



ADX ENERGY LTD
ACN 009 058 646

PROSPECTUS

For the offer of 150,000,000 Shares at an issue price of \$0.01 per Share to raise \$1,500,000 (together with one (1) free attaching listed option for every three (3) Shares subscribed for and issued (**Listed Option**) (**Offer**).

OFFER INFORMATION

The Offer is currently scheduled to close at 4:00 pm AWST on 1 November 2019. Valid Applications must be received by that time. Details of how to apply for Shares are set out in the Application Forms accompanying this Prospectus.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares and Listed Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Ian Tchacos
Executive Chairman

Paul Fink
Chief Executive Officer

Andrew Childs
Non-Executive Director

Robert Brown
Non-Executive Director

Philip Haydn-Slater
Non-Executive Director

Joint Company Secretaries

Amanda Sparks
Peter Ironside

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Registered Office

Level 2, Suite 14
210 Bagot Road
SUBIACO WA 6008

Telephone: +61 8 9381 4266
Facsimile: +61 8 9381 4766

Website: www.adx-energy.com
Email: admin@adxenergy.com.au

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager to the Offer

QA Capital Pty Limited
Level 6
781 Pacific Highway
CHATSWOOD NSW 2067

Telephone: + 61 412 672 004

Email: tbonello@qacapital.com.au

Auditors

Rothsay Auditing
Level 1, Lincoln Building
4 Ventnor Avenue
WEST PERTH WA 6005

2. TIMETABLE

Event	Date
Record Date	11 October 2019
Announcement of the Offer	14 October 2019
Lodgement of Prospectus with ASIC	18 October 2019
Opening Date of Offer	18 October 2019
Closing Date for Offer**	4:00 pm (AWST) 1 November 2019
Issue date of Shares under the Offer	8 November 2019
Expected date of Official Quotation of the Shares issued pursuant to the Offer	8 November 2019
General Meeting	6 December 2019
Issue of Listed Options under the Offer and Placement	6 December 2019

*These dates are indicative only and may change without prior notice.

** Eligible Shareholders under the Offer should ensure that their Application Form and/or Application monies are received by this date.

3. IMPORTANT NOTES

This Prospectus is dated 18 October 2019 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares or Listed Options will be issued on the basis of this Prospectus after the expiry date.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares and Listed Options offered pursuant to this Prospectus can only be submitted on the relevant original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk Factors

Potential investors should be aware that subscribing for Shares or Listed Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representations not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3.3 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Shares under this Prospectus.

3.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

4. DETAILS OF THE OFFER

4.1 Background to the Offer and the Placement

As announced on 14 October 2019, the Company has finalised \$3.5 million of loan notes (**Loan Note Funding**) to fund the completion of the acquisition of the Zistersdorf and Gaiselberg oil and gas fields located onshore in the Vienna Basin, Austria (**RAG Production Assets**) as well as agreements for exploration data and access arrangements from RAG Austria AG (**RAG**) to RAG's production infrastructure in Upper Austria (as announced on the 2 July 2019) (**Acquisition**).

On 9 September 2019, the Company announced the results of the successful Iecea Mica-1 gas well on its Iecea Mare production license onshore Romania. The Company is preparing to undertake production flow testing of the Iecea Mica-1 well as well as planning for the drilling of the Iecea Mica-2 well (**Romanian Drilling Activities**).

In addition to the Loan Note Funding, the Company issued a prospectus on 14 October 2019 for a placement offer of 200 million Shares at an issue price of \$0.01 per Share (with one free attaching Listed Option for every three Shares subscribed for and issued) to sophisticated and institutional investors to raise \$2 million before costs (**Placement**).

Separately, the Company through this Offer, which is in the form of a 'securities purchase plan' available only to Shareholders as at the Record Date, gives Eligible Shareholders an opportunity to participate on the same terms as investors under the Placement (refer to Section 4.2).

The funds raised under the Offer and the Placement will be used for set up and administrative costs in relation to the RAG Production Assets, applications for the planned exploration acreage in Austria related to the Acquisition, funding of the Company's Romanian Drilling activities including the drilling of a second well and general working capital (refer to Section 5.1).

General Meeting

The Company is proposing to hold a general meeting of Shareholders (**General Meeting**) to seek Shareholder approval to the following:

- (a) the issue of the Listed Options pursuant to the Offer and the Placement and any oversubscriptions if applicable;
- (b) ratification of the issue of the Shares under the Offer; and
- (c) any other matter considered appropriate by the Company.

4.2 The Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for Shares to raise up to \$1,500,000 at an issue price of \$0.01 per Share (together with one free attaching Listed Option for every three Shares subscribed for and issued).

Eligible Shareholders are entitled to apply for up to \$30,000 worth of Shares (3,000,000 Shares) which may be applied for in parcels of \$1,500, \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 worth of Shares.

Applications under the Offer will be at the sole discretion of the Board.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the Listed Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 and are otherwise subject to receipt of Shareholder approval at the Company's upcoming General Meeting. All Shares issued on conversion of the Listed Options will rank equally with the Shares on issue at the date of this Prospectus.

The Shares will be issued to Applicants under the Offer as soon as practicable after the Closing Date. The Listed Options attaching to the Shares will be issued subject to and upon receipt of Shareholder approval at the Company's upcoming General Meeting.

4.3 Shortfall Offer

The Company will by way of a separate offer under this Prospectus (**Shortfall Offer**) offer that number of Shares at \$0.01 per Share which equals the difference between the amount raised under the Offer and \$1,500,000. The Shortfall Offer will remain open for up to three months following the Closing Date.

Eligible Shareholders can apply for Shares under the Shortfall Offer prior to the Closing Date by requesting a separate application form from the Company. The allocation of any Shortfall Shares will be at the discretion of the Board. The Directors do not intend to refuse an application for Shortfall Shares from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shares applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Shares will be allocated among applying Eligible Shareholders proportionally.

The Company notes that no Shares will be issued to an Applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

4.4 Shareholders eligible to participate

Only Eligible Shareholders may participate in the Offer. 'Eligible Shareholders' for the purpose of the Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia or New Zealand.

The Company reserves the right to reject any Application for Shares under this Prospectus to the extent it considers that the Application (whether alone or in conjunction with other applications) does not comply with these requirements.

Participation in the Offer is optional and is subject to the terms and conditions set out in this Prospectus.

4.5 Opening and Closing Date of the Offer

The Opening Date of the Offer will be 18 October 2019 and the Closing Date for the Offer will be 4:00 pm AWST on 1 November 2019.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

4.6 Minimum Subscription

There is no minimum subscription for the Offer.

4.7 Not underwritten

The Offer is not underwritten.

4.8 Lead Manager

The Company has appointed QA Capital Pty Limited (**Lead Manager**) as lead manager to the Offer. Details of the fees the Lead Manager will receive for its services are set out in Section 8.5.

4.9 Applications

An Application under the Offer must be made on the Application Form accompanying this Prospectus. Pursuant to the Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the options (**Offer Application Amount**) to purchase Shares under the Offer set out in the table below.

	Offer Application Amount	Number of Shares which may be purchased
Offer A	\$30,000	3,000,000
Offer B	\$25,000	2,500,000
Offer C	\$20,000	2,000,000
Offer D	\$15,000	1,500,000
Offer E	\$10,000	1,000,000
Offer F	\$5,000	500,000
Offer G	\$2,500	250,000
Offer H	\$1,500	150,000

Fractional entitlements will be rounded up to the nearest whole number.

Any Application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded.

Eligible Shareholders may apply for the Offer by completing the Application Form accompanying this Prospectus in accordance with the instructions outlined on the Application Form. Applications pursuant to the Offer must only be made by those Eligible Shareholders invited to make an Application under the Offer.

The Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Shares offered under the Offer.

The Company reserves the right to close the Offer early.

4.10 Scale Back and oversubscription

The Company reserves an absolute discretion to accept oversubscriptions or to scale back Applications if more than \$1,500,000 in Applications are received under the Offer. In determining the amount (if any) by which to scale back an Applicant's Application, the Company may take into account, among other factors, the size of an Applicant's shareholding. If there is a scale back, an Applicant may not receive the full parcel of Shares applied for and the number of Shares issued will be rounded down to the nearest whole number of Shares.

Applications under the Offer will be allocated at the discretion of the Board. The Board will not allocate any unmarketable parcels of Shares.

If the Company scales-back an Application or purported Application, the Company will promptly return to the Shareholder the relevant Application monies, without interest.

4.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in accordance with the instructions on the Application Form.

Your completed Application Form and cheque must be received by the Company's share registry no later than 4:00 pm WST on the Closing Date.

4.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Forms. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Offer Entitlement in full, you are deemed to have taken up your Offer Entitlement in respect of such whole number of Shares which is covered in full by your Application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application monies received or refunded.

4.13 Implications on acceptance

Returning a completed Application Form will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Application Form, and read them both in their entirety; and
- (b) you acknowledge that once the Application Form is returned the Application may not be varied or withdrawn except as required by law.

4.14 ASX Listing

The Company will apply for Official Quotation of the Shares and Listed Options offered under this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares or Listed Options offered under the Offer pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any such Shares or Listed Options (as the case may be) under the Offer and, in the case of the Shares, will repay all Application monies for the Shares under the Offer within the time prescribed under the Corporations Act, without interest. No Application monies will be repayable if the Listed Options are not issued within this time period as the Listed Options are to be issued as freely attaching to the Shares. The fact that ASX may grant Official Quotation to the Shares or Listed Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.15 Issue

The issue of the Shares offered under the Offer will take place as soon as practicable after the Closing Date, and otherwise in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. The issue of the Listed Options offered under the Offer will only take place if Shareholder approval is received at the Company's upcoming General Meeting.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares and Listed Options issued under the Offer will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

4.16 Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer are not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.17 Enquiries

Any questions concerning the Offer should be directed to Amanda Sparks, Company Secretary on +61 8 9381 4266.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Effect of the Offer and the Placement

The purpose of the Offer is to raise \$1,500,000. Together with the Placement, the Company proposes to raise up to \$3,500,000. No funds will be raised from the issue of the free attaching Listed Options.

The funds raised from the Offer (assuming full subscription), together with the Placement, are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer and Placement	Funds allocation (\$)	%
1.	Austrian Acquisition	\$600,000	17%
2.	Romanian Drilling Activities	\$1,800,000	51%
3.	Expenses of the Offer ¹	\$276,000	8%
4.	Working capital ²	\$824,000	24%
	Total	\$3,500,000	100%

Notes:

1. Refer to Section 8.8 for further details relating to the estimated expenses of the Offer.
2. Working capital relates to general and administrative expenditure related to managing the Company's assets.

In the event the Company raises less than \$3,500,000 under the Offer and the Placement, funds raised will be applied to items 3, 1, 4 and 2 in that order.

On completion of the Offer and the Placement, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer and the Placement

The principal effect of the Offer and the Placement will be to:

- (a) increase the cash reserves by \$3.2 million (after deducting the estimated expenses of the Offer and the Placement and assuming full subscription of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 1,445,610,481 as at the date of this Prospectus* to 1,595,610,481 Shares following completion of the Offer and Placement (assuming full subscription of the Offer); and
- (c) increase the number of Options on issue from 78,891,251 as at the date of this Prospectus to 197,491,251 Options following completion of the Offer and Placement (assuming full subscription of the Offer and noting that the Listed Options will be issued subject to receipt of Shareholder approval at the Company's upcoming General Meeting).

* This assumes the Shares under the Placement have been issued. These Shares are expected to be issued on or about 21 October 2019.

5.3 Pro-forma balance sheet

The audit reviewed balance sheet as at 30 June 2019 and the pro-forma balance sheet as at 30 June 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

	AUDIT REVIEWED 30 JUNE 2019	PRO-FORMA 30 June 2019
CURRENT ASSETS		
Cash and cash equivalents ¹	2,719,716	6,503,716
Other receivables	1,244,436	1,889,436
TOTAL CURRENT ASSETS	3,964,152	8,393,152
TOTAL ASSETS	3,964,152	8,393,152
CURRENT LIABILITIES		
Trade and other payables	884,746	884,746
Borrowings	-	1,205,000
TOTAL CURRENT LIABILITIES	884,746	2,089,746
NON-CURRENT LIABILITIES		
Provisions	257,826	257,826
TOTAL NON-CURRENT LIABILITIES	257,826	257,826
TOTAL LIABILITIES	1,142,572	2,347,572
NET ASSETS (LIABILITIES)	2,821,580	6,045,580
EQUITY		
Issued capital	69,156,025	72,380,025
Reserves	6,126,834	6,126,834
Retained losses	(76,495,613)	(76,495,613)
	(1,212,754)	2,011,246
Non-controlling interests	4,034,334	4,034,334
TOTAL EQUITY	2,821,580	6,045,580

Notes:

1. Assumes \$1,500,000 raised under the Offer and \$2,000,000 raised under the Placement.
2. The pro-forma includes the \$1.2 million funds received from the convertible note facilities announced on ASX on 16 July 2019. The pro-forma also includes the payment of the 400,000 Euro deposit for the Acquisition which was paid in July 2019.
3. The pro-forma above does not include the Loan Note Funding totalling \$3.5 million as announced on ASX on 14 October 2019. Funds for the loan notes are not expected until late October 2019 to mid November 2019 after the asset transfer condition precedent is met.

The pro-forma balance sheet has been prepared assuming no Options are exercised prior to the Closing Date and including expenses of the Offer and the Placement.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to

annual financial statements.

5.4 Effect on the capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue ²	1,445,610,481
Shares offered pursuant to the Offer ¹	150,000,000
Total Shares on issue after completion of the Offer¹	1,595,610,481

Notes

1. Assumes full subscription under the Offer.
2. Assumes the Shares under the Placement are issued. These Shares are expected to be issued on or about 21 October 2019.

Options

	Number
Options currently on issue	78,891,251
25,000,000 unquoted Options exercisable at \$0.02 on or before 31 December 2019	
5,000,000 unquoted Options exercisable at \$0.03 on or before 31 December 2019	
9,770,047 unquoted Options exercisable at nil cents on or before 31 May 2022	
18,072,991 unquoted Options exercisable at nil cents on or before 31 May 2023	
12,798,214 unquoted Options exercisable at nil cents on or before 31 July 2023	
8,249,999 unquoted Options exercisable at nil cents on or before 31 October 2023	
Listed Options offered pursuant to the Placement	66,666,667
Listed Options exercisable at \$0.015 on or before 20 November 2020	
Listed Options offered pursuant to the Shares issued in lieu of services (refer to Appendix 3B to be lodged on ASX on or about 21 October 2019)	1,933,333
Listed Options exercisable at \$0.015 on or before 20 November 2020	
Listed Options offered pursuant to the Offer	50,000,000
Listed Options exercisable at \$0.015 on or before 20 November 2020	
Total Options on issue after completion of the Offer and Placement¹	197,491,251

Notes

1. Assumes full subscription under the Offer (Listed Options to be issued subject to receipt of Shareholder approval at the Company's upcoming General Meeting).

- Excludes the issue of 135,000,005 unlisted Options to be granted as part of the Loan Note Funding agreements as announced on ASX on 14 October 2019. These Options will be issued with an exercise price of 1.8 cents per Option and expiring 2 years after the subscription date and will be issued after the asset transfer condition precedent is met, which is not expected until late October 2019 to mid November 2019.

Convertible Notes

	Number
Convertible Notes on issue at date of Prospectus	157,142,861 ¹
Convertible Notes offered pursuant to the Offer	Nil
Convertible Notes on issue after completion of the Offer and Placement	157,142,861

Notes

- Convertible into an equal number of Shares at no less than \$0.007 per Share.

5.5 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Jetosea Pty Ltd	141,130,283	11.45

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of Rights

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rule. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(g) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company).

(h) **Capitalisation of profits**

Subject to the Listing Rules and any rights or restrictions attaching to any class of shares, the Company may capitalise profits. Members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(i) **Winding-up**

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(j) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(k) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Listed Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 20 November 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the date of issue until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the

Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 General

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Permit renewals and applications

AUSTRIA

On 1 July 2019, the Company entered into binding agreements with RAG Exploration & Production GmbH (**REP**) for the acquisition of the Zistersdorf and Gaiselberg Oil and Gas Fields (producing at approximately 350 BOPD) located onshore in the Vienna Basin (**RAG Production Assets**). The Company also entered into agreements for Exploration Data and access arrangements from RAG Austria AG (**RAG**) in upper Austria (**RAG Exploration Data**). The RAG Exploration Data agreement includes exclusive access to 3D seismic, 2D seismic, drilling data and geological data (including 3650 km² of modern 3D seismic) over soon to be available for licensing exploration areas proximal to RAG's main production assets in upper Austria.

The purchase price of Euro 4 million for the RAG Production Assets was based on an effective date of 1 January 2019. A staged payment process includes a Euro 400,000 non-refundable deposit which was paid following signing of the asset purchase agreement with the balance of the funds due at closing on the later of 1 October 2019 or transfer of the production licenses. The final cash payment will be adjusted for the net post tax cashflow of the fields between the effective date and the closing date. Oil and gas production since the effective date (1 January 2019) has met expectations which in combination with the increase in the Brent reference oil price has resulted in cumulative cash flows from operations exceeding expectation. Based on a closing date of mid October the expected final purchase price is Euro 2.5 million less the Euro 0.4 million deposit already paid.

The Company expects the formal closing date to be between mid October and mid November 2019 based on discussions with the Austrian authorities to date and the submission of a transfer application document of the mining license for the RAG Production Assets. Transfers of interests and assets are subject to the approval from the Bundesministerium für

Nachhaltigkeit und Tourismus (**BMNT**) in Austria. If such approvals are not obtained the acquisition of the RAG Production Assets will not proceed.

The Company has incorporated a UK special purpose vehicle (Terra Energy Limited) which is the holding Company for an Austrian Subsidiary (**ADX VIE GmbH**). ADX VIE GmbH will be the local operating company in Austria, the owner and licensee for the Production Assets as well as the planned exploration license holder.

ITALY

The Company holds one offshore exploration license offshore Italy, the d 363 C.R.-AX permit. The Company, via its wholly owned subsidiary Audax Energy Srl, holds a 100% interest in the d 363 C.R.-AX prospecting license which contains the potential Nilde Oil Re Development Project. The Company has made submissions to the Italian licensing authorities (UFFICIO NAZIONALE MINERARIO PER GLI IDROCARBURI E LE GEORISORSE (**UNMIG**)) in order to convert the area to an exploration license. The submissions relate to the Company's operating, technical and financial capability. If the prospecting license is ratified to an exploration license the Company will assume the commitment to purchase and reprocess 300 Km of 2D seismic and drill one exploration well within 5 years. Subject to the ratification of the license the Company intends to complete the purchase of 2D seismic and undertake seismic reprocessing. The Company also intends to make immediate applications to UNMIG to drill an appraisal well on the Nilde field in lieu of its exploration commitment and prepare an application for a development and production license. The Company requires ratification of the prospecting license to enable it to commence drilling activities and then subsequently the potential exploitation of the Nilde Oil Redevelopment project.

On 31 October 2018 the Company signed an agreement with SDP Services Limited (**SDP**) to farmout a 50% interest in the d 363 C.R.-AX Permit containing the Nilde Oil Redevelopment Project and the successfully tested Norma and Naila oil discoveries offshore Italy. SDP will fund the work program commitments of Audax Energy Srl (**Audax**) a wholly owned Italian subsidiary of the Company up to a maximum of Euro 20.82 million to earn a pro-rata interest of 50% upon completion of funding. The transaction is conditional upon the Italian licensing authorities ratifying the license. Upon ratification of the license SDP will receive 5% net profits royalty interest attributable to any future production from the Nilde Field. The Company will remain as the operator of the license.

On the 4 February 2019, the Italian parliament passed legislation to suspend exploration activities in permits that have been approved or are in the process of being approved for a period of up to 18 months to enable the government authorities to evaluate the suitability of exploration areas for sustainable hydrocarbon exploration and production activities. Under the new legislation the Ministries of Economic Development and Environment will review all areas in the Italian onshore and offshore territories to determine which are suitable for sustainable hydrocarbon prospecting, exploration and development activities. All areas will be assessed on the basis environment, social and economic suitability.

Offshore areas will be considered on the basis of the potential effects to the ecosystem, as well as impacts on sea routes, fishing and potential interference with the coastal communities. Areas considered suitable for exploration and prospecting activities will resume activities. If the plan is not enacted within two years exploration and prospecting activities will resume.

The Company anticipates that the d 363C.R-.AX permit offshore Sicily containing the Nilde oil field given its distance from shore (53 kilometres) and its location in a benign sea environment in terms of sea bottom carbonate banks and associated life forms and will be judged appropriate for exploration and production operations. In order to minimise risk, the Company requested a reduction in permit area by approximately 55%, to minimise perceived environmental impact. The reduced area, which has been accepted by the designated authority, retains the Nilde oil field, the Norma and Naila discoveries as well as the most prospective areas for future exploration. The Company expects to resume activities in August 2020.

TUNISIA

The Company holds a 100% interest in and operates one offshore exploration license offshore Tunisia, the Kerkouane exploration permit. The Direction Générale de l'Energie, Directorate-General for Energy (**DGE**) which is a sub-department of the Tunisian Ministry of Energy, Mines and Renewable Energy is responsible for developing, coordinating and implementing the national energy policy as well as generating energy action plans and energy management programs.

Exploration and production activities are governed under the Tunisian hydrocarbon legislation. The key elements of the legislation include the framework for production sharing contracts. The Minister in charge of hydrocarbons grants licences to the oil and gas companies. Two types of contracts are awarded in Tunisia; production sharing contracts (**PSC**) and joint venture contracts. The exploration for hydrocarbons may be undertaken by virtue of a prospecting authorisation, a prospecting permit and/or an exploration permit. The Company's Kerkouane permit is governed by a PSC.

The state-owned oil company L'Entreprise Tunisienne d'Activités Pétrolières (**ETAP**) is responsible for the management of oil and gas exploration and production activities on behalf of the state. ETAP participates in exploitation concessions at a rate which it decides on its own, within the limits of the maximum rate agreed upon in the Special Convention. ETAP is the de facto license holder, whereas the Company through its wholly owned subsidiary Alpine Oil & Gas Pty Ltd is the contractor under the PSC terms and definitions.

In addition to regulatory risks, companies operating in Tunisia are exposed to political risk as demonstrated during the Arab Spring. More recently a number of terrorist attacks have demonstrated the ongoing security risk in Tunisia.

The results of elections held in Tunisia announced on 9 October 2019 indicate the moderate Islamist Party Ennahda was the most successful party in the legislative polls securing 52 of 217 seats in the Tunisian parliament. The result is well short of the 109 seats required to form government. A coalition will need to be formed amongst multiple parties

which is likely to result in long and complex negotiations in order to form a functioning government. The parliamentary outcome is likely to influence security, energy policy and foreign investment in Tunisia.

Kerkouane Permit, Offshore Tunisia

The Company, via its wholly owned subsidiary Alpine Oil & Gas Pty Ltd (**AOG**), holds a 100% interest and is the contractor of the Kerkouane exploration permit offshore Tunisia. The Kerkouane permit contains the Dougga gas condensate discovery. The Kerkouane exploration permit is currently in an extended validity period for the 1st renewal awarded by the Decree of the Minister of Energy, Mines and Renewable Energy dated 18 November 2016. The extension period expired on 7 August 2017 and a second renewal period was provided in accordance with PSC terms.

Since extension of the permit the Company has focussed on geological and development concept studies with a view to the appraisal of the Dougga gas condensate discovery. The Company secured a variation of the previous production sharing contract work program which included the commitment by AOG to undertake 500 km² of 3D seismic and the drilling of one exploration well. The Company subsequently secured a variation the work program to the drilling of a well up dip from the Dougga 1 discovery (**Dougga Sud**) and the productivity testing of the Dougga Sud well but not the acquisition of 3D seismic since Dougga is already covered with high resolution 3D seismic acquired previously by the Company. The variation was agreed at Joint operating committee meeting between ETAP and AOG on 9 March 2017 and formally submitted to the DGE who presented the revision to the Ministry's Hydrocarbon Consultative Committee.

Discussions between AOG, ETAP and the DGE have been ongoing in relation to the potential extension of Kerkouane PSC which would provide the time required to appraise the Dougga discovery. Such a renewal will be subject to the drilling and testing of the Dougga Sud well.

The Company holds 100% of the permit. Given its limited financial resources the Company intends to introduce a farminee to provide the funding for part or all of the drilling and testing Dougga Sud well.

The Company's ability to retain title is subject to the extension of the permit work program for the drilling and testing of the Dougga Sud well.

The drilling of the Dougga Sud well relies on the Company's ability to fund the well via a farmout. Inability to secure a license extension or funding for an appraisal well may result in the Company's inability to maintain title over the Kerkouane permit and the Dougga gas discovery.

While ADX on behalf of AOG has had significant interest from a number of oil companies, oil service companies and private equity, it has not been able to secure funding for Dougga appraisal. This is despite a compelling independently assessed resource and technical feasibility studies by a tier one engineering group which resulted in Independent Experts ERCE Equipose opining that project had high chance of technical success. ADX believes that the largest impediment to Dougga's development is existence of harsh PSC terms resulting in very marginal returns despite large capital costs due to deep water setting for the field, high CO₂ composition in the gas and lower permeability reservoirs.

Despite the above mentioned physical challenges Dougga is a potentially strategic project of national significance in Tunisia given its potential to satisfy a significant proportion of the Country's shortfall in gas supplies. Tunisia currently imports approximately 60% of its gas requirements at a relatively high cost from Algeria via the Trans Mediterranean Gas Pipeline which connects Algeria to Europe via Tunisia. This is a very significant economic burden on the Country's economy.

In April 2019, the Company on behalf of AOG, engaged with the then highly experienced Chairman of ETAP with the view to securing fiscal relaxation for the Dougga project. Early discussions focussed on a more collaborative between the Company and ETAP with view to attracting capital for the project were promising. Regrettably the resignation of the then Chairman of ETAP during the second quarter of 2019 has resulted in the potential for further constructive discussions in relation to a potential fiscal concession unlikely. As a result, the Company believes that securing a funding partner for Dougga will be difficult in the current circumstances.

In October 2017, ADX on behalf of AOG secured an option to utilise the Noble Services International Limited (**Noble**) Globetrotter II drilling rig to undertake the drilling and testing of the Dougga Sud – 1 appraisal well. The option expired in June 2019 due to the extension of previous drilling options by other oil and gas operators in the Black sea and the decision by Noble to demobilise the rig from the Mediterranean region to the Gulf of Mexico.

Given the water depth at Dougga of 330 metres it is unlikely that an alternate rig options will be available in the foreseeable future. That being the case AOG has advised ETAP in relation to deferment of their work program obligations due to circumstances outside AOG's control. Furthermore, AOG has informed the Designated Authority that the non availability of the drilling rig, owned by Noble, is a force majeure event. The designated Authority has in turn contested AOG's declaration of force majeure.

As a result, it is possible that AOC will be forced to forfeit the permit unless it contests the legal basis for forfeiture due to force majeure with the Designated Authority.

Conditional commitments relating a transaction with a previous partner

In August 2011, a sale and purchase agreement was signed with Carnavale Resources Limited (**CAV**) to buy back a 20% interest in the Lambouka prospect area in the Kerkouane permit. In the event that production is derived from a development of the Lambouka-1 well discovery, the Company will additionally pay two production payments of US\$1 million each, after 6 and 12 months continuous production respectively.

Lambouka Abandonment

The Lambouka 1 well was abandoned in a manner that ensured isolation of subsurface hydrocarbon bearing reservoirs to avoid the potential for leakage. The well was abandoned from a well safety, and integrity perspective fulfilling all Tunisian, UKOAAA and also Norwegian abandonment requirements. The surface casing on the well was not cut down to the mud line to enable the potential future re-entry to the well. The Company believes that the existence of casing above the mud line

does not represent a maritime threat or a threat to fishing given the depth of approximately 700 meters. ETAP has requested the visual inspection of the well to confirm there is no gas leakage. This work can be accomplished utilising a ROV (remote operated vehicle) deployed from a supply vessel. The Company believes this work can be accomplished at a cost of between US\$50,000 to US\$100,000. The timing of this liability is uncertain however the Company has stated to ETAP that it intends to undertake this work in conjunction with a future drilling program on Dougga. ROV surveys immediately post abandonment of the well have shown that rapid sedimentation of the seafloor has already covered the remaining surface casing.

ROMANIA

The Company is the operator and holds a 56.1% shareholding in Danube Petroleum Limited (**Danube**). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube via its' Romanian 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.

Danube holds an interest in and operates one exploration license onshore Romania, the EX 10 Parta license. The National Agency for Mineral Resources (**NAMR**) is the regulatory authority in Romania managing petroleum resources on behalf of the state. Permitting and environmental regulations have historically been subject to change and, therefore, one cannot predict with certainty the future costs or other future impacts of licensing and environmental regulations on future operations.

Parta Permit, Onshore Romania

Danube holds a 100% interest and operates the EX 10 parta license (**Parta Permit**) exploration license onshore Romania following the withdrawal by RAG Austria AG (**RAG**) and the relinquishment of its 50% interest. In December 2012, the Romanian government ratified the concession agreement for the Parta Permit. The committed work program for the Parta Permit was the acquisition of 160 km of 2D and 150 sqkm of 3D seismic as well as the drilling of two exploration wells. The Company has already acquired approximately 100 km of 2D Seismic and approximately 50 sqkm of 3D seismic. A 30 month extension of the exploration was signed with NAMR on 4 June 2015. The government ratified the extension application on 22 December 2016. As a result of the ratification the license validity was extended to 21 June 2019.

The Company submitted a request for a further extension to the license obligations. NAMR confirmed a further 2 year extension for the current license phase of the Parta Permit with minimal additions to the existing work program 100 km² of 3D seismic, 60km 2D seismic and 2 exploration wells as well as a further 200Km of seismic processing.

A heads of agreement for a farmin to the Parta Permit was agreed on 8 April 2019 with an Australian private company Parta Energy Pty Ltd - whereby Parta Energy will fund 1.5 million USD to acquire a 3D seismic program to earn a 50% interest in the license. The farmin became unconditional on 17 July 2019 following the achievement of all conditions precedent.

Ilecea Mare Production License, Onshore Romania

On 8 June 2018, ADX, through its partly owned subsidiary Danube Petroleum Limited and its 100% owned Romanian holding company ADX Energy Pannonia SRL (**ADX Panonia**), purchased 100% equity interest in the Ilecea Mare production license (**License**) from the Romanian production company Amromco Energy SRL. The Company subsequently received approvals from NAMR for the license transfer. The NAMR approval has also resulted in the designation of ADX Panonia as a production operator in Romania. In August 2019, ADX Panonia successfully drilled the Ilecea Mica-1 well which is expected to satisfy the permit obligations for the production license.

7.3 Industry specific

As in any business, activities in the Company and its controlled entities are subject to numerous risk factors which may impact on the Company's future performance and as such, an investment in the Company is not risk-free. Some of these risks can be mitigated with the use of appropriate strategies, actions, systems and safeguards, however, many are largely outside of the Company's control.

While not exhaustive, the following is a summary of the matters that the Directors believe represent the more material risk factors to be considered whilst evaluating the Company's business and the risks of increasing your investment in the Company. Additional risks and uncertainties may also become important factors that adversely affect the Company's operating and financial performance or position.

Before making an investment decision, potential investors should carefully consider their own personal circumstances, consider consulting their professional advisers and examine this Prospectus in its entirety (including the risk factors described below).

The Company operates in the oil and gas sector which, by its nature, is subject to risks which may not generally be associated with other sectors.

(a) Exploration and Development Risk

Oil and gas exploration and development involves significant risk and there is no assurance that exploration within the Company's current portfolio, or any other projects that may be acquired in the future, will result in a hydrocarbon discovery. Even if an apparently viable hydrocarbon deposit is discovered or identified there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or assure a profit on the investment.

The ultimate success and continuous profitability of exploration and development activities of the Company is influenced by many factors, such as access to capital, costs, regulatory conditions, community sentiments towards oil & gas activities, actual hydrocarbons and formations encountered by wells, flow consistency and reliability as well as access to appropriately skilled personnel and other risks such as those outlined in this section.

(b) **Hydrocarbon Product Price and Volatility**

The demand for, and price of, oil and natural gas is dependent on a variety of external factors, including local and global supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

Oil and gas prices lie wholly outside of the Company's control, have fluctuated wildly in recent years and may continue to fluctuate. If the price of hydrocarbons should drop significantly and remain depressed it may have a material adverse effect on the Company's business, financial condition and operational results.

The marketability of hydrocarbons can also be affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.

(c) **Hydrocarbon Reserve and Resource Estimates**

Hydrocarbon reserve and resource estimates are subjective expressions of judgment based on geological, technical, contractual and economic information and supported by knowledge, experience and industry practice. While industry recommendations such as the international PRMS (Petroleum Resource Management System) are applied it is not an exact calculation and estimates that were valid interpretations of available data when made may prove inaccurate and/or change significantly when new information becomes available. Should the Company encounter oil and/or gas deposits or formations different from those predicted by the interpretation of past drilling, sampling and similar examinations, then estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where appropriate, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.

(d) **Drilling Risks**

The Company's drilling operations may be curtailed, delayed or cancelled due to several factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and specialist service providers as well as compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressure, temperatures and/or other factors are inherent in drilling and operating wells and may be encountered by the Company.

(e) **Operating Risks**

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, weather conditions, industrial disputes, unexpected equipment shortages or cost increases, mechanical failure or breakdown, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks could result

in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations or claims against the Company resulting from damages especially where such risks are not covered or not fully covered by its insurances.

(f) **Venture Parties and Contractors**

Oil and gas ventures are typically operated under joint operating agreements (**JOA**), which include provisions that require certain decisions to be voted upon by each participant. A decision will be approved under the JOA when the operator has received sufficient positive votes, the approval threshold for which varies with each JOA and for different activity types within a particular JOA.

The Company is unable to fully control the decisions and activities of its joint venture partners and as a result there is a risk that the Company may have the value of its interest in such properties reduced by votes or actions undertaken by other venture participants. The Company cannot guarantee that joint ventures will be operated or managed in accordance with the Company's preferred direction or strategy or guarantee that joint ventures will be operated in accordance with work program commitments in respect of the relevant projects. This may result in projects being delayed, losing value, being forfeited or fines imposed on the joint venture parties.

Further, the Directors are unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party.

(g) **Environmental and Other Regulatory Requirements and Approvals**

Before exploration and production activity can commence on any property, the Company must obtain environmental and other regulatory approvals and there is no assurance that such approvals will be obtained or granted in a timely manner. Delays in the regulatory process and granting of environmental and other necessary approvals could hinder the Company's ability to pursue operational activities which in some cases could materially impact the outcome.

The Company's operations will be subject to environmental laws, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. If the Company fails to comply with environmental laws regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. The Company may from time to time in the future agree to indemnify sellers or lessors of producing properties against some liabilities for environmental claims associated with these properties.

(h) **Land Tenure**

Exploration and petroleum licences held by the Company are subject to the approval of the relevant government bodies. Government regulatory authorities generally require the licence holder(s) to undertake certain obligations, including work program commitments, and failure to meet those obligations could result in forfeiture. Exploration licences may also be subject to partial or full relinquishment after certain tenure periods outlined in the licence agreements if no alternative licence arrangements (e.g. production licence after declaration of commerciality) are applied for and approved. In an event of forfeiture or relinquishment, the Company's overall land position would be reduced.

(i) **Reliance on Key Personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other technical and management personnel including contractors, sub-contractors and consultants. The loss of the services of any of these personnel or the insolvency or other managerial failure by any of the contractors, sub-contractors or other service providers used by the Company could have an adverse effect.

(j) **Competition**

The industry in which the Company is involved is subject to global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

7.4 **General risks**

(a) **Funding of Commitments**

The funds raised pursuant to the Offer will provide the funding to meet various planned expenditures associated with the Company's oil and gas portfolio, general working capital and new venture projects. If the Company does not raise sufficient funds pursuant to the Offer the Company may not be in a position to adequately fund these planned activities.

(b) **Additional Requirements for Funding**

The funds raised under the Offer are considered to be sufficient to meet the immediate needs of the Company but will be insufficient to execute Company's longer-term plans and strategies. In particular, the Company has several highly attractive development and exploration projects within its portfolio and additional funding will be required to fund these projects. Additionally, expenditures may arise that have not been taken into account in the preparation of this Prospectus and although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

Additional funding may be sourced from one or a combination of equity, debt, industry financing, or other financing methods as determined on a case by case basis when those funds are needed. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its strategy, plans or operations.

(c) **Foreign Exchange Risk**

The Company is headquartered in Australia, its licences are located in Italy, Tunisia, Romania (and Austria upon completion of the Acquisition) and drilling costs and other major components and services in the oil and gas industry are often denominated in United States dollars regardless of their location. As a result, revenues, cash flows, expenses, capital expenditure and commitments may be denominated in Australian dollars, United States dollars, the Euro, the Tunisian dinar or the Romanian Lei.

The Company's Share price and its consolidated accounts are currently denominated in Australian dollars which results in the Company being exposed to the fluctuations and volatility of these currencies' exchange rates upon translation or repatriation to Australian dollars.

(d) **Sovereign Risk**

The Company is listed on the ASX with key projects located in Italy, Tunisia, Romania and Austria (pending acquisition). Possible sovereign risks include, without limitation, changes in relevant legislation or government policy, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Further, no assurance can be given regarding the future stability in any country in which the Company has, or may have, an interest. Any of these factors may, in the future, adversely affect the financial performance of the Company.

(e) **Insurance**

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company. The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover considered to be appropriate for the Company's needs. However, such insurance cover may not always be available, economically justifiable, fully cover a particular claim or the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. Additionally, while the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.

(f) **General Economic and Equity Market Conditions**

Economic and equity market conditions in Australia and globally are beyond the control of the Company and its Directors and may adversely affect the performance of the Company. Factors such as currency fluctuations, inflation, interest rates, supply and demand, industrial disruption, investor sentiment and the global security situation may have an impact on share price and/or financial performance.

7.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
17/10/2019	Appendix 3Y – Change of Director's Interest – R Brown
16/10/2019	Appendix 3Y – Change of Director's Interest – I Tchacos
16/10/2019	Appendix 3Y – Change of Director's Interest – PHS
16/10/2019	Appendix 3Y – Change of Director's Interest – P Fink
16/10/2019	Appendix 3Y – Change of Director's Interest – A Childs
16/10/2019	Appendix 3B – Conversion and in Lieu of Remuneration
14/10/2019	Placement Prospectus
14/10/2019	Reinstatement to Official Quotation
14/10/2019	ADX Secures Funding for Landmark Acquisition-Austrian Assets
07/10/2019	Voluntary Suspension – Extension
04/10/2019	Appendix 3B
04/10/2019	Appendix 3Y – Change of Director's Interest – R Brown
04/10/2019	Appendix 3Y – Change of Director's Interest – I Tchacos
04/10/2019	Appendix 3Y – Change of Director's Interest – P Fink
03/10/2019	Suspension from Official Quotation
02/10/2019	Trading Halt Remains
01/10/2019	Trading Halt
01/10/2019	Pause in Trading
30/09/2019	Finalisation – Austrian Production & Exploration Acquisition
24/09/2019	Appendix 3Y – Change of Director's Interest – I Tchacos
20/09/2019	General Meeting – Results of Meeting
17/09/2019	Appendix 3B – Conversions
17/09/2019	Parta Appraisal Program Funding – Iecea Mare Licence Romania
13/09/2019	Half Year Financial Report – June 2019
13/09/2019	Good Oil Conference Presentation
09/09/2019	Iecea Mica-1 Well – Results & Operations Update
06/09/2019	Austrian Prodn Asset Update, Strategic Focus & Presentation
04/09/2019	Appendix 3B – Conversions

04/09/2019	lecea Mica-1 Well – Increase in Pressure/Control Incident
02/09/2019	Trading Halt
02/09/2019	Pause in Trading
02/09/2019	IM-1 Drilling Update No. 5 – Ready to Drill to Well Depth
29/08/2019	Log Interpretation Confirms Hydrocarbon Pay Zones
26/08/2019	lecea Mica-1 Well – Drilling Update No. 4 (corrected)
26/08/2019	lecea Mica-1 Well – Drilling Update No. 4
21/08/2019	Notice of General Meeting/Proxy Form
19/08/2019	lecea Mica-1 Well – Drilling Update No. 3
16/08/2019	Appendix 3B – Conversions
12/08/2019	lecea Mica-1 Well – Drilling Update No. 2
09/08/2019	Appendix 3Y – Change of Director's Interest – R Brown
09/08/2019	Appendix 3Y - Change of Director's Interest - P Fink
08/08/2019	Appendix 3Y - Change of Director's Interest - PHS
08/08/2019	Appendix 3Y -Change of Director's Interest - A Childs
08/08/2019	Appendix 3Y - Change of Director's Interest - I Tchacos
08/08/2019	Appendix 3B - Shares and Options in Lieu of Remuneration
07/08/2019	lecea Mica-1 Well - Drilling Commencement
31/07/2019	Appendix 5B
31/07/2019	Quarterly Activities Report - June 2019
29/07/2019	lecea Mica-1 Well - Drilling Operations Update
17/07/2019	US\$1.5million Romanian Farm-in Completed
16/07/2019	Appendix 3B Loans
16/07/2019	Finalisation of Loan Note Financing Raises A\$1.2 Million
11/07/2019	Appendix 3Y - Change of Director's Interest - A Childs
02/07/2019	Investor Presentation-Austrian Production & Appraisal Assets
02/07/2019	Austrian Oil & Gas Production Asset Acquisition
01/07/2019	Appendix 3Y - Change of Director's Interest - A Childs
01/07/2019	Appendix 3Y - Change of Director's Interest - PHS
01/07/2019	Appendix 3Y - Change of Director's Interest - R Brown
01/07/2019	Appendix 3Y - Change of Director's Interest - P Fink
01/07/2019	Appendix 3Y - Change of Director's Interest - I Tchacos
28/06/2019	Appendix 3B - Shares in Lieu of Remuneration
28/06/2019	Appendix 3Y - Change of Director's Interest - A Childs
18/06/2019	lecea Mica-1 Well Update - Construction Commenced
11/06/2019	Two Year Extension for Parta License
07/06/2019	Appendix 3Y - Change of Director's Interest - AC
05/06/2019	Appendix 3Y - Change of Director's Interest - AC
04/06/2019	Appendix 3Y - Change of Director's Interest - PHS Lapse Opt
03/06/2019	Listing Rule 5.43 Information
31/05/2019	Results of Meeting
31/05/2019	Annual General Meeting Presentation

30/05/2019	Final Drilling Approvals Received for Iecea Mica-1
13/05/2019	Appendix 3Y - Change of Director's Interest Notice A Childs
10/05/2019	Further Funding for Romanian Appraisal Project
30/04/2019	Quarterly Activities Report - March 2019
30/04/2019	Quarterly Cashflow Report - March 2019
30/04/2019	Notice of Annual General Meeting/Proxy Form
11/04/2019	Appendix 3Y - Change of Director's Interest Notice A Childs
08/04/2019	Appendix 3Y - Change of Director's Interest Notice R Brown
08/04/2019	Appendix 3Y - Change of Director's Interest Notice PHS
08/04/2019	Appendix 3Y - Change of Director's Interest Notice A Childs
08/04/2019	Appendix 3Y - Change of Director's Interest Notice P Fink
08/04/2019	Appendix 3Y - Change of Director's Interest Notice I Tchacos
08/04/2019	Appendix 3B - Shares in Lieu of Remuneration
08/04/2019	US\$1.5 Million Farm-in Funding for Parta Licence
29/03/2019	Corporate Governance Statement 2018
29/03/2019	Appendix 4G Corporate Governance
29/03/2019	Annual Report December 2018

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.adx-energy.com.com.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.013	1 August 2019
Lowest	\$0.006	3 July 2019
Last	\$0.011	17 October 2019

8.4 Interests of Directors

Security Holdings

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or

(c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer. Directors' relevant interests in securities of the Company at the date of this Prospectus and remuneration information (including amounts paid in consulting fees) for the current and last two financial years is set out below:

Director	Shares	Options	Convertible Notes
Ian Tchacos	44,646,223	27,789,657	7,142,857
Paul Fink	34,342,470	21,101,594	7,142,857
Robert Brown	7,289,551	Nil	7,142,857
Andrew Childs	25,375,630	Nil	Nil
Philip Haydn-Slater	15,038,930	Nil	Nil

No Directors or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for the financial year ending 31 December 2019. It should be noted that a significant portion of remuneration is paid via equity (as approved by Shareholders).

Director	Financial year ended 31 December 2018	Proposed financial year ending 31 December 2019
Ian Tchacos	\$377,128	\$380,000
Paul Fink	\$300,850	\$310,000
Robert Brown	\$50,814	\$40,000
Andrew Childs	\$33,000	\$33,000
Philip Haydn-Slater	\$46,634	\$33,000

Notes

1. Mr Tchacos was appointed on 2 March 2010.
2. Mr Fink was appointed on 25 February 2008.
3. Mr Brown was appointed on 17 October 2016.
4. Mr Childs was appointed on 11 November 2009.
5. Mr Haydn-Slater was appointed on 21 July 2017.

8.5 Lead Manager Mandate

On 9 October 2019, the Company entered into a mandate with QA Capital Pty Limited, pursuant to which QA Capital Pty Limited has been engaged to act as lead manager to the Offer being undertaken by the Company. The Lead Manager has agreed to work with Hartleys Limited (**Hartleys**) to assist the Company with the Offer. The Company has agreed to pay the Lead Manager, the following fees in respect of the Offer and the Placement:

- (a) **(Issue Management Fee)**: an issue management fee of 1% of the value of any Securities subscribed for under the Placement, to be split pro-rata between Hartleys and the Lead Manager based on clients and brokers introduced by each party;
- (b) **(Placement Fee)**: a placement fee of 5% of the value of any Securities subscribed for under the Placement, to be split pro-rata between Hartleys and the Lead Manager based on clients and brokers introduced by each party;
- (c) **(SPP Fee)**: a fee of 4% payable on funds raised by the Offer, with Hartleys and the Lead Manager sharing this fee on a 50/50 basis.

Either the Company or QA Capital may terminate the mandate at any time, with or without cause, by giving written notice to the other party.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

QA Capital Pty Limited will be paid a fee of 4% of the funds raised by the Offer (to be split in equal proportion with Hartleys Limited). During the 24 months preceding lodgement of this Prospectus with the ASIC, QA Capital Pty Limited has been paid fees totalling \$71,419 by the Company and received 5 million Options on 10 December 2018 (expiring 31 December 2019 with a 3 cent exercise price).

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$7,000 (excluding GST and disbursements) for these services (and \$25,000 in respect to the Placement, as disclosed in Section 8.8). During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$16,113 (excluding GST and disbursements) by the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) have not authorised or caused the issue of the Prospectus and does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

QA Capital Pty Limited has given its written consent to being named as Lead Manager to the Offer in this Prospectus. QA Capital Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Rothsay Auditing has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2019 audit reviewed balance sheet of the Company in Section 5.3. Rothsay Auditing has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Estimated Expenses of Offer

The expenses of the Offer are estimated to be approximately \$112,265 (excluding GST) assuming full subscription of the Offer and are expected to be applied towards the items set out in the table below:

	Placement	Offer	TOTAL
	\$	\$	\$
ASIC fees	3,206	3,206	6,412
ASX fees	15,529	12,654	28,183
Lead Manager fees	120,000	60,000	180,000
Legal fees	25,000	7,000	32,000
Printing and distribution	-	27,000	27,000
Miscellaneous	-	2,405	2,405
Total	163,735	112,265	276,000

8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 8 9381 4266 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.adx-energy.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number

or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.12 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

8.13 Privacy Act

If you complete an Application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Shares, the Company may not be able to accept or process your Application.

9. DIRECTORS' CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with the ASIC.



Ian Tchacos
Executive Chairman
For and on behalf of
ADX ENERGY LTD

10. DEFINITIONS

Applicant means an investor that applies for Shares and Listed Options under the Offer.

Application means an application to subscribe for Shares and Listed Options under this Prospectus.

Application Form means an Application Form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means closing date for receipt of an Application Form as set out in Section 2 (unless extended or closed early).

Company means ADX Energy Ltd (ACN 009 058 646).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Eligible Shareholders means Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia or New Zealand.

General Meeting means the upcoming general meeting of Shareholders to be held 6 December 2019.

Listed Option means an Option with the terms and conditions set out in Section 6.2.

Offer means the offer of 150,000,000 Shares at an issue price of \$0.01 per Share to raise \$1,500,000 (together with one free attaching Listed Option for every three Shares subscribed for and issued).

Offer Entitlement means the entitlement of an Eligible Shareholder to participate in the Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date for receipt of an Application Form under this Prospectus as set out in Section 2.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Placement has that meaning given in Section 4.1.

Prospectus means this Prospectus dated 18 October 2019.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Listed Options offered pursuant to the Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.3.

Shortfall Shares means those Shares issued pursuant to the Shortfall Offer.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).