

ADX Energy Ltd

2019 Good Oil Conference

Ian Tchacos
Executive Chairman

12 September 2019

“We are transforming our business to become a leading onshore European producer and explorer focussing on rapid returns on investment and cashflow growth”



Disclaimer Statement (1)

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

Persons compiling information about Hydrocarbons.

Pursuant to the requirements of the ASX Listing Rule 5.31 the technical and resources information 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 and is a qualified geophysicist with 23 years of technical, commercial and management experience in exploration for, appraisal and development of oil and gas resources. Mr. Fink has reviewed the results, procedures and data contained in this presentation and considers the resource estimates to be fairly represented. Mr. Fink has consented to the inclusion of this information in the form and context in which it appears. Mr. Fink is a member of the EAGE (European Association of Geoscientists & Engineers) and FIDIC (Federation of Consulting Engineers).

Pursuant to the requirements of the ASX Listing Rule 5.31 the reserves information contained in this release has been reviewed by Martin Soh as part of the due diligence process on behalf of ADX. Dr. Soh is a petroleum engineer from Reservoir Minds with over 10 years of relevant experience in hydrocarbon reserves estimation. Dr. Soh has assessed the results, procedures and data contained in this presentation as they relate to reserves to be reasonable. Dr. Soh has consented to the inclusion of this information in the form and context in which it appears. Dr. Soh is a member of the Society of Petroleum Engineers.

ADX has reviewed REP's Reserves Estimates which are based on field performance and considers them to be conservative and reasonable. All estimates are calculated probabilistically using the relevant PRMS Reserves Classifications at an evaluation date of 1 January 2019 and were first reported to the ASX on 2 July 2019. ADX confirms that it is not aware of any new information or data materially affects the information included in that announcement and further confirms that material assumptions and technical parameters underpinning the estimates in that announcement have not materially changed. The conversion factor used to convert volumes of gas to volumes of oil equivalent was 0.178 boe/mcf. The Production and Reserves quoted in this release are still under the ownership of REP/RAG. ADX will assume those Reserves, the production and assets upon transfer of licences and closing of the transaction, estimated to be 1 October 2019. At that point, ADX may undertake further assessment of reserves.

Disclaimer Statement (2)

PRMS Reserves Classifications used in this Report

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 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.

Contingent Resources: those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations but, for which the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

1C, 2C, 3C Estimates: in a probabilistic resource size distribution these are the P90 (90% probability), P50, and P10, respectively, for individual opportunities. Totals are by arithmetic summation as recommended under PRMS guidelines. This results in a conservative low case total and optimistic high case total.

Prospective Resources: those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further explorations appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. “Low” means a conservative estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 90% probability (P90) that the quantity actually recovered will equal or exceed the best estimate. “Best” means a best estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 50% probability (P50) that the quantity actually recovered will equal or exceed the best estimate. “High” means an optimistic estimate of the quantity that will actually be recovered from the accumulation by the project; there is a 10% probability (P10) that the quantity actually recovered will equal or exceed the best estimate

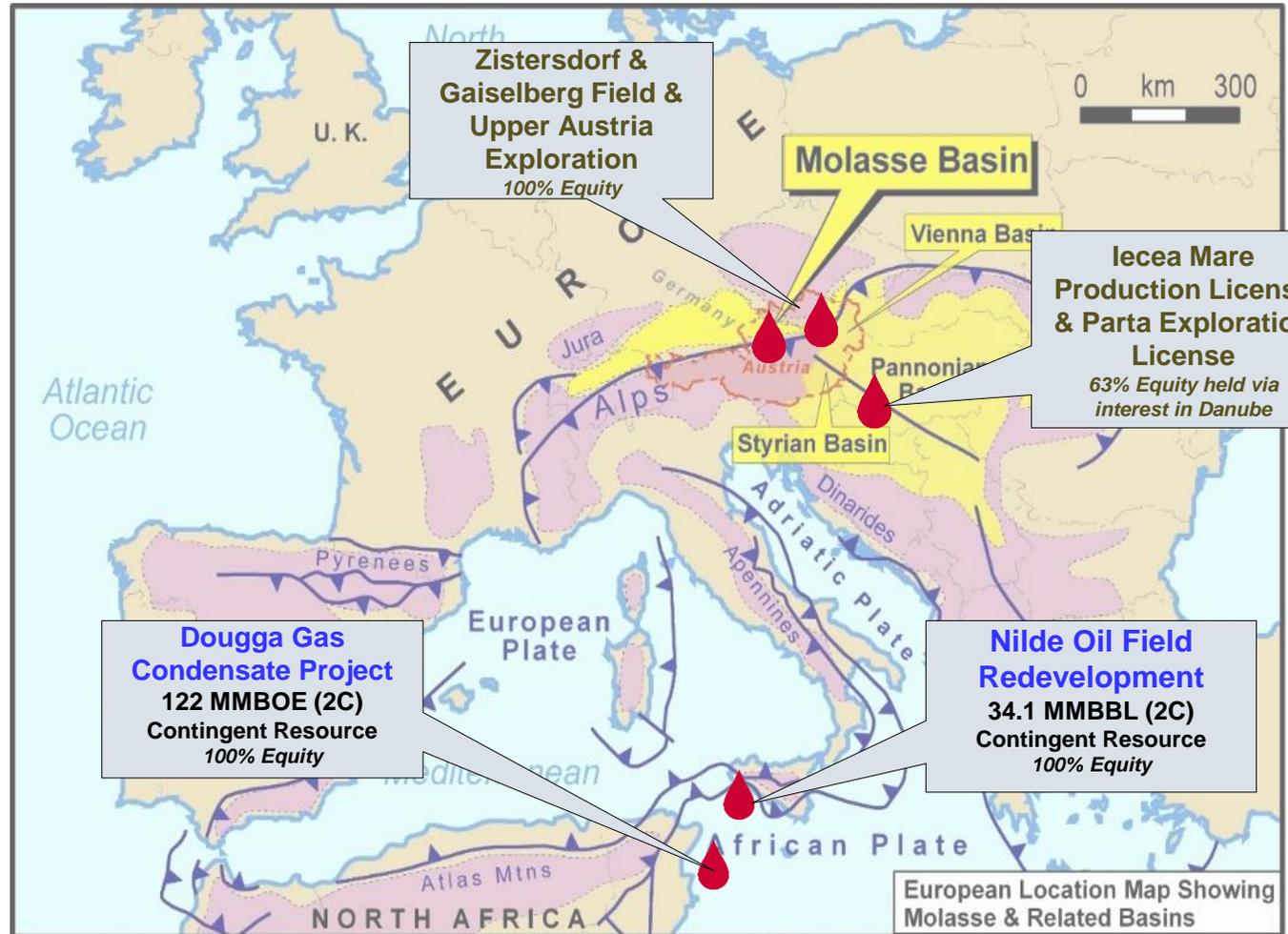
Company Overview

A European Focused Producer, Developer and Explorer

ASX Code	ADX
Shares on Issue	1,229 million
No of Shareholders	2,545
Market Cap @ 1.2 cents	\$ 14.7 mill
Cash at 30 June 2019 <i>Includes funds held for Parta Drilling</i>	A\$2.6 mil

ADX Asset Summary

- Austrian Onshore Production & Exploration**
- Romanian Onshore Appraisal & Exploration**
- Italian Offshore Appraisal & Development**
- Tunisian Offshore Appraisal & Development**



Note: Contingent Resources Reporting Dates are as follows: Nilde 29/3/2018 & Dougga 16/7/2018

Recent Activities

Summary of Progress Across Asset Base

- **Drilling a successful Parta Appraisal Well in Romania & Farmout of Surrounding Parta Exploration License**
- **The Acquisition of RAG Production Assets in Vienna Basin and exclusive Rights to Exploration Data in upper Austria**
- *Progress in Italy has stalled due to an 18 month moratorium on E&P activities after ADX secured a Euro 20.8 million farmin deal to appraise the Nilde Oil Redevelopment Project*
- *No further progress with securing funding for Dugga gas condensate appraisal offshore Tunisia*



Zistersdorf & Gaiselberg Production Assets
Vienna Basin, Austria



Making up electric line logging tools for 8 1/2" hole on Iecea Mica -1 Appraisal Well



Parta Appraisal Program

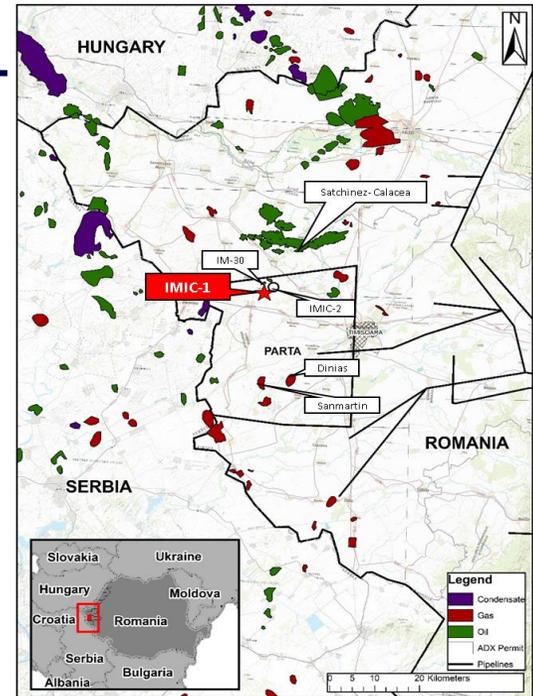
Iecea Mica – 1 Drilling Results to Date

Pre-drill Expectations

- Appraisal and exploration objectives in Pannonian sands with deeper Basement Play potential

Recoverable Hydrocarbon Volumes			ERCE Estimates		
Prospect	Target Reservoir	PRMS Category	P90 (bscf)	P50 (bscf)	P10 (bscf)
IM-1	Pa IV	Contingent ¹	2.0	6.1	16
IM-1	Pa VI	Prospective ²	2.4	4.4	7.3
IM-1	Pa VIII inf.	Prospective	2.7	8.3	21.3

* 6.1 bsf (2C) & exploration resources of 12.7 bsf (best technical prospective)
 = total un risked potential of **18.8 Bcf**
 (Note ERCE Independent Resources results - first Announced on 11/7/2018)



Post Drill Results

- Independent Petrophysics Evaluation (Weatherford) and Mapping by ADX

IMIC-1 Contingent Recoverable Resources Estimates (Note 1)					
Discovery Well	Hydrocarbon Reservoir	Reservoir Top Depth (meters MD)	1C (bscf)	2C (bscf)	3C (bscf)
IMIC-1	Pa III	1851	1.9	2.7	3.9
IMIC-1	Pa IV	2033	3.0	11.0	40.0
IMIC-1	Pa V	2140	2.3	6.3	10.8
TOTAL Arithmetic Sum of Recoverable Volumes (bscf)			7.2	20.0	54.7

Note 1: Refer ADX Release dated 9/9/2019

- Discovered resources of **20 Bcf (2C)** exceeds pre drill expectation with large upside
- Modern logs indicate good porosity (20%) and permeability across three zones >> good productivity expected

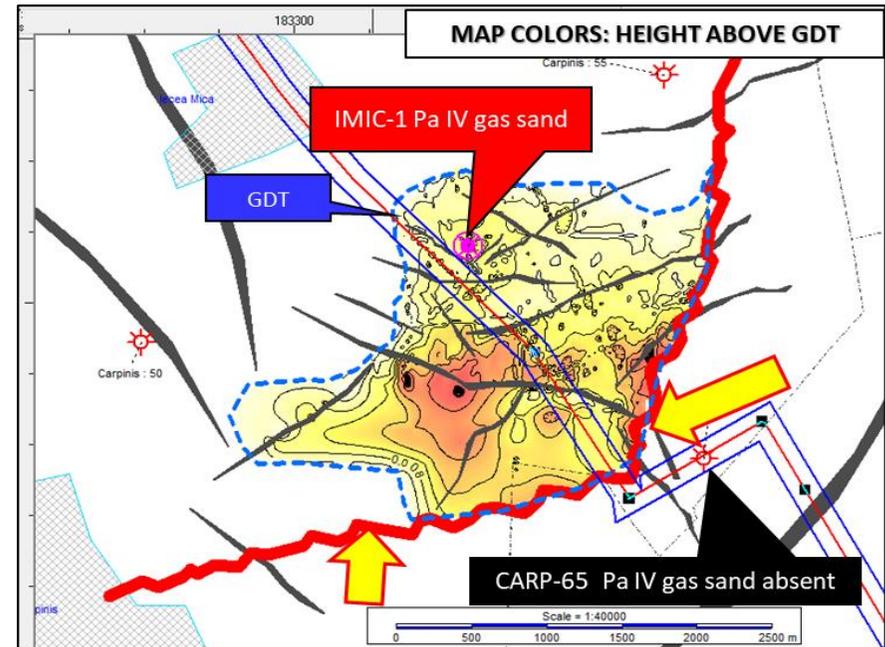
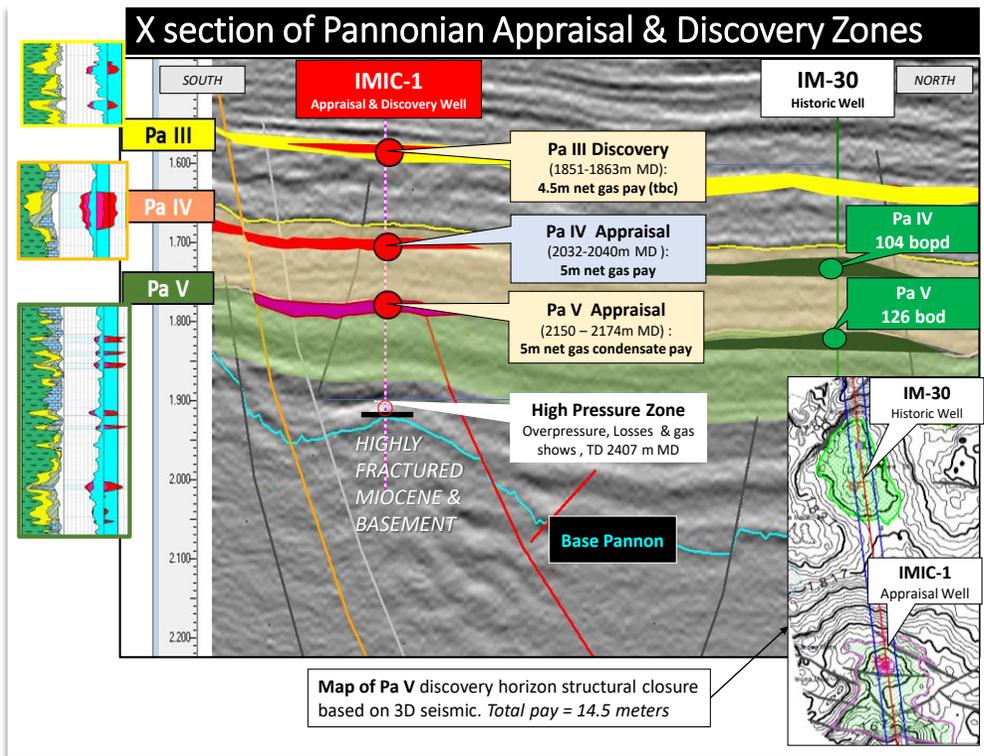


Iecea Mica 1 well electric line logging in 8 1/2" hole

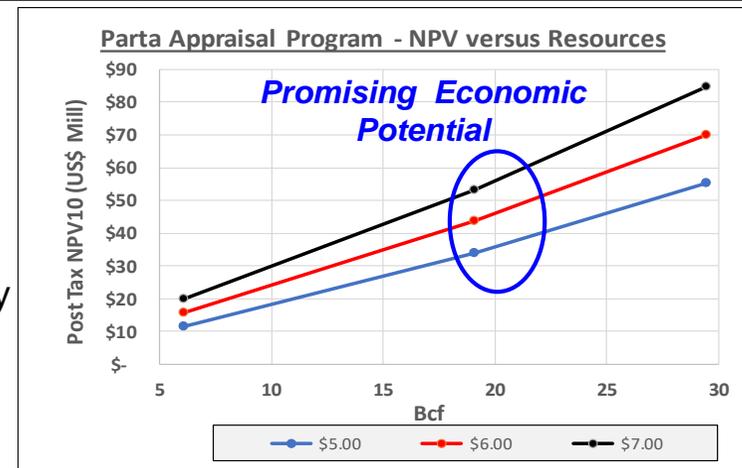
Parta Appraisal Program



lecea Mica – 1 Drilling Results to Date (Implications of results)



- ✓ Three Gas zones – confirming PA IV sand quality (*Appraisal*) and 2 discovery zones with positive implications for future wells.
- ✓ Gas shows above basement play exceeded pressure capability of well design but positive implications for future wells
- ✓ Large stratigraphic upside in PA IV needs to be confirmed



Parta Appraisal Program & Parta Exploration

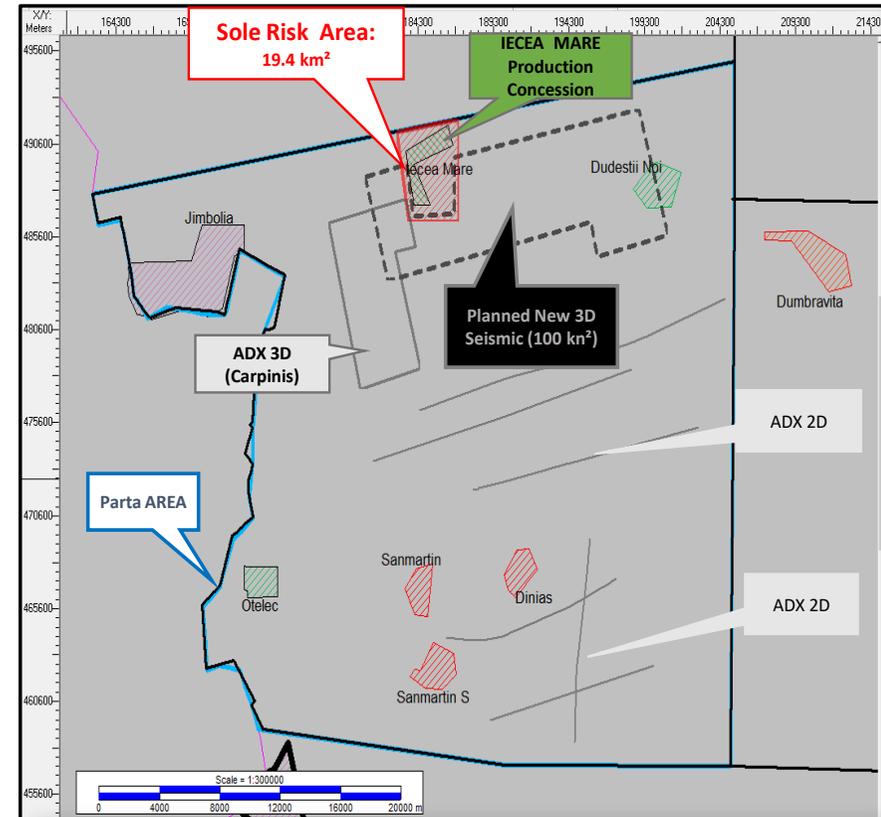
What is Next in the Program?

Future Appraisal and Exploration Activities

- Iecea Mica-1 well suspended for completion and testing with Tacrom 14 drilling rig currently being demobilised
- Testing to be undertaken with work over rig in approximately 12 weeks
- Planning and approvals for Iecea Mica 2 well completed
- Planning and approvals currently under way for 3 D seismic program (100 km²) in Parta Exploration Permit
- 3D seismic acquisition in November 2019 – *Funded via recent farmout to Tamaska.*

Key Appraisal & Exploration Objectives

- Confirm commerciality of Iecea Mica-1 ahead of pipeline installation to near by Calacea gas plant
- Progress Iecea Mica-2 appraisal well in Iecea Mare production license
- Exploration prospect generation utilising new 3D seismic (100 km²) and previous 3D seismic (50 km²) acquired by ADX
- Planning for drilling in Parta Exploration Permit



Calacea Gas Plant 12 Kms from Iecea Mica-1 Well



Austrian Production Acquisition

RAG Asset Acquisition - Transaction Overview

Deal Summary

- ADX purchase of a 100% interest of Z&G producing oil fields on 2 July 2019. **(350 BOPD)**
- €4million production asset acquisition price @ 1/1/2019 - ADX subsequently paid a €400,000 deposit
- Transaction close expected between 1 to 15 October 2019 following transfers of property and government approvals . **(~ €2.2million to pay @ Close)**
- **PLUS** Exploration Data Agreement in Vienna Basin: 5 years exclusive access to RAG Exploration Data Based (*Historical Value of €100 million*) for €400k/year.
- Local subsidiary (ADX VIE Gmbh) and UK holding company (Terra Energy Limited) incorporated for acquisition and alternate funding.

Other Commercial Terms and Conditions

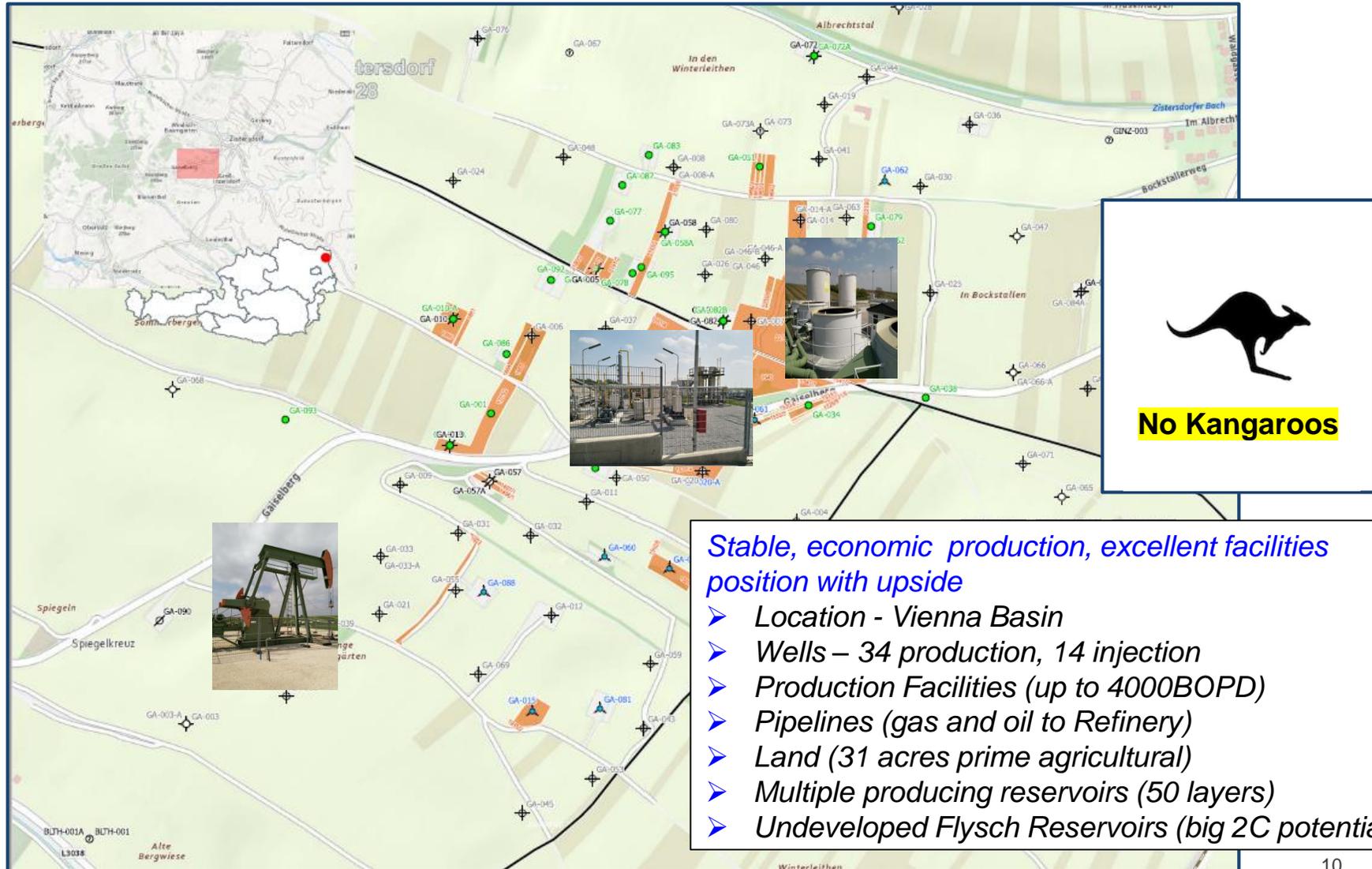
- Agreements for infrastructure access and interface transfer for oil and gas
- *Production Operations Team* (3 field technicians, 2 technical operations employees) transferred to ADX already assisting ADX
- *Exploration Team* (4 technical personnel) transferred to ADX upon closing and paid by RAG until February 2020. ADX may elect to continue their employment subject to successful licensing of exploration licences
- Non-binding letter of intent for parties to collaborate in relation to other RAG production assets in Austria following closure of this transaction

Note 1: ADX will select the most prospective exploration acreage from RAG's exploration portfolio within a 6250 Km² area utilising RAG's extensive 3650 Km² 3D seismic data base.

Austrian Production Acquisition



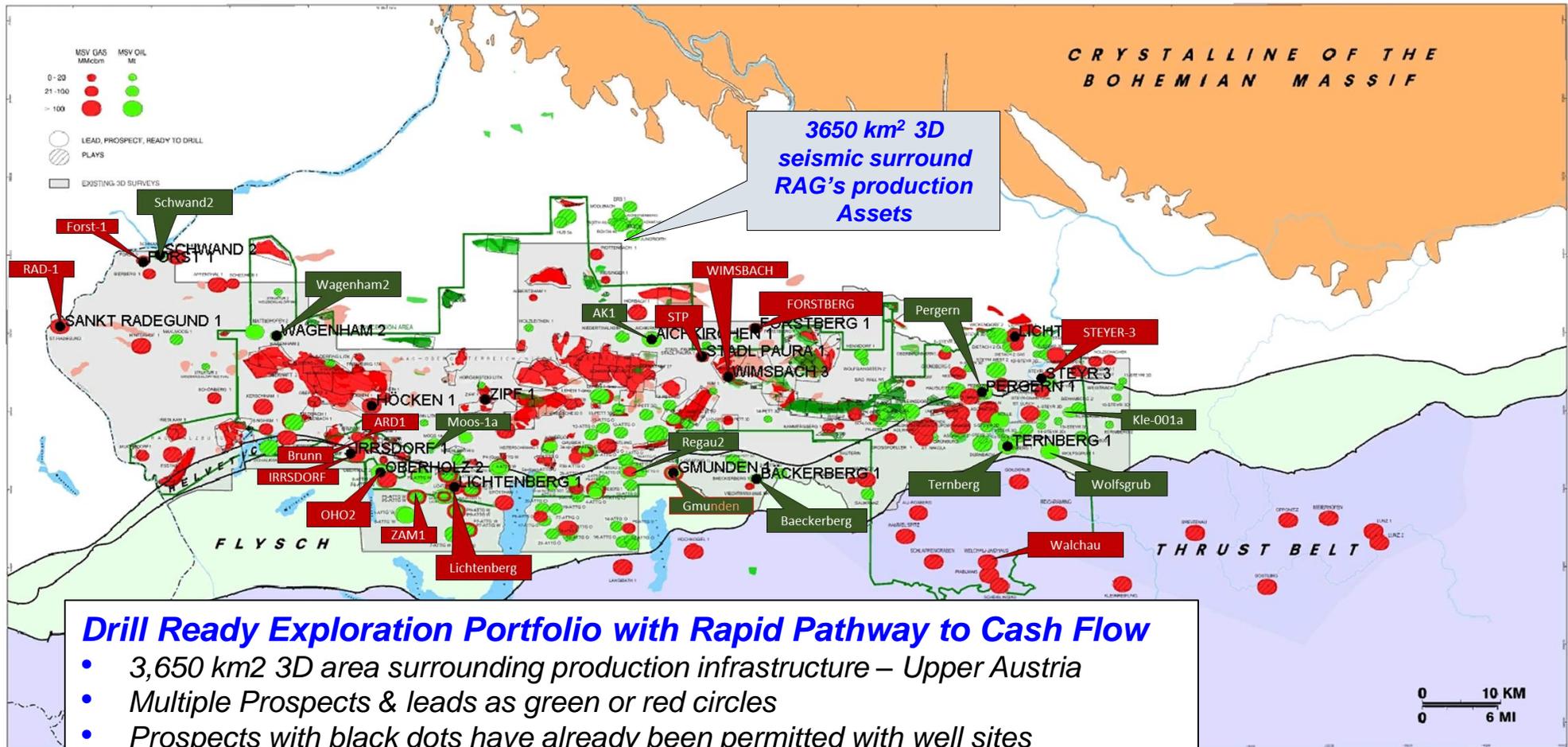
Zistersdorf & Gaiselberg Oil Field – Vienna Basin “What are we Buying”



- Stable, economic production, excellent facilities position with upside*
- Location - Vienna Basin
 - Wells – 34 production, 14 injection
 - Production Facilities (up to 4000BOPD)
 - Pipelines (gas and oil to Refinery)
 - Land (31 acres prime agricultural)
 - Multiple producing reservoirs (50 layers)
 - Undeveloped Flysch Reservoirs (big 2C potential)

Austrian Exploration Transaction

Data Agreement & Acreage Access *“A very Unique Opportunity”*



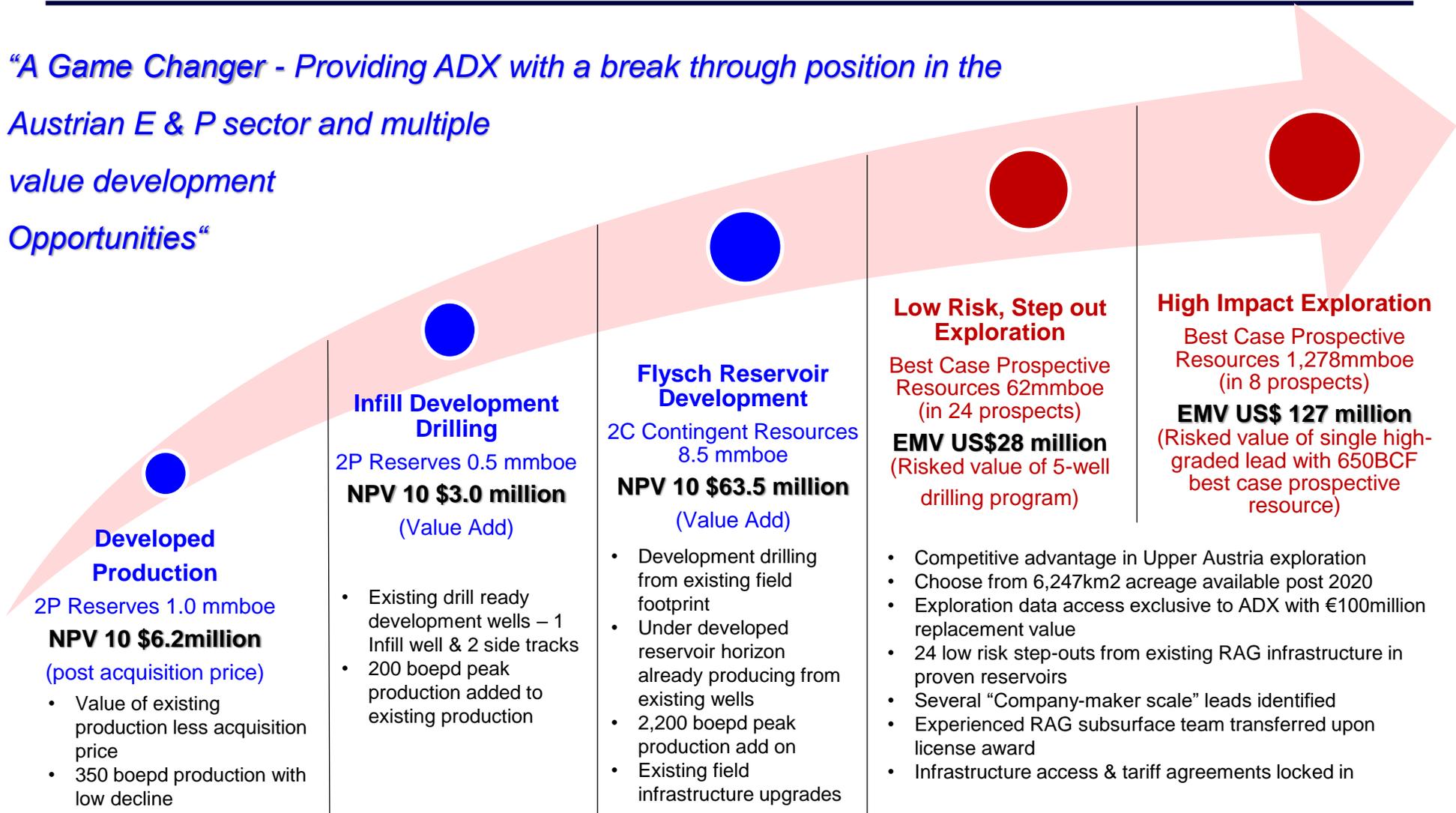
Drill Ready Exploration Portfolio with Rapid Pathway to Cash Flow

- 3,650 km2 3D area surrounding production infrastructure – Upper Austria
- Multiple Prospects & leads as green or red circles
- Prospects with black dots have already been permitted with well sites
- Infrastructure access and tariff arrangements in place with RAG
- Low risk appraisal and exploration prospects and very large higher risk leads
- Extensive infrastructure network connected to gas export and refinery

Austrian Production & Exploration Transaction

Multiple Layers of Value Available

“A Game Changer - Providing ADX with a break through position in the Austrian E & P sector and multiple value development Opportunities“



● Production, infill drilling and development opportunities in Zistersdorf & Gaiselberg Fields

● Exploration Potential Accessible with RAG data

RAG Assets – Value Development Potential Key Assumptions

	Z&G Developed Production	Z&G Infill Drilling	Z&G field - Flysch reservoir development	Low risk, step out exploration	High Impact Exploration
					
Recoverable Volumes	1.0 mmboe	0.5 mmboe	8.5 mmboe	62 mmboe in 24 prospects	1,278 mmboe in 8 prospects
PRMS class	2P Reserves (producing)	2P Reserves (justified for development)	2C Contingent Resources (development pending)	Best Case Prospective Resources (Total)	Best Case Prospective Resources (Total)
Potential online date	2019	2020	2021	2021	2025
Peak Production	350 boepd	200 boepd	2,200 boepd	1300 boepd (risky)	3500 boepd (risky)
NPV10 Post Tax	\$6.2 million (after acquisition cost)	\$3.0 million	\$63.5 million	\$28million (risky) (5-well drilling campaign)	\$127 million (risky) (single prospect)
Payback period	end-2020	~2 years	~3 years (per well)	Variable	Variable
IRR	99%	30%	30%	Variable	Variable
PIR	140%	86%	84%	Variable	Variable
Oil / Gas Price Assumption	US\$65 per bbl	US\$65 per bbl	US\$ 65 per bbl	US\$ 9 -10 NPV per BOE (Resource Valuation)	US\$ 9 -10 NPV per BOE (Resource Valuation)

 Economic Assumptions for Reserves and Contingent Resources Cases in slides 14 to 17 of this presentation

 Prospect Description, Economic and Risking Assumptions for Exploration Cases in Slides 19 to 28 of this presentation

Zistersdorf & Gaiselberg Oil Fields Summary

Mature production with very low decline rate (approx. 2% per annum)

- Highly optimised, automated and well-maintained production facilities.
- Efficient and low unit operating cost of \$32/bbl
- High value oil trading at 8% discount to Brent

Low Entry Cost, Stable Production & Upside Based on 2P Reserves

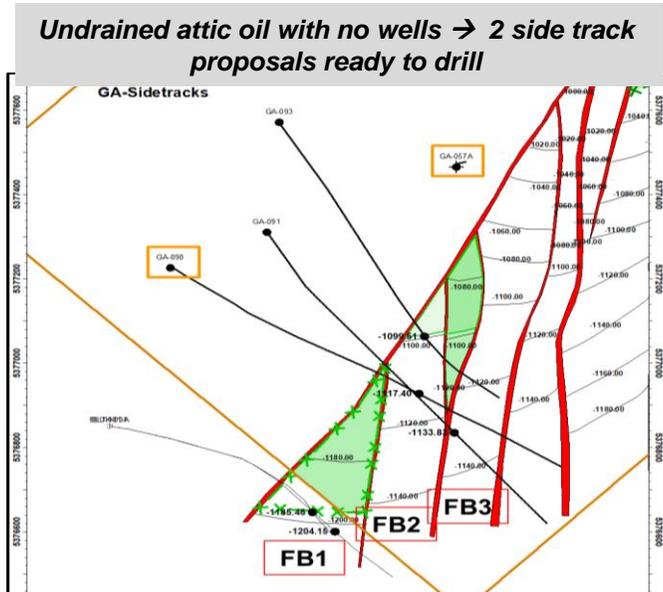
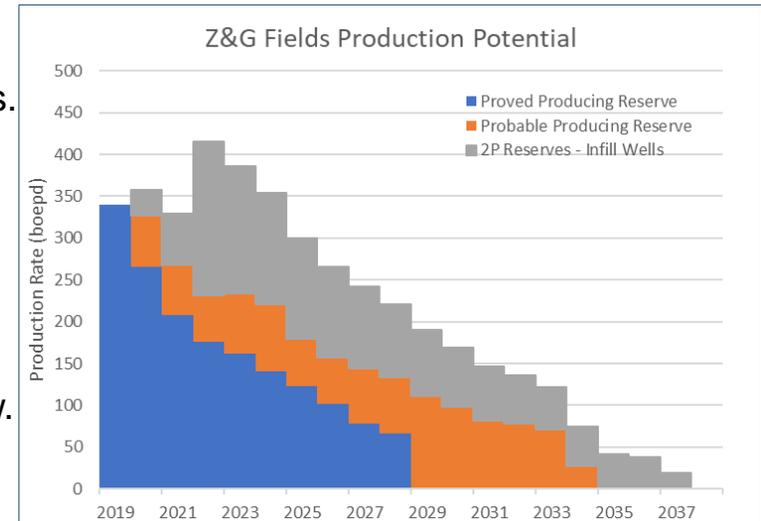
- Entry price based on 1P reserves & 2P case value premium
- Predictable, long-term cashflow purchased at approx 1 year cash flow.
- 350 boepd and ~ US\$2.7 million per annum post tax cashflow
- 10-15 year production life with <2% decline pa

Reserves Development Opportunities

- Behind pipe and undeveloped reserves ready to execute

Reserves Potential		
1P Reserves	Developed	0.6 MMBOE
	Undeveloped	0.2 MMBOE
	TOTAL	0.8 MMBOE
2P Reserves:	Developed	1.0 MMBOE
	Undeveloped	0.5 MMBOE
	TOTAL	1.5 MMBOE

Note 1: Refer to ASX announcement dated 2/7/2019



Flysch Potential Z & G Fields – Contingent Resource in Proven Reservoir

Large Contingent Resources underlying Z & G reservoirs

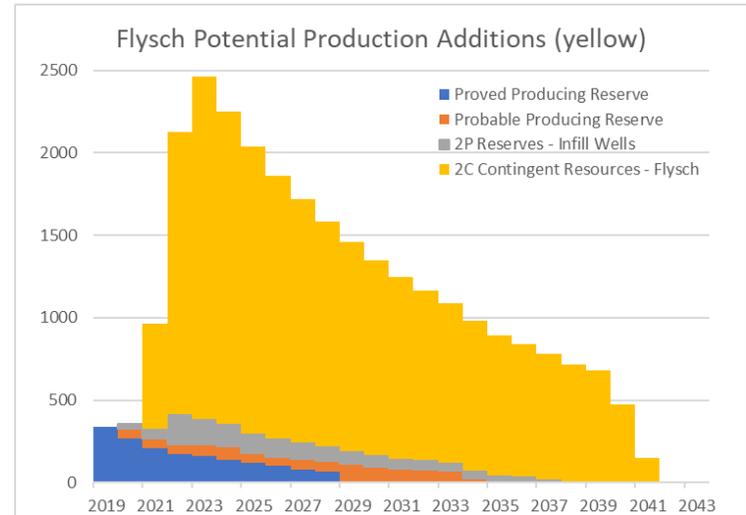
- Already in production from 5 wells within the Z & G licences
- Low permeability reservoir needing high density wells but extensive, shallow and cheap to drill

Maximise value of Existing Infrastructure

- Transform contingent resources to producing reserves with simple, staged development plan with shallow low-cost wells
- 50 potential drilling locations
- Easy tie-ins to available capacity of existing facilities

Compelling Incremental Value Add and Life Extension

- 2,200 boepd peak production ~ *US\$24 million post tax cashflow*
- Extends life of Z & G by further 5 years and delays abandonment
- Staged development offers potential to fund drilling with incremental lending against reserves additions



Contingent Resource Potential			
2C Contingent Resources (Pending Development)	Oil	5.6	MMBBL
	Gas	16.4	BCF
	TOTAL	8.5	MMBOE

Refer to ASX Release dated 6/9/2019

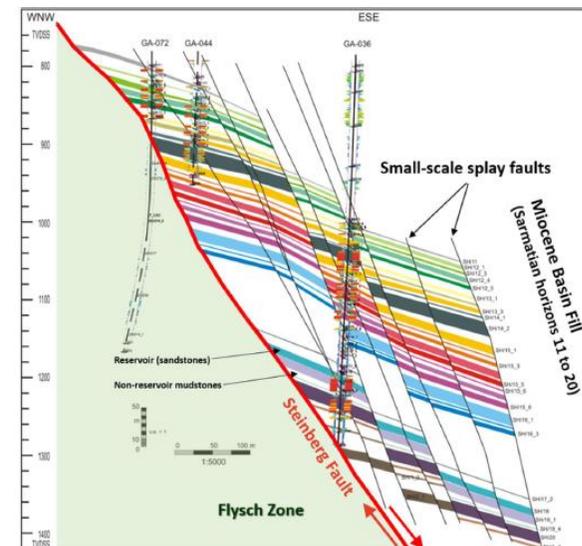


Figure 1: Cross section of the northern Gaiselberg oilfield, showing the main structural and stratigraphic elements (from internal report; HINSCH, 2004).

Step-out, Low Risk Exploration (available post Jan 2020)

Sep-outs from existing RAG producing fields

- Mix of low risk appraisal and exploration with high POS 20%-50%
- Low Cost Infrastructure – access agreements locked in

Exploration Data Base - \$100million replacement value

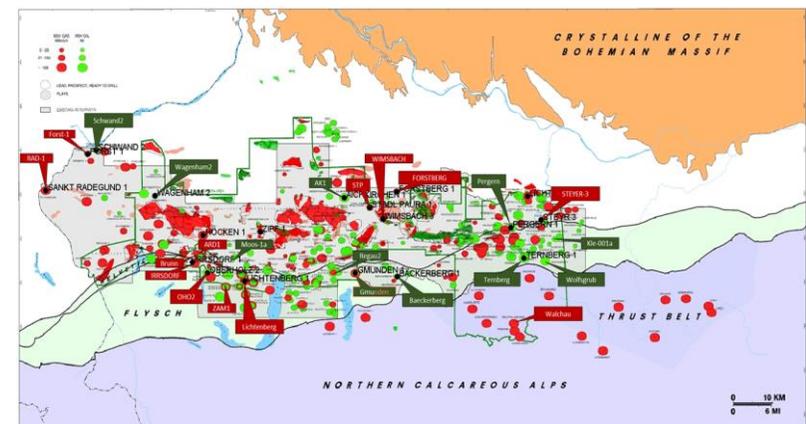
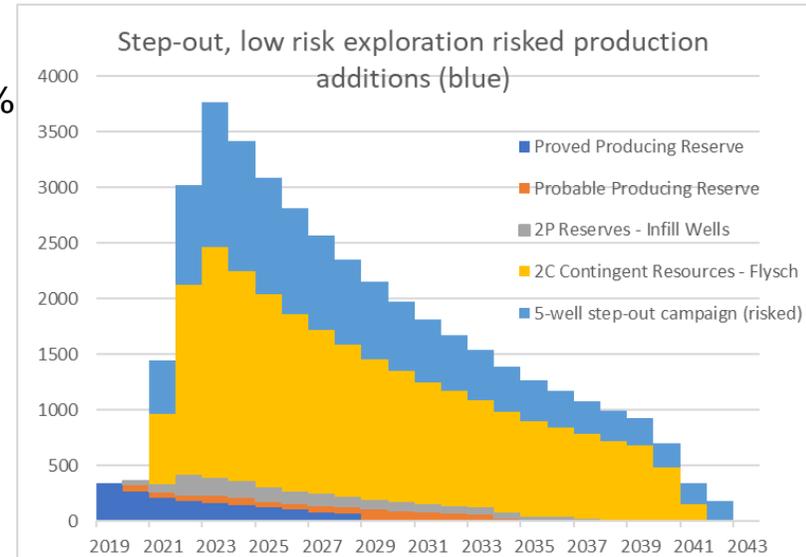
- ADX has exclusive rights to the data for 5years for €400k pa
- 3,650 km2 modern, high quality 3D seismic and well database
- Inventory of worked-up prospects (24) and leads (150)
- 8 ready to drill wells with approved well locations siteworks

Value Potential Based on Low Risk Step Out Tie in Prospects

- 62 mmboe total in low-risk portfolio
- Success case NPV10 range from \$24-97million per prospect
- Program EMV10 of \$28 million

Prospective Resource Potential		
Best Case Unrisked Prospective Resources (Arithmetically added)	9 prospects, COS >45%	11 MMBOE
	15 prospects COS 20-40%	51 MMBOE
	TOTAL	62 MMBOE

Refer to ASX Release dated 6/9/2019



Note 1: Prospective Resources are those estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Impact of RAG Assets on ADX the Business

Opportunistic appraisal company heavily reliant on farmouts & equity

Proactive production, exploration and development Company with access to cash flow and debt

RAG Assets are a Break Through Opportunity

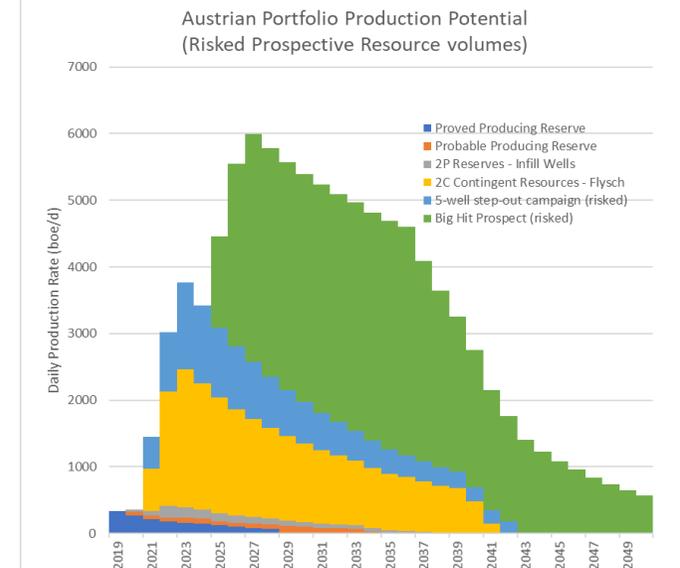
- Provide sustainable long term cash flow from existing reserves & multiple value development opportunities
- Enable focus on high POS cashflow opportunities, rapid development and high returns due to low costs, high value hydrocarbons & favourable fiscal terms
- A collaborative transaction ensures asset synergies, infrastructure access, access to skilled personnel and further growth opportunities
- Beach head in pro development, infrastructure rich, high value energy market

Operational Synergies with Existing Romania Position

- Access to technical & financial capability to progress Romanian growth opportunities

Financial Strength to commercialise Offshore Assets

- Nilde Oil Re Development Project offshore Italy after moratorium ends



If you would like to know more?

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Thanks for your attention!

