welchau-1 well site in preparation for drilling during Q1 2024.*
- *Completion of an investment agreement with MND Austria a.s. (MND) for a A $0.74 million cash payment and A $7.40 million funding to earn a 50% economic interest in an Exploration Investment Area in the ADX-AT-I license (MND Investment Area), in Upper Austria.*

Next Quarter Planned Activities

- *Commence drilling the Welchau-1 gas exploration well.*
- *Preparation to drill Anshof-2 side track well.*
- *Reinstate production at the Anshof-3 well following completion of installation of the PPU.*
- *Preparation to drill a further Anshof oil well and an ADX-AT-I Investment Area gas exploration well.*
- *Mature shallow gas prospects within MND Investment Area and large, high impact gas prospects for farmout in 100% equity held acreage in the ADX-AT-I licence.*

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Production

Vienna Basin Fields and Anshof- 3 Production

- ***Sales Revenues*** (ADX share) ***and Hedging Revenue*** *decreased by 20% (A$ 2.51 million for the quarter) due to the temporary shut in of the Anshof-3 well.*
- ***Oil Equivalent Production Rates*** *decreased by 33% (averaging net 218 BOEPD).*
- ***Brent Oil Price*** decreased by 3% *(averaging USD 84.05 per barrel).*
- ***Gas Price*** increased by 29% *(averaging EUR 40.22 per MWh).*

Appraisal and Development

Anshof Field – Upper Austria

- ***Anshof-2 Appraisal Well*** intersected Eocene reservoirs approximately 60m shallow to expectation, with significantly better net reservoir than seen in Anshof-3 but below the field OWC. The well was suspended in December 2023 for a potential up-dip sidetrack.
- ***Anshof-1 Development Well*** procurement completed and planning for potential drilling in Q2 2024.
- ***Anshof Field Permanent Production facility*** received regulatory approval as a permanent production facility with the permanent production facilities to be installed in January 2024 and commissioned in March 2024.

Exploration

Upper Austria – Exploration Licenses

- ***Welchau gas prospect*** achieved all permitting requirements for drilling with the receipt of an environmental clearance. Well site construction commenced in preparation for drilling in Q1 2024.
- ***ADX-AT-I Farmout*** MND and ADX finalised agreements for MND to fund a gas exploration program in the MND Investment Area.
- ***ADX-AT-I Prospect Generation***
  - Prepare for drilling the **IRR** and **LICHT** gas prospects in the MND Investment Area.
  - Shallow gas prospects have been matured and peer reviewed. These prospects are expected to add low risk resources to the portfolio. They provide an opportunity for rapid commercialisation and high rates of investment return.
  - Mature the large, 3D seismic covered, high impact **ZAM** gas prospect by refining the stratigraphic horizon interpretation and identifying tectonic events.

- ***ADX-AT-I Gas Prospect Permitting*** completed for the drilling of one of up to three gas prospects in mid-late 2024. The first drilling permit and the environmental permit have been issued in October and November 2023.

Romania – Iecea Mare Production License and Parta Exploration License

- ***Iecea Mare Production License*** ADX has forwarded the 2024 work program to the government agency and is reviewing options to convert part of the license into a geothermal prospecting area.
- ***Parta Exploration License*** ADX is in discussions to secure options for a license extension with the regulatory authority and has delivered a number of reports in that regard.

Italy – Sicily Chanel Exploration

- ***New License Award Process for Gas Exploration*** Awaiting ministerial response to financial and technical capability submissions. Nothing further to report this quarter.

Renewable Energy Projects – Austria

- ADX has focused its organisational and funding resources on its oil and gas activities during the quarter. However, ADX remains committed to the development of its renewable energy projects (Vienna Basin Green H_2 Project, Vienna Basin Solar Project and the GMU Geothermal Project).

Finance and Corporate

- ***Cash Balance*** at the end of the quarter was A$ 7.875 million.
- ***Farmout Funding*** of EUR 1,550,268 (A$ 2.5 million) received for past costs and long lead items.
- ***Placement and Share Purchase Plan*** of A$ 6.378 million (gross) completed during the quarter.

PLANNED ACTIVITIES FOR QUARTER 1, 2024

Vienna Basin Production – Austria

- ***Zistersdorf and Gaiselberg Fields*** work over program to reinstate further oil production

Anshof Field Development – Upper Austria

- ***Anshof-1 Development Drilling*** (or Anshof-2 sidetrack replacement) potential drilling in late Q2 2024.
- ***Permanent Facility*** installation and commissioning with Anhof-3 production.

Exploration

Upper Austria AGS Licences:

- ***Welchau gas prospect*** drilling operations to commence Q1 2024.
- ***ADX-AT-I Gas Prospect Permitting*** to be continued for the drilling of a second gas prospect in Q4 2024 drilling. Drilling and environmental permits have been received for the drilling of one well.
- ***Gas Prospect Generation (ADX-AT-I Licence)***

  - Prospect selection for MND farmin well scheduled for drilling Q4 2024.
  - Update resource potential for low-risk, shallow gas prospect portfolio.
  - Finalise maturation of the 3D seismic covered, high impact **ZAM** gas prospect with kinematically consistent 3D structural model. The work will significantly de-risk the resource potential of the 100% ADX owned prospects.

Italy - Sicily Chanel Exploration

- ***New License Award Process for Gas Exploration*** awaiting ministerial response to submission in relation to technical and financial capability after examination by an independent reviewer. Nothing further to report.

Romania

- ***Parta Exploration License*** engagement with the Authorities for preparation of the government decision on license extension.
- ***Romania – New Ventures*** finalised the review of a combined production, appraisal and exploration opportunity, an indicative offer has been submitted and is under review by the farmor.

OPERATIONS REPORT

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Production Activities

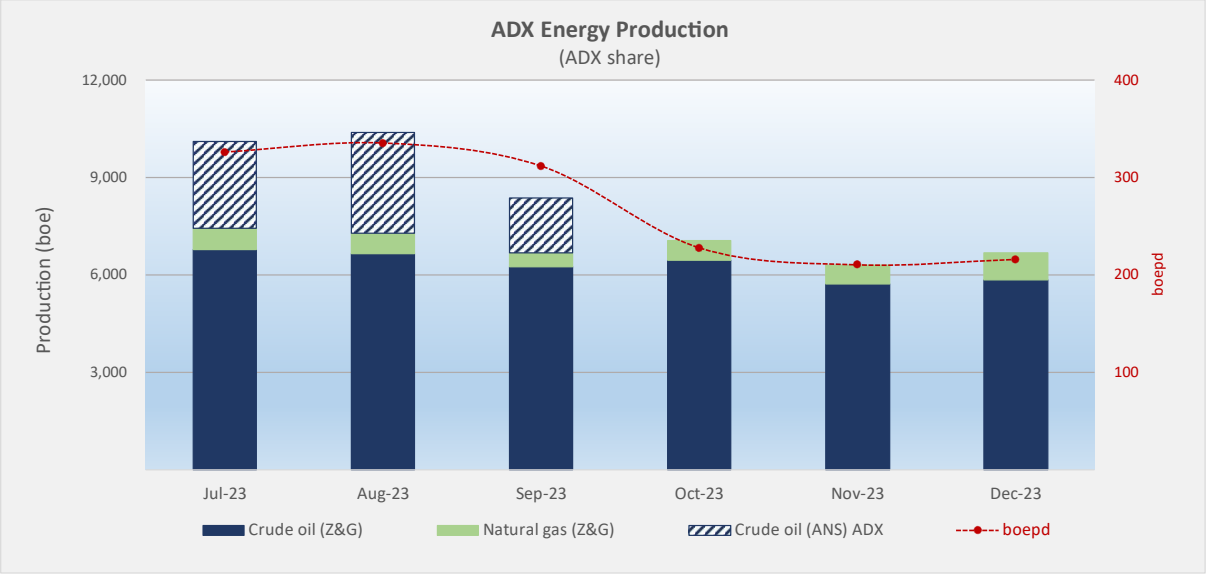
ZISTERSDORF AND GAISELBERG PRODUCTION ASSETS – Vienna Basin, Austria
ADX is operator and holds a 100% interest in the production

ANSHOF OIL DISCOVERY – Upper Austria
ADX is operator and holds an 50% economic interest in Anshof-3 production

Production Operations

Stable oil and gas production continued during the quarter from the 100% ADX owned Vienna Basin Fields. The Anshof-3 well in Upper Austria was shut-in on 19th September 2023 after reaching the regulatory limit of 5,000 tonnes (36,000 Barrels) for test production. Anshof-3 production will recommence after the installation and commissioning of a permanent production facility in March 2024.

The net oil and gas production rate from the Vienna Basin Fields averaged 218 BOEPD during the December ending 2023 quarter (compared to 324 BOEPD in the previous quarter which included production from Anshof-3), a 33% decrease compared to the previous quarter.



Production histogram showing production during the current quarter from the Vienna Basin fields only due to the temporary shut in of Anshof-3 (ANS) long term test production. Prior quarter includes ANS.

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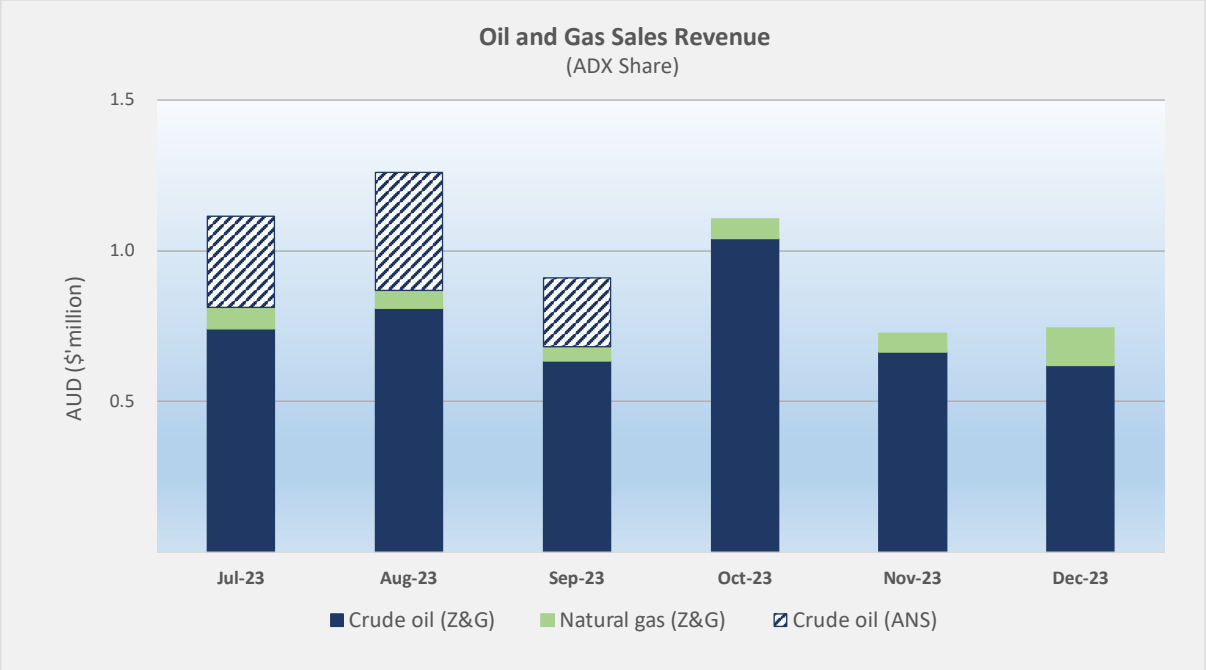
Table 1 - Quarterly Production Summary						
	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Crude Oil Produced (Barrels)	6,441	5,712	5,840	17,994	19,657	-8%
Crude Oil Produced (Barrels) - ANS (ADX Share)	-	-	-	-	7,444	-100%
Gas Delivered (M^3)	99,336	96,136	138,015	333,487	286,798	16%
Total Oil Equivalent (BOE)	7,047	6,298	6,681	**20,025**	**28,848**	**-31%**
Avg Production Rate (BOEPD)	***227***	***210***	***216***	***218***	***324***	***-33%***

Field Revenues and Product Pricing

Average Brent reference oil pricing weakened slightly during the quarter averaging USD 84.05 per barrel, a decrease of 3% compared to the previous quarter. Gas prices strengthened during the quarter averaging EUR 40.22 per MWh an increase of 29% compared to the previous quarter.



Oil and gas revenue histogram showing impact of oil and gas price on production from the Vienna basin fields and the Anshof-3 oil well.

Table 3 below shows sales revenues of EUR 1,562,873 for the December 2023 quarter compared to EUR 1,981,410 in the September 2023 quarter. Australian dollar sales revenues were reduced by 20% due to the temporary shut in of the Anshof-3 well. Net hedging losses amounted to EUR 37,161 for the December quarter.

Table 2 - Quarterly Sales Price Summary

	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Avg Oil Pricing (US$ / BBL)	$ 91.05	$ 83.18	$ 77.91	$ 84.05	$ 86.76	-3%
Avg Gas Price (Euro / MWh)	€ 35.14	€ 43.71	€ 41.81	€ 40.22	€ 31.27	29%

Table 3 - Quarterly Sales & Hedging Revenue Summary

	October	November	December	Current Qtr Total	Past Qtr Total	%age Change
Oil Revenue (Euro)	€ 624,134	€ 403,349	€ 382,814	€ 1,410,297	€ 1,318,909	7%
Oil Revenue (Euro) - ANS (ADX Share)	€ -	€ -	€ -	€ -	€ 556,308	-100%
Gas Revenue (Euro)	€ 38,529	€ 37,570	€ 76,477	€ 152,576	€ 106,193	44%
Total Sales Revenue (Euro)	**€ 662,663**	**€ 440,919**	**€ 459,291**	**€ 1,562,873**	**€ 1,981,410**	**-21%**
Hedging Revenue (Euro)	-€ 41,630	-€ 4,454	€ 8,923	-€ 37,161	-€ 65,649	43%
"Swap Contracts"						
Total Revenue (Euro)	**€ 621,033**	**€ 436,465**	**€ 468,214**	**€ 1,525,712**	**€ 1,915,761**	**-20%**
Total Revenue (A$)	***$ 1,036,783***	***$ 720,120***	***$ 757,505***	***$ 2,514,409***	***A$/ Euro =***	***0.6047***

Hedging

ADX has deployed a rolling hedging strategy seeking to provide stable near term revenue generation during volatile market conditions.

A fixed price swap contract for 15,810 barrels of oil at a fixed Brent crude oil price for August 2023 to December 2023 of USD 81.45 per barrel was put in place on 27 July 2023. The hedging transaction was with Britannic Trading Limited (a trading entity of BP).

The quantity of hedged oil for Q4 2023 was approximately 100 BOPD. The balance of the crude oil production from the Vienna basin fields remained unhedged during the period allowing ADX to maintain exposure to upside in Brent crude oil pricing. Gas production from the Vienna basin fields is also not hedged. ADX will continue to market monitor market conditions during the coming quarter.

Quarter 1, 2024 hedging transactions: On 26 January 2024, ADX executed further hedging transactions with Britannic Trading Limited with a fixed price swap contract for 8,400 barrels of oil at a fixed Brent crude oil price for February 2024 to May 2024 inclusive of USD 80.00 per barrel. The quantity of hedged oil equates to approximately 70 BOPD during the period.

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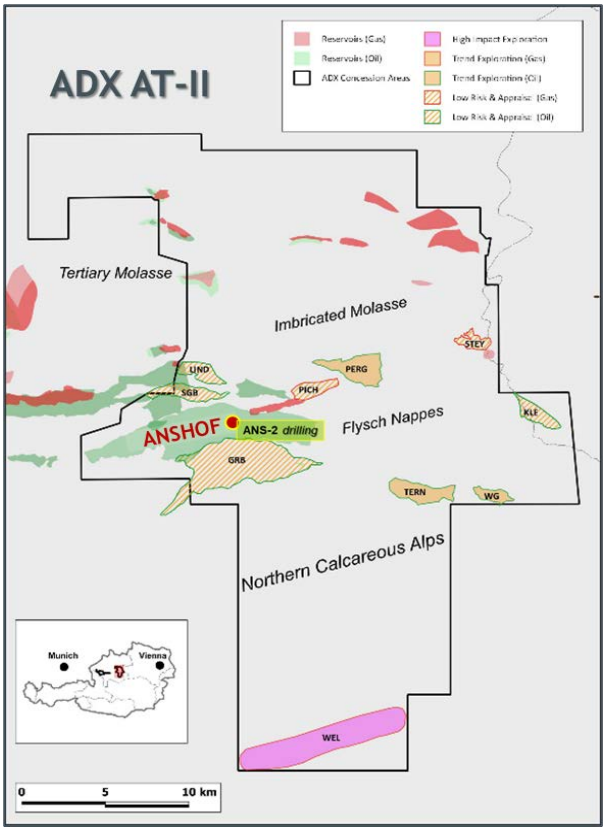
Appraisal & Development Activities

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

ADX is operator and holds a 50% economic interest in the Anshof Field Area. ADX is operator of the ADX-AT-II exploration license and holds a 100% interest other than the Anshof Field Area and Welchau Investment Area.



Location map for the Anshof Field Area within the ADX-AT-II licence. The low-risk appraisal follow up satellite prospects (ADX 100% economic interest) including SGB, LIND and GRB North and South of the Anshof field are also shown.

Anshof-3 Production

The Anshof-3 well remained shut-in during the quarter after reaching the regulatory limit of 5,000 tonnes (36,000 Barrels) for long term test production on the 19th September 2023. Anshof-3 production will recommence in March 2024 after the installation and commissioning of a permanent production facility.

Anshof-2 Appraisal Well

The Anshof-2 downdip appraisal well was successfully drilled during the quarter to a total measured depth of 2321 metres (TMD) with a final inclination of approximately 73° (i.e. near horizontal). The well was spud at 10:00 am Central European Time (CET) on the 13th of November 2023 and the RED Drilling

& Services GmbH (RED) E-202 drilling rig was released on the 12th December 2023 following completion of suspension operations. Anshof-2 was drilled without any lost time safety incidents and within budget.

Drilling operations at Anshof-2 with the RED E-202 drilling rig. The pump jack in the background is at the Anshof-3 production well.

The well intersected the predicted Eocene oil reservoir section at a depth of approximately 2160 metres measured depth (MD), approximately 60 metres shallower than prognosis in terms of vertical depth.

The Eocene sands confirm at least 12 metres net vertical thickness of high quality reservoir with an average porosity of 15% and a maximum porosity of 20%, significantly better than the reservoir quality and thickness found in the Anshof-3 discovery well.

Although there is oil saturation interpreted from logs across the interval there is no moveable oil. Based on the log analysis the well intersected the Eocene below the field oil-water-contact (OWC). The well was plugged back with cement and suspended at the 9 5/8" casing shoe for deviation to a yet to be finalised up-dip location.

The presence of a thick very high-quality reservoir section was in line with ADX' P10 (upside) case pre drill maps and the fact that Anshof oil field structure is flatter and larger due to the Eocene sands being encountered some 60 metres higher than prognosis is expected to result in increased oil volumes for the expected OWC.

ADX will review the depth conversion, fault mapping and seal integrity as part of its review and assessment for the best follow-up well as an Anshof oil producer. This will also include a critical review of the potential field OWC depth to be between the ODT seen in Anshof-3 and the water-up-to (WUT) seen in Anshof-2.

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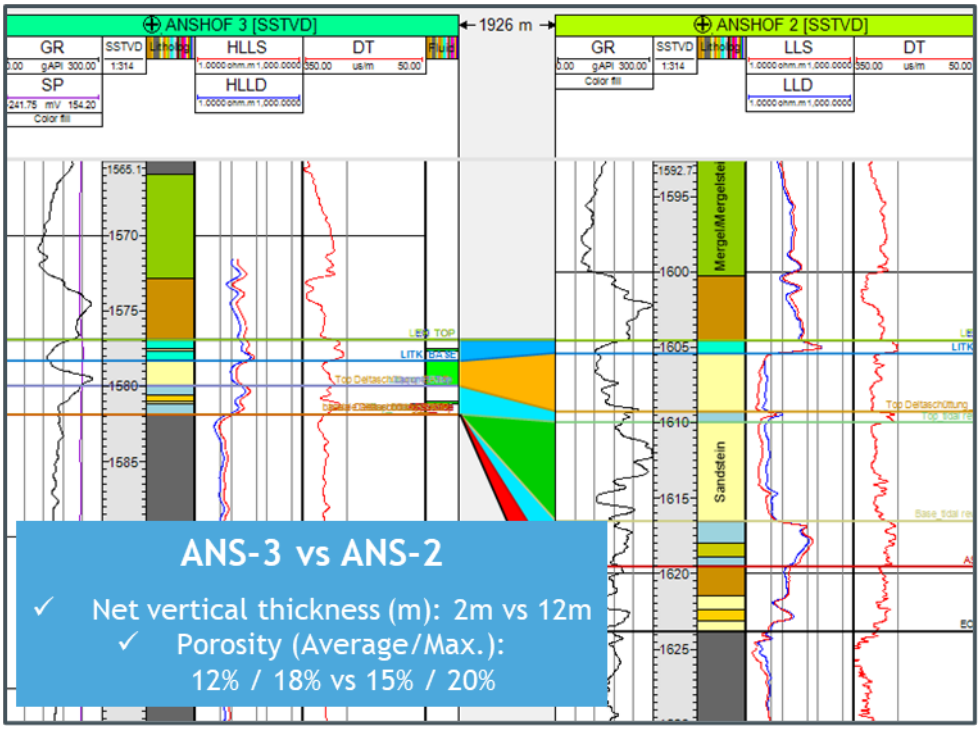


Eocene Sand-body correlation between Anshof-2 and Anshof-3 showing substantial increase in reservoir thickness

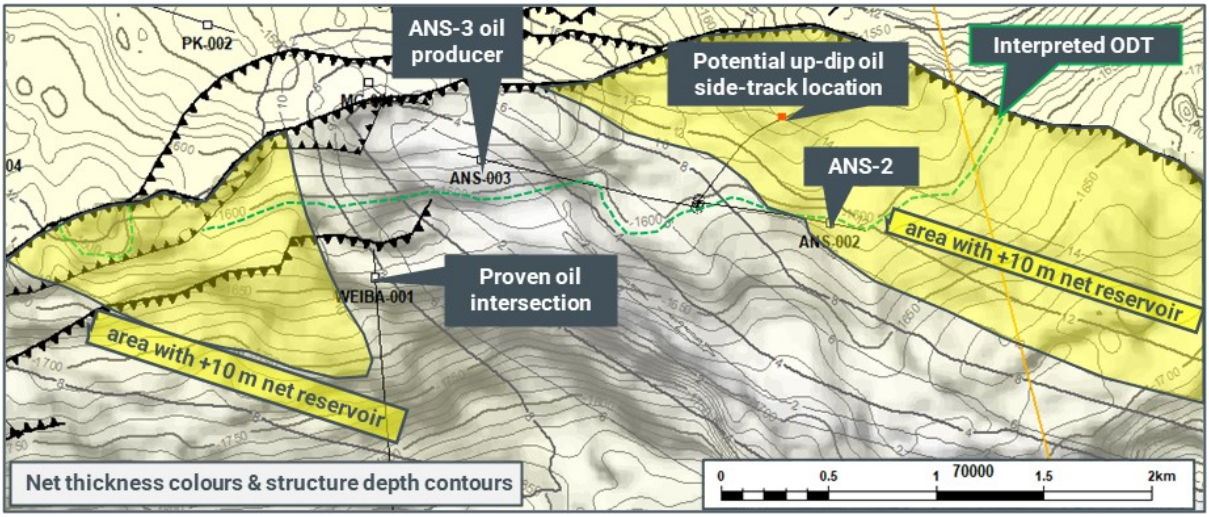
Anshof-2 Well Participation and Operatorship

In accordance with Anshof Discovery Area Partnership agreements the economic interests in the Anshof-2 well are 60% ADX and 40% MND. ADX is the Operator of the Anshof Discovery Area Partnership and the ADX-AT-II licence.

XST has elected not to participate in the Anshof-2 well. ADX and MND agreed to fund XST's share of well costs on a 50:50 basis and in turn obtain the right to 60% and 40% respectively of production from the well unless XST opts to buy back into the well at a premium of 500% to well costs. XST retains its 20% economic interest in the remainder of the Anshof Discovery Area (i.e. Anshof Discovery Area less the Anshof-2 well) with both ADX and MND's economic interests remaining at 50% and 30% respectively.

Development Drilling Program

Anshof-1 was a planned follow up well to the Anshof-2 well intended to 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 which is located to the West of the structure. It was planned that the bottom hole location of Anshof-1 would be optimised utilising data obtained from the Anshof-2 well. The Anshof-1 up-dip oil location may potentially be best drilled from the suspended Anshof-2 well as a sidetrack from below the existing 9 5/8" casing shoe. The replacement of the Anshof-1 well with an Anshof-2 sidetrack could minimise the cost to develop this part of the field and maintain Anshof-1 well slot for a future well.



Anshof field outline and areas of greater reservoir thickness with interpreted field oil-down-to (ODT)

Permanent Production Facilities Procurement, Planning, and Engineering

Procurement, planning and design work continued during the quarter for the installation of the Anshof field permanent production facilities (PPF). It is intended that the PPF will be installed in January 2024 and commissioned in March 2024 with Anshof-3 production.

A summary of the activities during the quarter are as follows:

- The Anshof Early Production rental unit was dismantled and demobilised to RAG (the owner) ahead of the commencement of Anshof-2 drilling.
- A two-year rental contract with an option to purchase a Permanent Production Unit (PPU) with a capacity of 3,000 was finalised with ONEO GmbH.
- The PPU was dismantled at Ampfing (Germany) for mobilisation to the Anshof site commenced at end December after the drilling of the Anshof-2 well.
- A truck loading arm, an export pump and a gas-powered generator were purchased for installation in addition to the PPU to provide additional truck loading capacity and increase the energy efficiency of the PPF.
- Regulatory approvals were received for the PPF to operate as a permanent facility and the Anshof-3 well as a permanent production well with no production limits.
- The installation, assembly, modification and commissioning of the facility for production at the end of Q1 2024 is planned for January – March 2024.

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Exploration Activities

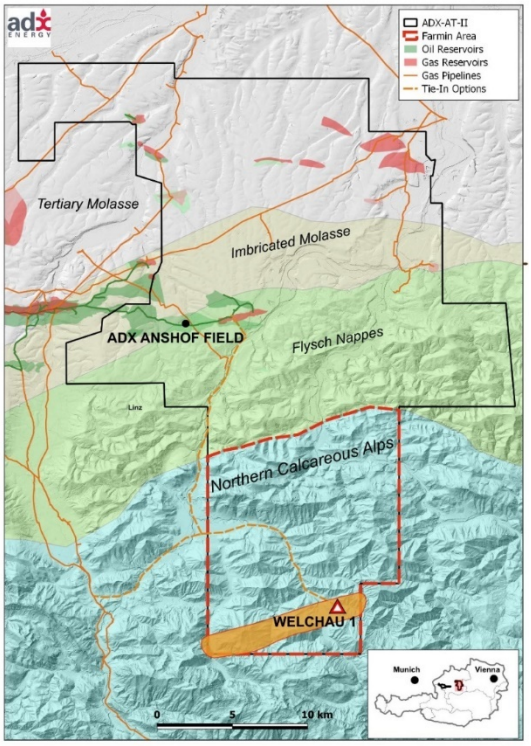
Upper Austria AGS Licenses – Austria

ADX is operator and holds a 100% interest in the ADX-AT-I and ADX-AT-II exploration licenses. [1]

Welchau Giant Gas Prospect

The Welchau gas prospect has exceptional gas resource potential, located in the heart of Europe at a relatively shallow drill depth and proximal to gas pipelines. ADX estimates that Welchau has **best technical Prospective Resources of 807 BCFE (134 MMBOE)[2].** The Welchau prospect will target the same reservoirs as the nearby Molln-1 well which tested gas in 1989.

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.*



Map showing ADX-AT-II license area and the Welchau-1 drilling location in the Northern Calcareous Alps

[1] ADX has executed an Energy Investment Agreement with MCF Energy Ltd via its subsidiary MCF Energy GmbH (MCF) to fund 50% of the Welchau-1 well costs up to a well cost cap of EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area. Upon completion of MCF's funding obligations ADX will hold a 75% economic interest in the Welchau Investment Area.

[2] Best Technical Prospective Resources Prospective resources reporting date 22 June 2023.

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During the quarter an Environmental clearance was received from the Department of Nature Protection of the State Government of Upper Austria (Department) to drill the Welchau-1 gas well in ADX' ADX-AT-II licence in Upper Austria.

The Clearance was the final stage of the permitting process which was based on an independent expert's environmental report nominated by the Department that was submitted to the Department, as well as a number of additional reports and statements requested from ADX by the Department. The Clearance was the last regulatory approval required to commence drilling operations on the Welchau-1 prospect.

Well site construction commenced on the 15th of December 2023 following receipt of the environmental clearance from the Department to drill the Welchau-1 gas well.

Well site construction at the Welchau-1 drilling location in the Northern Calcareous Alps

Welchau drilling operations are scheduled to commence in early February 2024 following the completion of well site construction and the mobilisation of the RED Drilling & Services GmbH E-202 drilling rig which has recently been used for drilling of the Anshof-2 well and the Anshof-3 discovery well. ADX has maximised local content where there is an excellent past record of safety, environmental protection and project execution. The success case drilling program is expected to take approximately 39 days.

Welchau-1 drilling operations overview

Summary of operational readiness as follows:

1. Drilling and Environmental Permits Received
2. All drilling equipment available
3. Well site construction completed by end January 2024
4. RED Drilling & Services GmbH E-202 drilling rig contracted to drill well
5. Rig mobilisation scheduled during first week of January 2024

Summary of the drilling program is as follows:

1. Total depth 1900 m (vertical depth 1800 m)
2. Three drilling hole sections 17 ½'', 12 ¼" and 8 ½''
3. Drilling duration 5 to 8 weeks, depending on evaluation and testing program required
4. Dry hole cost EUR 5.1 million

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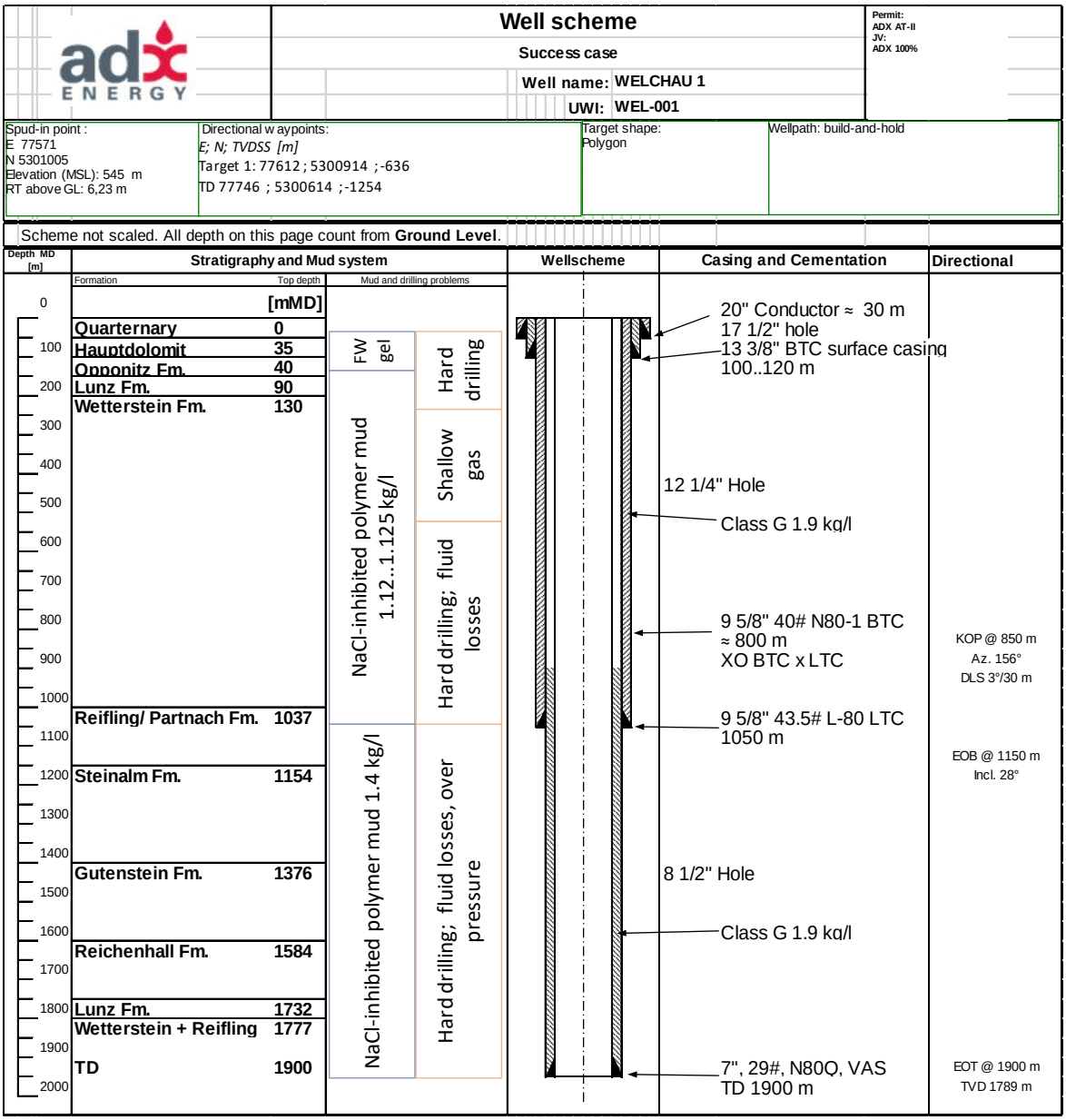


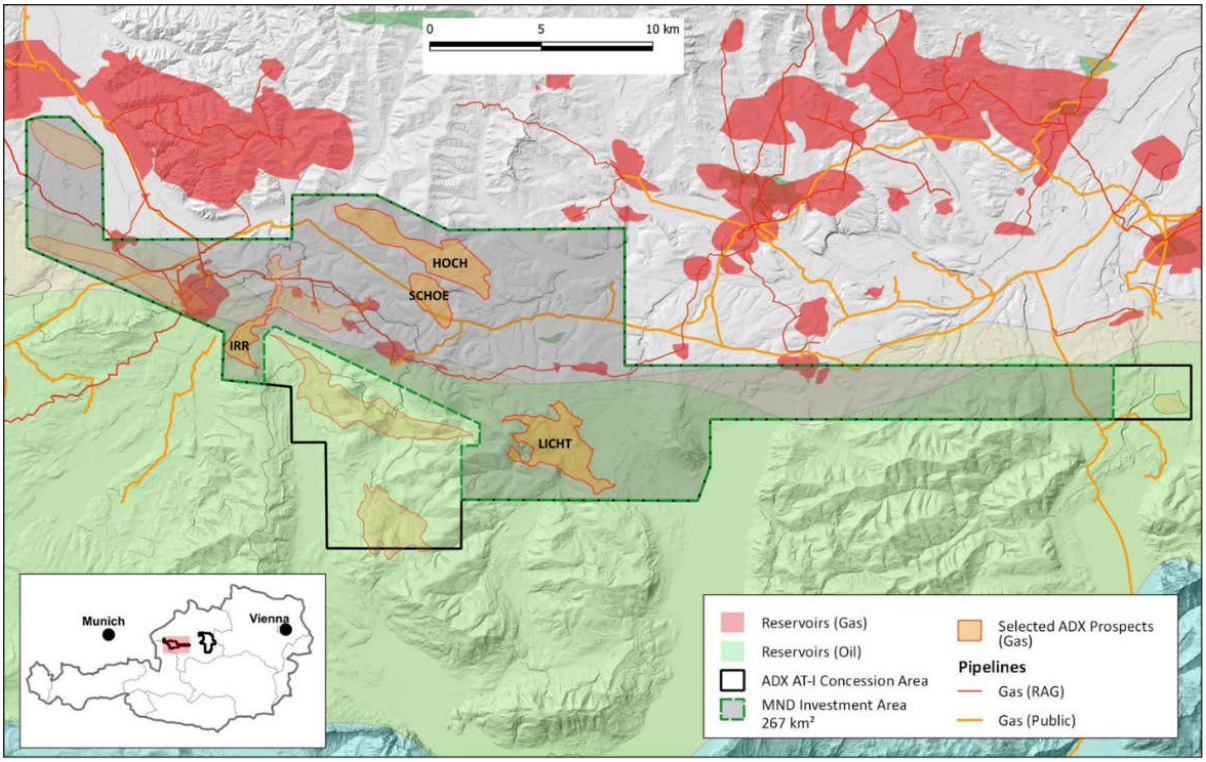
Success case Welchau-1 well design

ADX-AT-I Farmout and 2024 Gas Exploration Drilling

During the quarter, ADX finalised agreements with MND Austria a.s. (MND) for MND to fund a gas exploration program in ADX-AT-I. The transaction was announced on the 4th of December 2023 and received confirmation of acceptance of the MND Investment Area partnership documentation by the Austrian Ministry of Finance. The transaction was completed on the 5th of January 2024 and announced on the 8th of January 2024. MND a.s., the parent of MND, is a highly credentialled European explorer, producer and oil services group that generated approx. EUR 8.5 billion of revenue in 2022.

The MND transaction is summarised as follows:

- At completion (in January 2024) MND paid back costs of EUR 0.45 million *(A $0.74 million)* to ADX and will fund EUR 4.5 million *(A $7.40 million)* for exploration drilling to earn a 50% economic interest in MND Investment Area (an exploration investment area within the ADX-AT-I license), in Upper Austria. The MND Investment Area is shown in the map below.
- The form of partnership documentation used for this transaction was previously developed by ADX and accepted by the Austrian Ministry of Finance (BMF) for MND's economic participation in the Anshof Discovery Area.
- Several gas prospects are available for drilling in the MND Investment Area. ADX and MND currently intend to drill either the LICHT or the IRR gas exploration prospect during the second half of 2024. Both prospects offer large gas resources upside potential and are mature for drilling. The LICHT prospect location has already received a drilling permit including an environmental clearance.
- ADX is Operator and retains a 50% economic interest in the MND Investment Area. ADX has retained a 100% interest in the remainder of the ADX-AT-I licence including adjacent gas exploration prospects (OHO and ZAM) and the GMU geothermal / oil and gas energy prospect.



Map showing the MND Investment Area within the ADX-AT-I licence which includes the LICHT and IRR gas exploration prospects.

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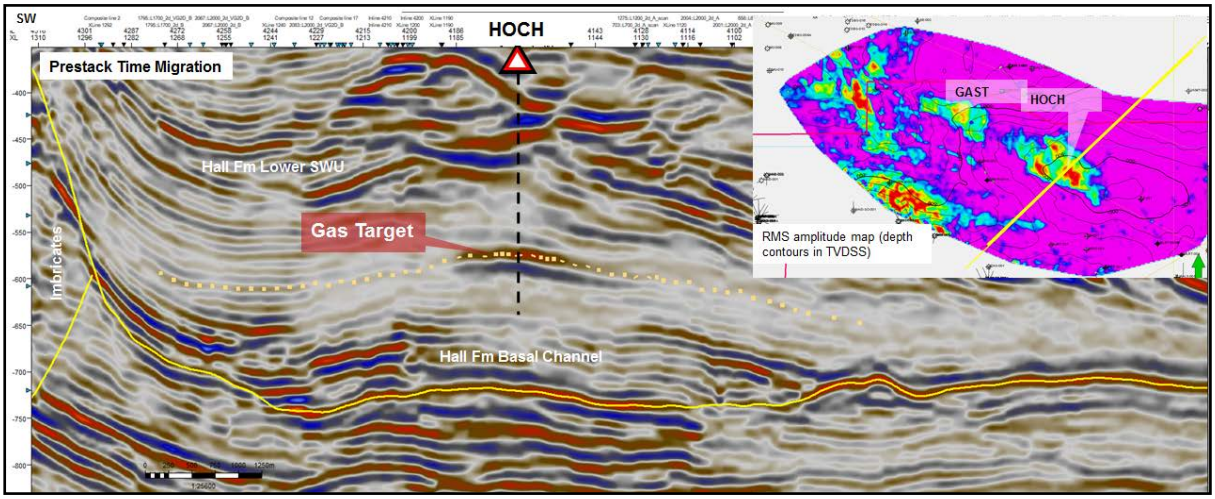
During the quarter ADX continued working on securing drilling permits for future drilling projects in the MND Investment Area. Land access was pursued with landowners for both the IRR and LICHT prospects. The drilling permit including the environmental clearance was received for the LICHT prospect during November 2023. Both prospects offer significant resource potential and are fully covered by high quality 3D seismic and supported by seismically generated direct hydrocarbon indicator responses. ADX and MND plan to select the first drilling prospect early in 2024 with a view to drilling during the second half of 2024.

In addition to permitting the above-mentioned prospects for drilling, ADX has focused on maturing low risk gas exploration prospects such as HOCH and SCHOE in the Northern part of the ADX-AT-I licence shown in the map above. Further surface analysis and subsurface work has led to the conclusion that these two prospects can be drilled from the same surface location thereby substantially reducing costs and further improving economics of a multi well program. The prospects are very close to gas infrastructure and are expected to contain dry natural gas (methane) only.

Ongoing review of the HOCH prospect has revealed that it could be connected to similar downdip prospect (known as GAST in former announcements) resulting in a much larger combined accumulation. The resultant prospective resources estimates will be announced in the coming quarter.

The 3D seismic section below and the inserted reservoir amplitude map is indicative of gas reservoir presence and summarises the most important technical features of the combined HOCH-GAST prospect. The depth contours also show that the prospect has a very low risk 4 way dip closure component and a large structural – stratigraphic upside being located in the axis of a structural nose plunging to the NW.



The IRR prospect is an example of a high impact gas prospect in the portfolio with large upside and proximity to pipeline infrastructure. IRR is featured in the Prospect Summary below. It shows the large (stratigraphic) resources upside potential and the strong analogy with a close by gas field which has produced approximately 155 BCF of gas during its field life prior to its conversion to a large gas storage facility.

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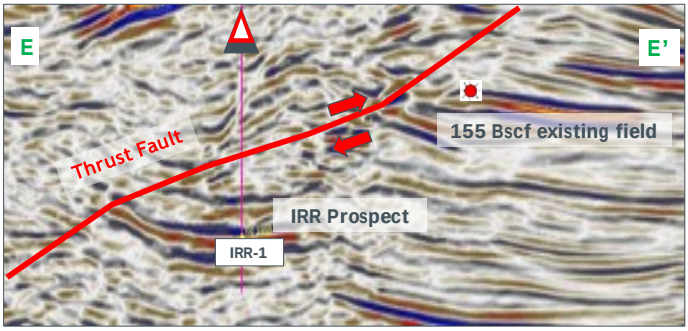
IRR–1 Gas Prospect Summary

New technical interpretation using seismic responses indicative of gas and nearby well data

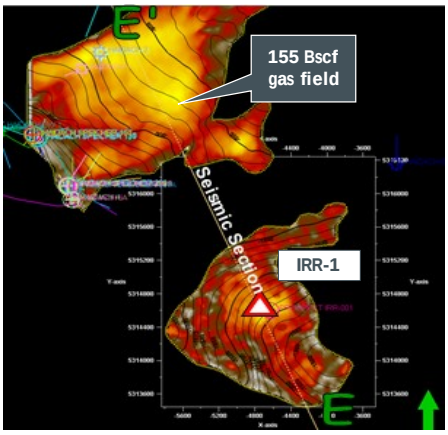
Analysis of analogous gas reservoirs in nearby gas field has led to a significant upward revision of expected possible gas net pay thickness

- 3D seismic response similar to adjacent gas field which has produced ~155 bscf of gas
- Expected Miocene deep water turbidite reservoirs have a proven flow capacity of up to 45 mmscf/day



Prospective Resources Estimate			
IRR Prospect	Min (P90)	Best Technical	Max (P10)
Bscf	10	38	79

ASX Prospective resources reporting date update 22.06.2023



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.*

Additional ADX-AT-I Gas Prospect Maturation (ADX 100% equity areas)

In addition to the work undertaken on preparing gas prospects for drilling within the MND Investment Area, ADX is undertaking additional prospect maturation work on areas within the remainder of the ADX-AT-I licence where it holds a 100% equity interest. Notably two large 3D seismic covered prospects have been identified (**ZAM** and **OHO**) with a large prospective resource potential in excess of 100 BCF. Refer to ASX Prospective Resources Update dated 22 June 2022.

Planned prospect maturation work includes refining the stratigraphic horizon interpretation and identifying tectonic events of each prospect. The final result is expected to be a kinematically consistent 3D structural model which will significantly de-risk the large resource potential of the prospects in readiness for farmout.

Upper Austria Farm-out Activities

ADX has completed multiple farmout transactions, including with MCF Energy Ltd. in relation to Welchau, the Anshof Investment Agreement with MND and recently announced an investment agreement for MND to fund a gas exploration program in part of the ADX-AT-I licence. ADX continues to engage in on-going discussions with multiple parties to fund further exploration and appraisal programs in Upper Austria. ADX is continuing to mature prospects to attract further investment in the Company's extensive exploration portfolio.

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.

ADX is engaged in ongoing discussions with the Regulatory Authorities in relation to options for the Parta exploration license extension. ADX has delivered a number of requested reports in support of the extension discussions. The Iecea Mare production license which has a validity (or term) of 20 years and is not affected. Options to exploit the geothermal potential of the Romanian part of the Pannonian Basin are under investigation with the authorities in combination with a subsurface review of the likely prospectivity.

Permit d 363C.R-.AX – Offshore Italy

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

ADX is awaiting ministerial response following the submission of several technical, commercial and financial capability documents for the award of a gas exploration and exploitation license. ADX has been informed by the Italian ministry during the quarter that the documents are currently under a final review by an independent group of experts outside of the ministry. Nothing further to report.

New Ventures

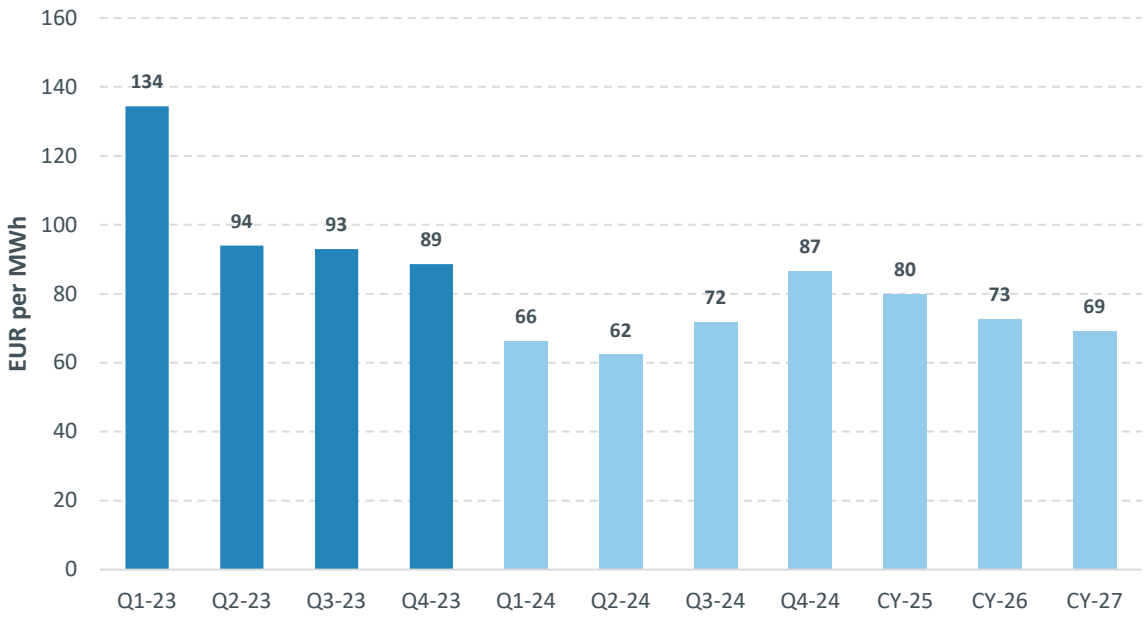
Portfolio Expansion Opportunities

ADX continues to evaluate complementary production, appraisal and exploration opportunities located onshore Europe where it has geotechnical and operation experience. Priority opportunity is given to projects where there are significant synergies with the Company's current portfolio and operations.

Renewable Energy Projects – Austria

Vienna Basin Green Hydrogen Project

Despite the re-balancing in the European electricity market over the past 12 months, wholesale electricity prices in Austria remained elevated throughout the quarter and calendar year 2023 trading at a significant premium to historical average prices (prior to the invasion of Ukraine by Russia in February 2022).



Wholesale electricity prices in Austria 2023 (actuals) and EEX German Power Futures (2024-2027)

Since electricity use is the main input and cost to renewable hydrogen production (70-80% of the production cost), cost-effective electricity supply is critical to the viability and success of the Vienna Basin Green Hydrogen Project. ADX therefore sees substantial synergies with the Vienna Basin Solar Project and ADX continues its evaluation of a green hydrogen early production scheme with a small-scale electrolyser with a capacity of ≤ 250 kW (Green Hydrogen EPS).

Austria has committed to achieve climate neutrality by 2040 (as opposed to 2050 for the European Union) and is considering the introduction of a mandatory quota for renewable gases (similar to mandatory blending of biofuels in gasoline and diesel). If implemented, such regulation would provide a strong legal and commercial framework for green hydrogen production.

ADX is awaiting further regulatory advances in relation to renewable gases in pipelines which will favour green hydrogen.

Given the above-mentioned factors and limitations in the organisational resources of the Company, ADX is focussing on its oil and gas activities in the near term.

Vienna Basin Solar Project

Electricity remains ADX' highest operating expense at the Vienna Basin Fields. ADX continues to explore the possibility of using renewable electricity generated from the Vienna Basin Solar Project for self-consumption, injection into the grid (up to 300 kWh per connection point) and the Green Hydrogen EPS.

Oil, Gas and Geothermal Multi Energy Project in Upper Austria

Nothing further to Report since the previous quarter.

The GMU prospect located in the Eastern part of the ADX-AT-I exploration licence in Upper Austria (Molasse basin) was highlighted, presented and discussed in detail in the ASX release on the 22 June 2023. It combines a geothermal opportunity (fractured Jurassic limestone with 110°C reservoir temperature) and stacked overlying oil and gas targets defined on high quality 3D seismic.

The GMU prospect provides the combination geothermal potential representing 18 MW of thermal power together with overlying oil and gas potential identified on high quality 3D seismic. The combination of geothermal and hydrocarbon potential is increasingly attractive due increasing energy prices and increasing local industry demand seeking sustainable long term alternatives to expensive oil, gas and electricity.

As is the case of the Vienna Basin Hydrogen Project and the Solar Project, due to limitations in the organisational resources of the Company, ADX is focussing on its oil and gas activities in the near term.

Finance and Corporate

Operations

During the December 2023 quarter, cash revenue received from oil and gas operations in Austria totalled A$ 2.8 million (for oil and gas sales for the period September 2023 to November 2023). Gross December 2023 oil and gas revenue of EUR 0.46 million (A$ 0.74 million) was received after the quarter end. Revenues and production costs are based on 100% of operations, with net distributions to partners to be shown as a separate outflow. During the quarter, no distributions were paid to partners.

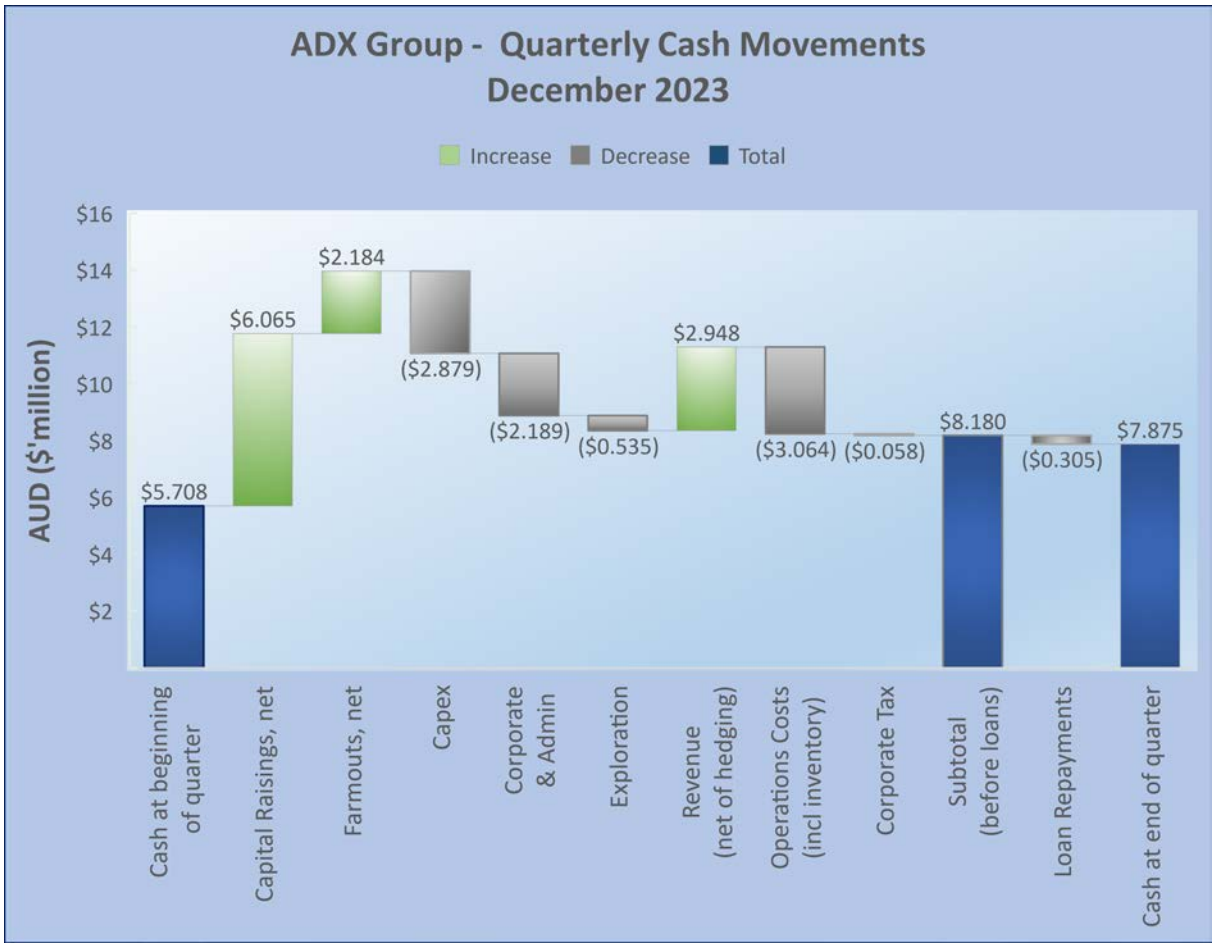
Cash Balances

ADX' cash at the end of the quarter was A$ 7.875 million.

Cash excludes funds secured for bonds and guarantees. Secured cash totalled A$ 1.1 million at the end of the quarter.

During the quarter, operating cashflows were impacted by a number of nonrecurring costs (refer to the graph below):

- Decreased sales revenue due to the temporary shut in of the Anshof-3 well;
- Increased production costs for workover activities, advance inventory purchases and annual insurance costs paid;
- Increased production costs include demobilisation costs associated with moving the Early Production Unit;
- Increased administration and corporate costs due to annual corporate insurance costs paid; and
- VAT paid on capex, which will be refundable in Q1 2024.



Funds from Farmouts and Partners

During the quarter, the following funds were received from partners:

- A total of EUR 1,550,268 (A$ 2.508 million) for Anshof-2 drilling expenditures and permanent production facilities was received from MND Austria a.s. (MND).

Placement Raising A$ 4.8 million

In November 2023, ADX advised it had successfully raised A$ 4.8 million from placements totalling 48,000,000 shares at a price of A$ 0.10 per share to sophisticated, institutional and professional investors. One (1) free attaching unlisted option was issued for every two (2) Placement Shares. The exercise price of the Placement Options is A$ 0.16 with an expiry date of 31 December 2024.

The funds raised from the Placement and the Securities Purchase Plan will be applied to near term activities of the Company, which included funding of the Company's increased economic interest in the recently completed Anshof-2 Appraisal Well, the installation of permanent production facilities at Anshof to enable increased production from the Anshof-3 and Anshof-2 Wells as well as funding for the Company's share of the Welchau-1 Exploration Well, which is expected to be drilled in Q1 2024.

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Securities Purchase Plan (SPP) Raising A$ 1.578 million

On 22 November 2023, eligible Shareholders (SPP Participants) were invited to participate in a Securities Purchase Plan Offer at $ 0.10 per Share. This was the same price as the offer price under the Placement. SPP Participants also received one free-attaching unquoted option to acquire a Share for every two SPP Shares issued. The SPP Options are exercisable on the same terms as the Placement Options. The 15,780,000 SPP Shares and 7,890,000 SPP Options were issued on 22 December 2023.

Additional ASX Information

- ASX Listing Rule 5.4.1: Exploration expenditure during the quarter was A$ 179,000 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$ 2,789,000 excluding staff costs. Appraisal expenditure in Romania during the quarter was A$ 42,000, excluding staff costs. Full details of production and appraisal activities during the quarter are included in this Quarterly Activities Report.

- 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$ 227,000. This consists of A$ 7,296 paid for office rental to an entity related to Director Ian Tchacos and A$ 219,370 for executive directors consulting fees and 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).*

Anshof Discovery Area

ADX announced a farmout to ASX listed Xstate Resources Limited (Xstate) to earn a 20% economic interest in the Anshof Discovery Area. Xstate have earned their 20% economic interest.

ADX announced a subsequent Anshof Investment Agreement with MND Austria a.s (MND) where MND has secured a 30% economic interest in the Anshof Discovery Area by providing cash payments to ADX and funding 60% of the Anshof work program funding.

In accordance with Anshof Discovery Area Partnership agreements the economic interests in the Anshof-2 well are 60% ADX and 40% MND.

XST has elected not to participate in the Anshof-2 well. ADX and MND agreed to fund XST's share of well costs on a 50:50 basis and will in turn obtain the right to 60% and 40% respectively of production from the well unless XST opts to buy back into the well at a premium of 500% to well costs. XST retains its 20% economic interest in the remainder of the Anshof Discovery Area Partnership (i.e. Anshof Discovery Area less the Anshof-2 well) with both ADX and MND's economic interests remaining at 50% and 30% respectively.

Welchau Farmin Area

ADX has executed an Energy Investment Agreement with MCF Energy Ltd via its subsidiary MCF Energy GmbH (MCF) to fund 50% of the Welchau-1 well costs up to a well cost cap of EUR 5.1 million to earn a 25% economic interest in the Welchau Investment Area. Upon completion of MCF's funding obligations ADX will hold a 75% economic interest in the Welchau Investment Area.

ADX-AT-I Investment Area

ADX announced an Exploration Investment Agreement with MND Austria a.s (MND) where MND will secure a 50% economic interest in the Exploration Investment Area by providing cash payments to ADX and funding 100% of an agreed exploration work program of EUR 4.5 million. The Exploration Investment Area is part of the ADX-AT-I licence area.

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

Ian Tchacos

Executive Chairman

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

Persons compiling information about Hydrocarbons:

Pursuant to the requirements of the ASX Listing Rule 5.41 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 Ltd is a qualified geophysicist with 30 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

Previous Estimates of Reserves and Resources:

ADX confirms that it is not aware of any new information or data that may materially affect the information included in the relevant market announcements for reserves or resources and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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 that 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

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 be 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.