



## ADX Energy Limited

### Focus Report – Austrian oil & gas acquisition

(ASX: ADX)

Sector: Energy - Oil & Gas

12-month Price Target: \$0.063/share

### *Austrian reserves purchase to generate cashflows for strategic growth options*

#### COMPANY STATISTICS

Share Price	\$0.012
12 Month Range	\$0.014-\$0.004
Market Capitalisation	\$14.7m
Enterprise Value	\$13.3
Issued Shares	1228.6m
Options	70.64
Cash as @ 30 Jun'19	\$2.64m
Convertible Debt to shares at \$0.007/sh.	165.0m
Valuation Risked NPV\$/share	\$0.067/share
<b>12-month Price target</b>	<b>\$0.063/share</b>
<i>Risked – NPV A\$/share</i>	

#### Major Shareholders<sup>1</sup>

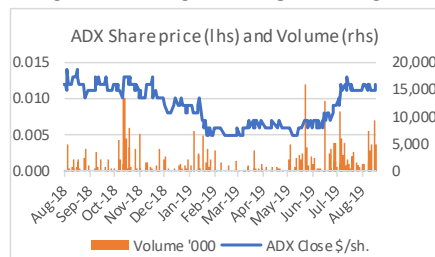
Board & Management	10%
Top 20	52.6%

#### Directors

Ian Tchacos	Exec. Chairman
Paul Fink	CEO, Technic Dir.
Andrew Childs	Non-Exec. Director
Rob Brown	Non-Exec. Director
Philip Hayden-Slater	Non-Exec. Director

<sup>1</sup> Source: ADX 2018 Annual Report & ASX announcements

#### SHARE PRICE PERFORMANCE



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*This report is for wholesale investors only. Please refer to the last page for important disclosures of corporate involvement and other disclaimers. Note - QA Capital has earned fees from ADX Energy.*

#### ADX now a multi-country European focussed operator

**ADX Energy Ltd (ASX: ADX)** is an ASX-listed oil & gas resource developer in Austria, Romania, Italy and Tunisia. These provide a range of current low risk/strong cashflow upsides along with medium-term high risk/high reward appraisal-well plays. Each one is a potential company-maker.

ADX has secured with a €0.4m deposit the mature, though opportunity rich, Zistersdorf & Gaiselberg Fields (Z&G) in Austria's Vienna Basin for a net ~€2.5m. The gross price of €4m is offset by cashflows since 1<sup>st</sup> Jan 2019. ADX believe they contain around 1.5 mmboe Proven & Probable (P2) Reserves producing at ~330boe/d of which ~88% is oil.

#### Austrian assets – a solid platform for low-risk organic growth

We see the Z&G acquisition as a defining moment for ADX and one that can re-rate the group for **organic growth reasons**:

- The acquisition on projected P2 reserves is cheap at A\$5.24/boe, & on our Base Case Brent US\$58/bbl is worth a net A\$0.004/share.
- The P3 NPV valuation at Base Case is \$0.010 per ADX share, while the deeper field's Flysch upside could be worth ~\$0.040/share.
- The Z&G P3 (i.e. 2P+Possible) Reserves could add 1.3 mmboe. A deeper 8.5 mmboe target and unique access to Austrian seismic data for advantaged bidding for acreage to be gazetted, allows for years of organic growth. *We explore this further in this focus report.*
- These additions build upon mature fields with low decline rates.

#### Strategic growth options – potentially transformative for ADX

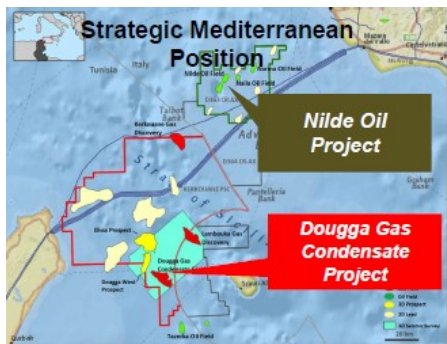
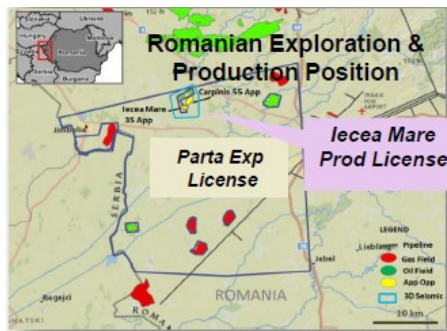
- ADX becomes only the 3<sup>rd</sup> player in Austrian Oil & Gas production. *ADX is well-placed for future development & growth initiatives.*
- Operatorship allows prioritisation to optimise value creation.
- Good infrastructure speeds cash generation and growth optionality.
- While mature, the data set of Z&G shows numerous by-passed oils in upper zones and a lower permeability zone opportunity called Flysch –*which alone could be a company maker in size & longevity terms.*
- Reserves additions are debt-fundable – *can accelerate growth.*
- Unique access for €0.4m pa to massive 3D seismic set enables prospect high grading on a privileged basis. *This extends ADX's ability to attract risk capital via farm-in over additional acreage.*

#### Catalysts for ADX's re-rating include:

- **Settlement** of the Zistersdorf & Gaiselberg acquisition.
- **Restatement** of Z&G Reserves and potential production plans.
- **In Romania**, strong gas flows from upper three gas-bearing sands is a precursor to production in a year or so, plus added drilling.
- **Italy** ratifies Nilde licence allows drilling, to enable €21m farm-in.

**Our 12-month target price of \$0.063/share.** We detail in this note risks. ADX is only suitable for well-advised investors with a high-risk tolerance.

## ADX Energy – Company Profile



Source: ADX Jul19 Presentation

ADX Energy Ltd (ASX: ADX) is an ASX listed oil & gas developer focussed on European opportunities, headquartered in Perth. Global technical and specific European expertise of the board and management has enabled ADX to enter modest-cost petroleum assets with big potential value upside and initial high equity positions. ADX uses updated techniques to locate drillable appraisal wells where hydrocarbons have already been found – to then farmout, share costs and harvest value upside of reserves enhancement. These assets are:

- **Austria** – currently acquiring the Zistersdorf & Gaiselberg Fields. ADX's CEO is an Austrian national that assists this process.
- **Romania** – Onshore Romania, ADX is operator and 63% holder of the **Iecea Mica-1 well currently appraising** a ~20bcf and likely commercial discovery with ~50bcf exploration plus an oil leg potential. Gas production could start within 15-months. With an added gas discovery requiring appraisal and maturing of more drill locations – *ADX has a near-term organic production growth path.*
- **Italy** – ADX seeks final permit ratification ahead of appraisal drilling of its 50%-post-farmout owned **Nilde** oil field (Licence D363CR-AX) offshore in the Sicily Channel with ~33mmbbl 2C potential.
- **Tunisia** – it seeks final government approvals and a farmout to appraise the ~75 to 162mm boe (2C) **Dougga** gas/condensate field.

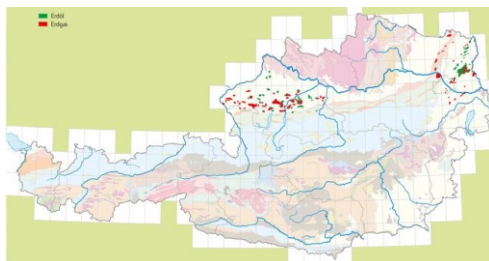
## Brief outline of ADX's acquisition of Zistersdorf & Gaiselberg Fields, Austria

ADX Energy Ltd has entered into binding agreements with RAG Exploration & Production GmbH (RAG) for the acquisition for Euro **€4 million of Zistersdorf & Gaiselberg Fields** located onshore in the Vienna Basin, in Austria's Eastern region. On 15<sup>th</sup> July 2019 ADX paid a €0.4m non-refundable deposit.

The acquisition is expected to be **settled by 1<sup>st</sup> October 2019**, with an **effective date of 1st January 2019**, meaning cashflows accrue to ADX estimated at ~€2 million this CalYr19; and netted on deal finalisation.

A Data User Agreement (DUA) has also been executed for 5-year exclusive access to RAG Exploration Data including 3,650 km<sup>2</sup> of 3D seismic in the **Molasse Basin, in the North-Central Austria**. This data surrounds RAG's producing fields and includes 24 matured or identified exploration prospects & 8 approved drill sites.

Austria's two oil & gas producing trends – **Vienna Basin** in East where Z&G are located. In the Centre the **Molasse Basin** are higher output with newer play types



Sources: <https://www.iea.org/countries/austria/>  
<https://www.iea.org/statistics/?country=AUSTRIA&year=2016&category=Energy%20supply&indicator=TPESbySource&mode=chart&dataTable=BALANCES>

## Austria – an introduction

Austria is a German speaking landlocked EU member country with around 8.74 million people who enjoy one of the highest GDP's per person in the world at US\$48k. This democracy welcomes foreign investment. The Austrian economy and industry is supported by politically well-connected and strong lobby groups ("IV" and "WKO"). Austria's primary energy demand of 33.7 million tonnes oil equivalent is met by with oil (40%), gas (25%), hydro (25%) and the remainder from coal, biomass and wind energy.

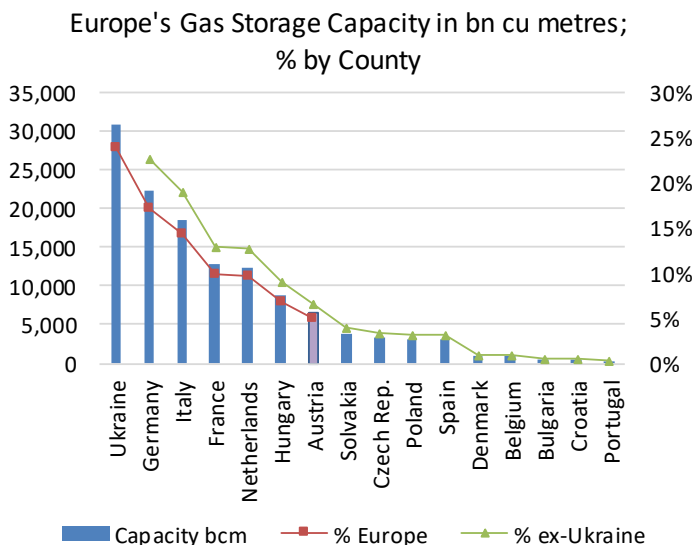
Domestic energy production totals only 12.4mtoe. Austria **imports 63% of its energy needs**, or 21.3mtoe on IEA data for 2016.

Austria imports about 85% of its gas needs, mostly from Russia.

Interestingly CO<sub>2</sub> emissions have fallen over 15% from the 2005 peak. Natural gas is seen as a complimentary fuel to back-up growing renewables generation.

## Austria's petroleum industry – strategic positioning

### Gas storage capacity – Austria is ranked 7<sup>th</sup> in Europe



Source: Naftogas Europe, Ukraine data for 24 Mar 2019

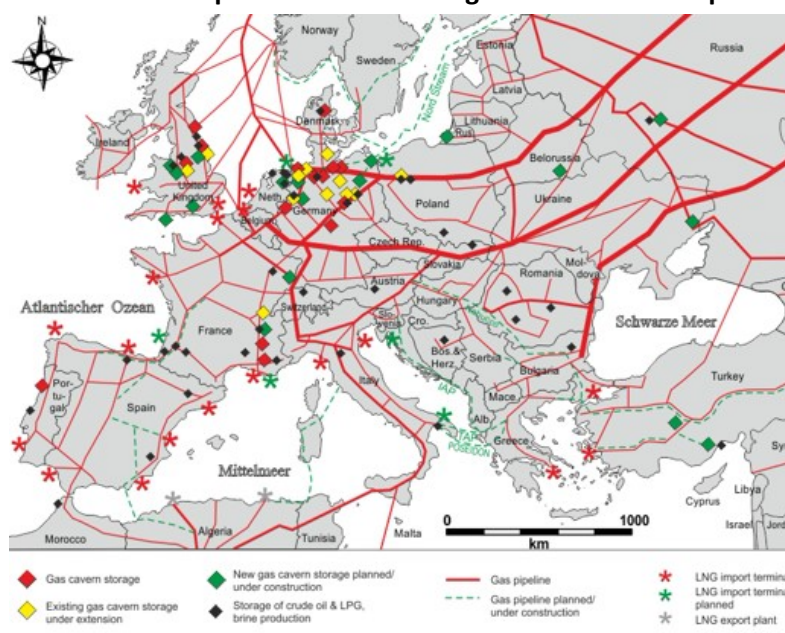
<https://naftogaz-europe.com/article/en/GasBalances>

Austria has important **gas storage position** with about 6.6% of Europe's gas storage capacity (excluding Ukraine). While serving local Austrian swing needs, this capacity is regionally important to its neighbours.

Austria is also on or close to **pivotal gas supply trunk pipelines** between Central Europe, Western Europe and South of the Swiss Alps Mediterranean Regions including to North African gas fields and LNG.

Austria also has a rising role in **back-up generation via gas and hydro**, as renewables (mainly wind) generation increase its share of European markets as EU carbon-pollution reduction initiatives advance.

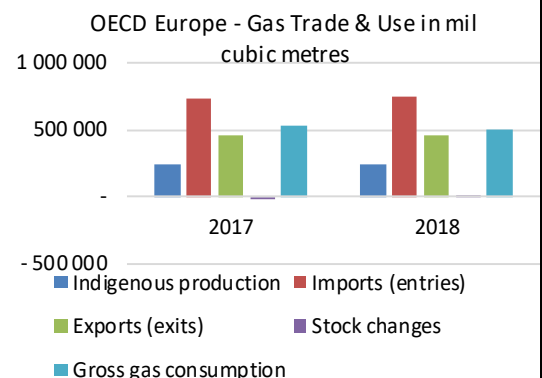
### Trunk Gas Pipeline and Gas Storage Locations in Europe



Source: Official Swiss Security Policy <https://www.offiziere.ch/?p=17175>

### OECD Europe Trade in Natural Gas - IEA

Enormous traded volumes across Europe

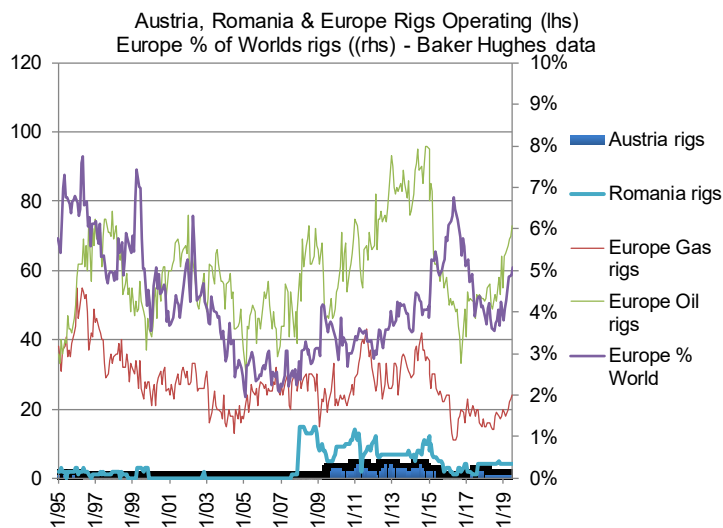


Europe's Oil & Liquids Deficit	2010	2018
Europe Oil Consumption	15,752	15,276
Europe Consumption % World	17.8%	15.3%
Europe Total Liquids Prodn	4,274	3,523
Europe Production % World	5.1%	3.7%
Europe Deficit	11,478	11,753
Europe Deficit % of use	72.9%	76.9%

Source: BP Energy Statistical Review 2018



### European petroleum activity tailwind – assists ADX's plans



Source: Baker Hughes International Drilling statistics for July'19.

NB Europe excludes Ukraine

Drilling activity across Europe has been increasing both in absolute terms and as a share of the global operating rig fleet.

Despite flat oil use over the decade and weakening oil & gas prices in 2019, both gas and oil-focused drilling has recently increased across Europe. This in part is from the overcoming technical/geological barriers in the Norwegian North Sea and onshore eastern Europe. In addition, European governments and local producers recognise greater security of supply risks from excessive dependency on Russian & Iran's and the latest threat of supply interruption of crude oil from the Middle East.

This scene assists ADX's plans in both Austria and Romania, where it seeks to mature drilling targets and attract joint venture support.

### History of Drilling in Austria and Romania

**Austria's drilling** efforts have been sporadic and have lagged this European trend. There has been modest activity in mid-1990's, more concerted drilling in 2010-15 and essentially a single rig operating in 2017-19, with other field activity skewed to mostly in workovers. ADX's plans can capitalise on the growing desire to indigenize European production. ADX can materially impact that level of activity in Austria in coming years, consolidating and growing its local influence. Access to and review of new seismic is critical to this plan.

Interestingly, **Romania** has broadly the same experience of, but with 2 to 4 times more activity than Austria. Romania has 4 rigs turning as at July 2019 according to Baker Hughes reports.

Again, ADX's drilling activity can be material within Romania. Given the right market and licencing incentives, Romania has potential to more than double its current activity. ADX is increasingly well positioned to be a Romanian country-leader in this re-invigorating petroleum province.

### Austria's Petroleum industry – modest size, with emerging growth opportunities

Since 1932 Austria has produced approximately 900mmbbl oil and 3 trillion cubic feet (Tcf) of natural gas. It is currently producing ~14,000bopd and 120mmcf/d that is 0.3% and 0.6% of Europe's total oil and gas output. Petroleum output has largely flat-lined on the only two active companies – the integrated oil & gas company OMV Aktiengesellschaft (**OMV**) with €23b in sales. It's also an oil & gas producer in Romania. OMV's recent 3D-seismic acquisition in the Vienna Basin to target deeper plays has seen its first successes.

The other Austrian producer is RAG Exploration & Production GmbH (**RAG**) – from whom ADX is buying the Zistersdorf & Gaiselberg Fields. Sister company, RAG Austria AG provides gas storage and transmission services that are the growing focus of holding company Rohöl-Aufsuchungs AG (**RAG group**).

RAG has a further ~2,000boepd production which it may sell. It has undertaken substantial new seismic in the **Molasse Basin** as a new area of exploration. Its hydrocarbon potential is rated highly and based on the results of ~850 wells, 22,000 kilometres of 2D seismic lines and almost 3650 km<sup>2</sup> of 3D seismic coverage.

<https://www.rag-austria.at/en/business-areas/search/geology.html>

ADX's Vienna Basin immediate work focus can see more **resource conversion to reserves** and the drilling of deeper plays. These could see production rise from its newly acquired asset base. For even larger **exploration upside**, ADX has opportunities from using RAG's extensive Molasse Basin data to high grade and secure acreage near RAG's fields for appraisal or exploration. Significantly, RAG has also provided **preferential access and tariffs to infrastructure** to encourage ADX to appraise and explore the existing prospect inventory.

## Profile – Zistersdorf & Gaiselberg Oil Fields

The Zistersdorf & Gaiselberg Fields are located near Zistersdorf in the Vienna basin, ~50km NN-E of Vienna. The two fields consist of two Miocene-age clastics with high porosity (17 to 24%) and good permeability (58 to 340 milli-Darcies) reservoir accumulations called the – the Sarmation and Badenian.

The fields currently produce from conventional reservoirs into established and well-maintained surface facilities operated by RAG Exploration & Prodn GmbH (**RAG**) from whom ADX is buying these assets.

Zistersdorf & Gaiselberg fields were discovered in 1937 and 1938 respectively, with production peaking in 1942 at 4,568 barrels of oil per day (bopd) from around 67 wells. An additional 26 wells up until 1989 were drilled to ameliorate impact of water breakthrough. In 1972 water injection was introduced to slow the decline rate from around the 800 bopd level. An overall decline rate of ~4% pa has seen production gradually decline to the present day 330-350 boepd. Most recent production trends have been flat to down just 2%pa. Recent programs of well workovers including recompletions and the installation of higher capacity ESP's into 2 wells. These have slowed production declines. We expect similar activities by ADX.

ADX Energy purchasing 100% interest in Z & G Fields: comes with:

Vienna Basin	ADX Working Int <sup>^</sup>	Area – Km2
Zistersdorf	100%	2,503
Gaiselberg	100%	2,523
Projected field life	For 1P to 2028; for 2P to 2033 on US\$60/bbl Brent cash breakeven	
Facilities, Freehold Land	Central station, 3 separator stations & 5 manifolds; 34 acres freehold land	
Active wells	29 producers, 14 injectors, 5 shut-ins	
Staff	3 field & 2 office staff; 3 field contractors	

<sup>^</sup> Subject to ADX completing the acquisition and Mining Authority Approval. Proposed the licence to be held by ADX VIE GmbH – 100% owned by ADX Energy Limited

### RAG Field Reserves Summary

Field	P1	P2	P&P	P3	P&P&P
GA	0,56	0,25	0,81	0,72	1,53
ZDF	0,03	0,14	0,17	0,18	0,35
Total	0,60	0,38	0,98	0,90	1,88

Reserves Summary EOY 2018 of the RAG Fields – Zistersdorf (ZDF) & Gaiselberg

• The above reserves estimated by RAG at 1 Jan 2019 using the PRMS System, ADX considers them to be conservative based on its own analysis.

### Fluid and Reservoir Summary

Fluid Data	Sarmation	Badenian
Oil Gravity (API)	27	33
Oil Viscosity (cP)	3 -20	0.45 -3.5
GOR (scf/bbl)	168 -340	350 -720
Reservoir Data		
Depth Range (m)	690 -1800	1200 -1960
Net Reservoir Thickness Range (m)	149 -305	60
Average Porosity (%)	24	17
Permeability Range (mD)	125 -870	58

Source for tables: ADX Energy July'2019 Presentation

Total production to date has been 37.6million bbl (mmbbl), 16.6 billion cubic feet (bcf) gas and water recovered totals 66.2 mmbbl.

However, heavy compartmentalisation into approx. 50 separate reservoirs means there is ample opportunity to design new completions or development wells to sweep more oil and gas. Remaining reserves estimated by RAG are shown left are under current review and ADX expect these to be higher. Added fields features:

- **Shallow reservoirs** range from 690-1800 metres and 1200-1960m depth.
- **Low gas to oil ratio** ranging from 170-720 std cubic feet/bbl oil with life of field average of ~440scf gas/bbl oil. High proportion of production is oil.
- **High quality and high API** of 27 - 33° with low impurities with paraffin or asphaltic base crudes, similar quality specifications to Brent blend.
- Crude is currently selling at ~8% discount to Brent with output directly piped to Schwechat refinery.
- **Gas sales** are direct to user at prices determined by Central European gas hub reference to physical hub at Baumgarten, east of Vienna. Recent pricing has ranged from US\$7/mscf to US\$9/mscf with around US\$8/mscf expected for CalYr19.
- **Operating Cost** is about €27/boe or ~US\$30/boe moderately high due to waterflood and high water cut and associated handling costs.
- **34 acres of Freehold Land** including a vineyard.
- **Competitively low fiscal burden** – ADX's Z&G fields pay no state royalty, Austrian Corporate tax rate is 25%. New licences to pay 15% Oil and 20% Gas Royalty Rate, at Jun 2019 product price levels.

## Acquisition Metrics – Zistersdorf & Gaiselberg Oil Fields

Note that on page 2 we outlined the €4 million total acquisition cost of the Z & G fields' terms and transaction timing. Below we analyse the acquisition cost per barrel on the categories of reserves.

### First on RAG's Reserve assessment:

RAG's field estimates were carried out as at 30<sup>th</sup> December 2018. ADX's acquisition is effective as of the 1<sup>st</sup> January 2019. On RAG's estimate of the 90% probability case of remaining producible Proved Reserves (P1), the €4m translates to a high A\$10.77/boe unit acquisition cost. However, at the 50% probability Proven & Probable Reserve (P2) this metric falls markedly to A\$6.66/boe. We regard this as cheap for currently producing, low decline rate field output with internationally low fiscal imposts.

If ADX were to secure cost effectively the P2 plus Possible Reserves (i.e. the P3 category) the metric is exceptionally cheap at A\$3.47/boe using RAG's Reserve estimates.

### Secondly, on ADX's preliminary reserves assessment:

Using ADX's projected production forecasts sees higher reserves based on achieved smaller declines on RAG's 2018 estimates. Applying ADX's reserve estimates, production profile and cost parameters we have derived an NPV of each reserves' scenario, discounting at 10.8%pa. Further, we project ADX's fully diluted shares to include in-money options, Convertible Notes and estimate a possible capital raising.

At the **P2 Developed & Undeveloped level** – which we see as an industry benchmark for comparing Reserves and company economic prospects – ADX's unit acquisition cost is only A\$5.24/boe. On Base Case US\$58/bbl for Brent and Discount rate @10.8%pa our NPV assessment A\$5.40/boe (inclusive of the acquisition cost) or **A\$7.9m of added value**. This adds to our ADX valuation around **\$0.004/share**.

ADX adds net value even at Developed Proven (P1) level. Substantial added value to the acquisition price accrues if ADX successfully produce the assessed currently Developed Proven & Probable Reserves (P2). This amounts to A\$6.1m or A\$6.15/boe to add \$0.003/share to our ADX valuation.

Zistersdorf & Gaiselberg		Resource		Acquisition Price		NPV Est. @ base case		NPV Est.
Acquisition Metrics		'000boe		US\$/boe	A\$/boe	A\$/boe	A\$'000	A\$/share
Exch. Rates EUR & AUD/US\$		ADX est'd		\$1.11	\$0.68			Fully diluted
Brent Oil equiv. US\$/bbl				\$58.00				
Cost: €'000	€4,000			US\$4,440			\$6,529	1,898
P1 - RAG est. 30Dec18		606		\$7.33	\$10.77			
P2 - RAG est. 30Dec18		980		\$4.53	\$6.66			
P3 - RAG est. 30Dec18		1,880		\$2.36	\$3.47			
P1 Developed ADX' Est.		606		\$7.33	\$10.78	\$4.43	\$2,685	\$0.001
P2 Developed		986		\$4.50	\$6.62	\$6.15	\$6,064	\$0.003
P2 Dev'd+Undev'd		1,513		\$2.93	\$4.31	\$5.24	\$7,925	\$0.004
P3		2,639		\$1.68	\$2.47	\$7.42	\$19,583	\$0.010
Flyche P2 Dev+Undev		10,048		\$0.44	\$0.65	\$7.56	\$75,916	\$0.040

Sources: RAG, ADX's field assessments of production and costs, ADX announcements and QA Capital estimates

### Thirdly, on Upside Reserve Cases

**P3 Case** – ADX see 2.64 mmboe of P3 Reserves potential within the existing Z&G fields. While reducing acquisition cost to just A\$2.47/boe, field life and operating scale efficiencies see a rise in our base case NPV to A\$7.42/boe. The **value added is potentially \$19.6m or \$0.010/share**.

**Flysch** – is a deeper zone with tighter rocks which are already productive in a couple of wells in the Z&G fields. ADX see a large ~8.5mm boe target. Even with capex exceeding A\$100m which is progressively spent and partly self-funded, **the NPV added is big at ~A\$76m or \$0.040/share**.

The ultimate arbiter of the degree of ADX's value-add for the acquisition is time. This is in terms of both the timing and aggregate of production and revenues, netting off the incurred operating and capital costs to extract and sell output.

## Valuation – Sensitivity Cases

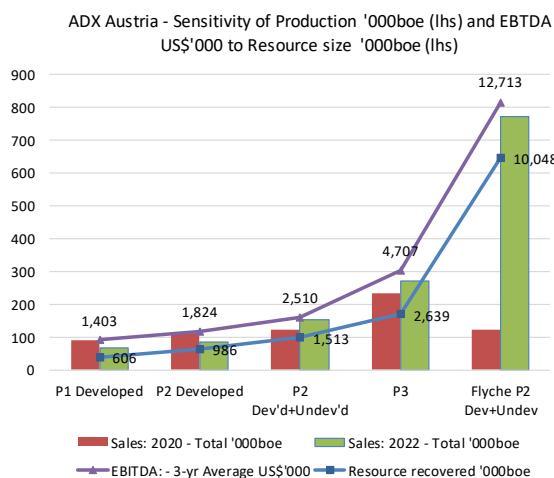
### Resource size sensitivity

We examine the impact of using ADX's resource recovery estimates on a Base Case US\$58/bbl Brent oil.

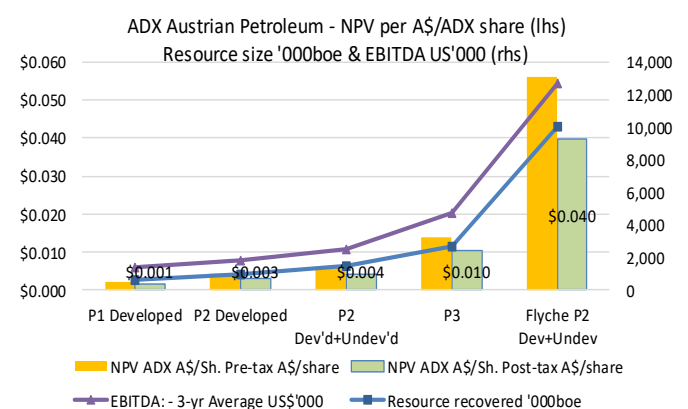
On proven Developed P1 and P2, production in 2022 is forecast to be lower than forecast 2020 production. Average EBITDA for the two years is ~US\$1.4m and ~\$1.8m respectively. The valuation addition impact is positive but modest at ~A\$0.001 to A\$0.003/share.

Once undeveloped resources are tapped, the production profile in P2 and P3 cases, production is set to grow by 2022 over 2020 expected levels. 3-yr average EBITDA is also set to significantly rise to ~US\$2.5m and US\$4.7m respectively. The valuation addition impact is potentially A\$0.004 to \$0.010/share.

Potential development of Flysch resource is a company transformative event and will take time. The valuation impact is potentially around A\$0.040/share with 3-year average EBITDA A\$12.7m pa.



Source: ADX reserves and production forecasts, Q&A estimates



Source: ADX reserves and production forecasts, Q&A estimates

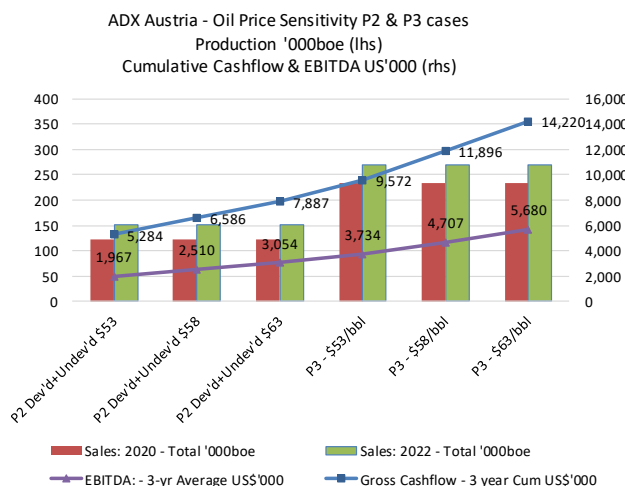
### Oil price sensitivity

We examine the impact of +/- US\$5/bbl of the base case US\$58/bbl of the Brent marker crude on our valuation on the P2 (inclusive of undeveloped reserves) and P3 reserves, as estimated by ADX.

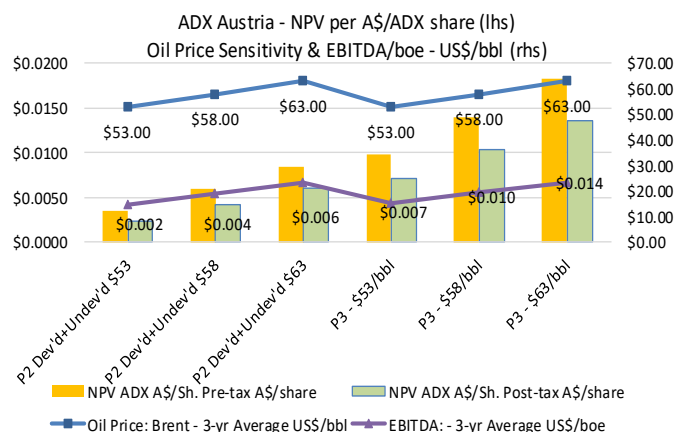
On the P2 case the impact of +/- US\$5/bbl on Base Valuation of \$0.004/share is +/- \$0.0024/share.

For the P3 case, a +/- US\$5/bbl on Base Valuation of \$0.010/share is +/- ~\$0.0043/share.

(Also See appendix for detailed tables of sensitivities)



Source: ADX reserves and production forecasts, Q&A estimates

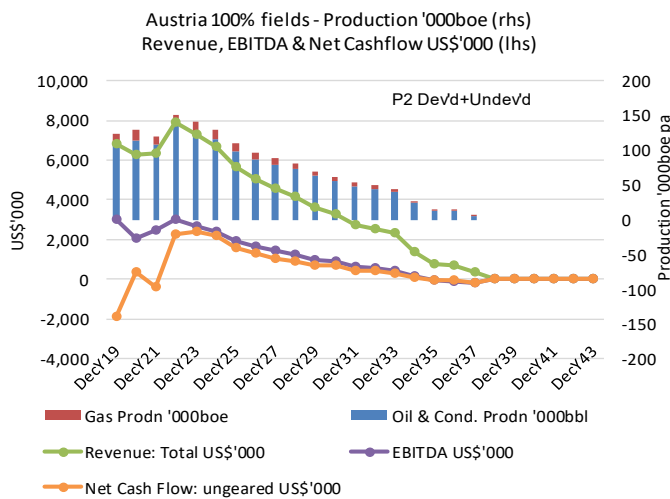


Source: ADX reserves and production forecasts, Q&A estimates



## Production Cases: P2 and P3 estimates; and a possible Flysch Development

### P2: Proven & Probable Developed + Undeveloped - ADX's est

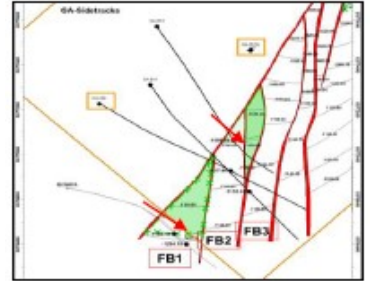


### P2: Full development of the P2 Reserves estimate

- 2019 est production is 123k boe pa.
- The 2020-2022 3-yr average is projected to be 134kboe with
- Production falls below current rates in 2025.
- 3-yr av EBITDA is US\$2.5mpa

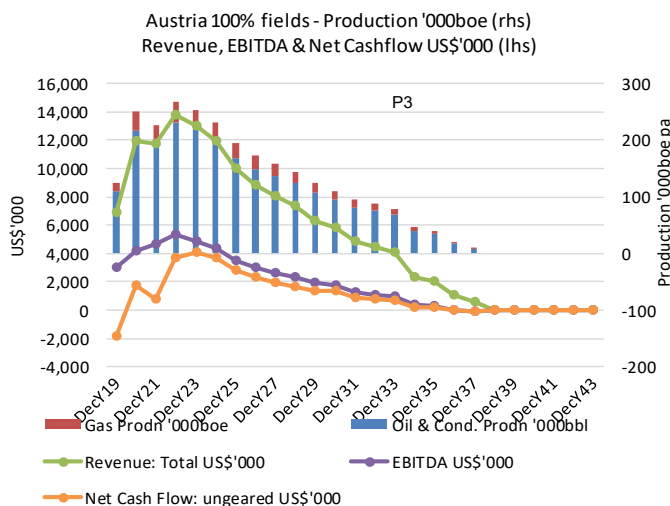
Source: ADX Energy

Undrained attic oil requiring side-track or new wells in Gaiselberg Oil Field in P2 reserves estimate



Source: ADX Energy Eastern part of Gaiselberg field

### P3: Proven, Probable & Possible Reserves - ADX's est

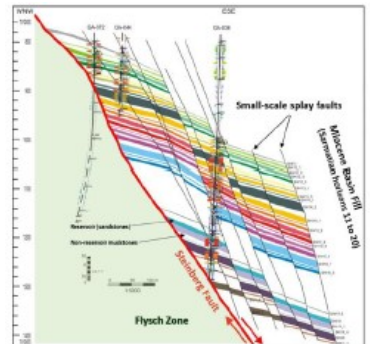


### P3: Full development of the P3 Reserves estimate

- The 2020-2022 3-yr average is projected to be 248kboe pa with
- Production falls below current rates in 2030.
- 3-yr av EBITDA is US\$4.7mpa

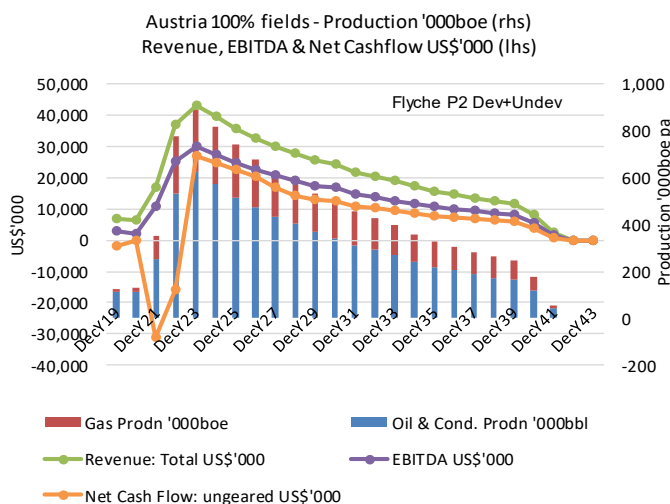
Source of reserves & production profile estimate and costs – ADX Energy

Multiple by-passed pay zones contain Possible reserves



Source: ADX Energy - Map of Gaiselberg field at Sarmation horizon

### Flysch & P2: Deeper Flysch development + P2 - ADX's est

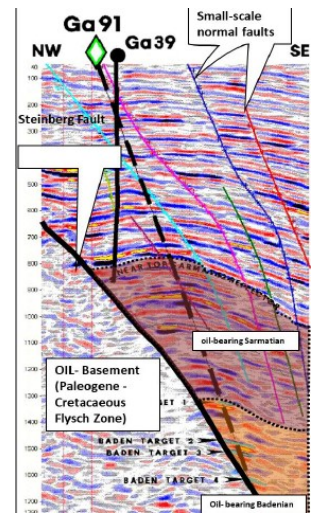


### Flysch + P2: Full development of Reserves estimate

- The 2020-2022 3-yr average is projected to be 420kboe pa with
- Production falls below current rates in 2040.
- 3-yr av EBITDA is US\$12.7mpa

Source of reserves & production profile estimate and costs – ADX Energy

Deeper Flysch zone at >1,400m

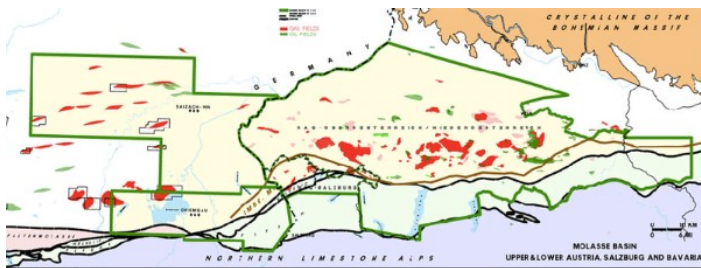


Source: ADX Energy



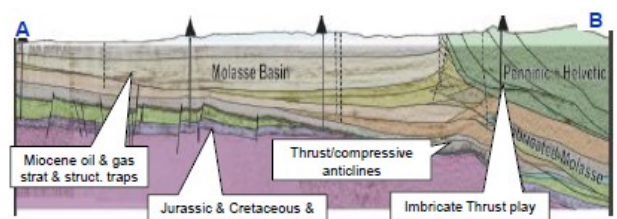
## Exploration – ADX's privileged access to high-graded prospects

North Central Austria - Molasse Zone



Source: RAG Website

Molasse Basin - Profile



Source: ADX Presentation July 2019

**ADX has exclusive access to 3,650 km<sup>2</sup> of 3D seismic for cost of €0.4m pa.**

**24 drillable peer reviewed prospects with 62mm boe of prospective resource**

**8 drill locations already have approved access**

**~2.4mmboe target size**

**ADX privileged position can assist joint venture funding and drilling**

**ADX's early thinking is to plan a 5-well program to target ~12mm boe**

### RAG's past huge seismic investment – additional ADX Austrian growth path

Over the last decade RAG has accumulated a large petroleum exploration data set, having spent ~€90m on around 3,650 km<sup>2</sup> of 3D seismic on a 6,247 km<sup>2</sup> acreage position. RAG's key shareholders were Shell and Exxon. They sold their positions which has resulted in RAG's parent changing the group's emphasis towards gas-storage rather than exploration.

### A Data User Agreement – ADX in early planning for 5-well program

Upon acquisition closure, ADX will have a contractual right to obtain a 5-year exclusive access to the seismic and well data for an annual licence fee of €0.4m. ADX could choose from RAG's inventory of 24-drillable prospects with ~62mm boe targeted and 8 with rig-sites approved. Approximate prospect size is ~2.4 mmboe with dry well costs ~US\$3 – 5m.

Privileged data access places ADX well to introduce other explorers to share costs and accelerate drilling, possibly a 5-well campaign to target ~12mm boe. OMV has a strong presence in this Basin and may provide added options for partnering and facilities sharing.

### Molasse Basin – solving complex geology the key to exploration success

RAG has evaluated the geology and the hydrocarbon potential of the **Molasse Zone in Salzburg and Upper Austria** since the late 1940's and, more recently, in Bavaria. The Molasse Zone largely corresponds to the North Alpine Foreland Basin extending from Switzerland in the West, through Germany and Austria into the Czech Republic in the East. The basin was filled by clastic sediments due to uplift and erosion of the Alpine Orogen. (Source: RAG geological profile – website, see above and Appendix for maps).

The basin consists of 1) the Foreland Molasse, reaching from the crystalline rocks that outcrop as the Bohemian Massive in the north, down to the northernmost extension of the Alps, 2) the Imbricated Molasse (where facies slide or topple like dominos) associated with syntectonic "south slope facies" in a narrow zone along the Alpine Flysch front and 3) the Subalpine Molasse overlain by the Alpine nappes (or rock sheets that have moved somewhat like a flow over kilometres). (Source RAG geological profile – website).

**Oil reservoirs** are found mainly in **Upper Eocene sandstones**. Cretaceous and Jurassic sandstones can also contain oil. Oil and associated gas were formed by thermal maturation of organic matter of the Lower Oligocene Schöneck Formation ("Fischschiefer"). The oil was formed within the Subalpine Molasse that was overthrust by the Alpine nappes at a time when the Schöneck Formation entered the higher temperature "oil window" and migrated northwards to its present position. **Natural gas**, however, is mainly restricted to sandstones and conglomerates of the Oligocene (Puchkirchen Formation) and the lower Miocene (Hall Formation). Gas generation is largely biogenic associated with deep waters of a subsidence period. (Source RAG geological profile – website).

### Valuation Summary, Target Price & Investment Catalysts

Valuation after project risking \$0.067/share; Target price assessment \$0.063/share

Shares out	1228.6	Equity share	Resource	Net Product	Confidence Level	Risk Value	Risk Value	Value	Unrisked	Unrisked
Dil.shares	1897.7	%	mmboe	mmboe	%	A\$/boe	A\$m	A\$ps	A\$m	A\$ps
Nilde project		50%	26	10.6	20%	\$3.77	39.8	\$0.021	199.2	\$0.105
Austria - Z&G 2P		100%	3	1.4	75%	\$6.65	9.2	\$0.005	12.3	\$0.006
<b>Appraisal &amp; other</b>		<b>Risk Target mmboe</b>								
Austria - Flysch upside		100%	9	5	58%	\$8.18	40.1	\$0.021	69.8	\$0.037
Romania - IM-1 gas 2C		63%	2.1	2.0	75%	\$12.07	23.7	\$0.012	31.6	\$0.017
Romania -deep IM-1 & IM-2		63%	3.7	2.7	31%	\$6.26	17.2	\$0.009	55.7	\$0.029
Nilde oil upside		50%	6	4	10%	\$1.16	4.8	\$0.003	48.4	\$0.026
Tunisia Dougga Gas/cond		100%	173	86	3%	\$0.09	7.4	\$0.004	295.3	\$0.156
Other Items					100%		-1.8	-\$0.001	-1.8	-\$0.001
Corporate Costs					100%		-13.0	-\$0.007	-13.0	-\$0.007
Options exercise		0.0			100%		0.0	\$0.000	0.0	\$0.000
Net Cash		0.2			100%		0.2	\$0.000	0.2	\$0.000
<b>Total Valuation</b>			<b>222</b>	<b>112</b>		<b>\$1.14</b>	<b>127.7</b>	<b>\$0.067</b>	<b>697.6</b>	<b>\$0.368</b>
Austria & Romania @ or near prodn			17.0	11.0	238%	\$8.20	90.2	\$0.048	169.4	\$0.089
<b>Target Price - excludes Dougga</b>							<b>120.3</b>	<b>\$0.063</b>	<b>326.8</b>	<b>\$0.172</b>

Note important analysis sources: ADX disclosures on Austria, Nilde, Tunisian and Romanian Assets including NPV/unit. ADX forecasts on Austrian assets Reserves, production and costs. QA Capital estimates of oil prices, discount rates.

**Our 127m valuation and Target price value of \$120m exceeds the current A\$15m market capitalisation and \$24m estimated fully diluted**

**Positive gas drilling results at Iacea Mica-1 are being assessed and has more upside potential**

**Austrian & Romanian assets have near-term field production with est. worth ~\$0.048/share**

**Price target excludes the Dougga option value on various uncertainties**

**Unrisked valuation upside in Austria, Romania, Nilde and Dougga all singly have potential to exceed ADX current share price**

**Our ADX valuation is \$0.067/share.** This is based upon our NPV analysis of projected production of the Austrian assets on P2 reserves, product profiles and costs as estimated by ADX. Also, an NPV assessment of a possible Nilde oilfield development.

**These are discounted at 10.8% pa using our Base Case US\$8/bbl Brent Oil Price assumption.** Our analysis dilutes for added share number for a possible equity raising which we assume to be ~A\$5.0m, to provide acquisition funds and working capital.

We attach **confidence levels** (i.e. 100% certain, minus the risk estimate) to balance outcome risk. The Austrian assets estimated P2 have a higher likelihood (we assess at 75% of achieving all parameters) as the fields have decades of production history. Austria has a risked valuation of A\$0.005/share. However, there is 8.5 mm boe upside in the deep Flysch resource, though at 58% confidence factor worth \$0.021/share.

We rate Nilde a lower chance at a perhaps conservative 20%, given the need for the Italian authorities need to ratify permit activities. Development requires activation of proposed farmout, good appraisal well results and funding, all of uncertain outcome.

Our study has not undertaken a detailed review of Romanian gas and liquids assets until full tests are undertaken at **Iacea Mica-1** well. However, using ADX's pre-drill economics plus highly encouraging logging results from 3 gas-bearing horizons, we see risked valuation of \$0.021/share. ADX's transition to producer is evident as our risked estimate of Austrian & Romania risked valuation aggregates to \$0.048/share.

#### Price target – \$0.063/share

We derive our 12-month price target from the “risked” valuations outlined above. However due to issues regarding the Tunisian Dougga permit and the big scale of the farm-out and appraisal well, we exclude its value from our estimate of price target.

**Unrisked valuation** refers to developments that have become more certain and hence valuation rises. Nilde and Dougga potentially have huge upside impact, while de-risked Austria and Romania can markedly boost our assessment of ADX's value.

## Investment Catalysts

### *ADX transitioning from*

- *appraisal-farmout developer of neglected assets*
- *to a current producer of oil & gas and quick-cycle field developer*

*Producers can attract a broader spectrum of investors aiding re-rating potential*

*Romanian drilling and completion of Austrian acquisition are near term catalysts*

*Nilde and Dougga farmouts and drilling are very high impact but uncertain outcome or timing*

**ADX is making the transition from an early stage field appraisal, development concept generator and farmout funder to a current oil & gas producer with near term output growth options in Austria and potentially new production in Romania.**

Field appraisals at Nilde and Dougga are still possible. They both would likely have very high value addition impact if these are granted authorisation to proceed and farm-outs are implemented. However, the outcome and timing of these hoped-for developments are as yet unknown. Some notable likely near-term catalysts include:

- **Sept month 2019 – Iacea Mica-1** well flow-results from three logged upper gas-prone horizons. Success paves the way for development scenario of gas and possibly oil and a rise in value of this investment. Success also boosts ADX's ability to attract further capital to accelerate drilling more wells.
- **Oct month 2019 – Zistersdorf & Gaiselberg oil & gas fields acquisition completion.** ADX then becomes a producer and cashflow generator. This may see ADX re-rate as a broader spectrum of investors may start to buy its shares.
- **Dec Qtr'2019 – ADX will provide initial plans for work** on the Zistersdorf & Gaiselberg oil & gas fields. Added field workovers and drilling activity provides both value-accretion opportunities and news flow.
- **Dec Qtr'2019 to early 2020 – ADX may exercise an exclusive access to RAG's seismic** and well data for an annual licence fee of €0.4m. This may see ADX embark upon its early plans to drill 5-wells targeting around 12mmboe.
- **By early 2020 – Production data for Austrian fields** and firming of development plans in Romania can increase the market's confidence in ADX cashflows.
- **2020+ – Consistent production data and quick-cycle time** for field activities to production creates **funding options** for infill and other development drilling. This includes forward sale of production. This can accelerate production growth including from the large upside available in the delineated Flysch zone.

## Investment Risks – ADX is for well-advised, risk tolerant investors

*ADX faces risks typical of an early stage resource developer with modest financial means. It may seek added equity issues.*

*The addition specific risks means that ADX should appeal only to risk tolerant investors*

*Adding production assets adds operating risk while lowering financial risk*

*Asset tenure risk is being addressed by ADX's active consultation with host governments.*

Key risks for ADX include the material failure in evaluation and appraisal programs, plus lower oil and gas commodity prices. Additionally, inability to obtain sufficient project equity and debt finance may hamper acquisition of and efficient development of the **Austrian and Romanian** fields. To that we can add failure to close the Austrian acquisition for due diligence or approvals reasons; or for later failure to meet expected production and cost parameters.

Negative market reactions may occur if ADX fails to obtain Government authorisations to proceed to drilling to enable a farm-out of 50% of the **Nilde** block. The **Dougga gas-condensate** field's block licence may expire and requires a more capital-intensive drilling/development than the less complex & prolific Nilde oilfield. Disappointing test results in Romania at the **Iacea Mica-1** well and a big delay in a new well to test the lower exploration target are sources of risk. Changes in government regulation, contractors' costs levels and global oil and gas markets can impact on project economics and investor sentiment.

We believe that management will actively seek to manage these risks including by:

- Seeking farmin support for activities spanning Austria and Romania
- Active and advanced consultations with Italian and Tunisian authorities.
- Raising extra equity capital for the acquisition of the Austrian assets and/or provide more working capital to assist production and cashflow generation.



## Appendices

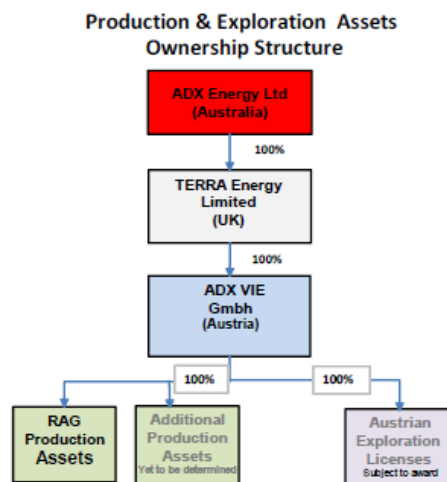
- Contents:
- Due Diligence & Ownership structure and General Meeting Notice
  - Location Maps and
  - Detailed Sensitivity Tables – for reserves and oil price

## Due Diligence and Ownership Structure

### Special Purpose Vehicle

ADX has incorporated a UK special purpose vehicle (**Terra Energy Limited**) which will be 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. ADX VIE GmbH is expected to be incorporated by end July 2019.



*Note: Terra Structure enables investment at UK SPV level*

*Source: ADX presentation July'19*

ADX has assembled a team of petroleum experts to assess and complete the acquisition and then run the asset. This team has extensive co-operation with or formerly worked for RAG and OMV to assist relationship. Source: disclosed by ADX in July 2019 and they include:

- Paul Fink (ADX CEO) – subsurface and commercial,
- Ian Tchacos (ADX Exec Chairman) – engineering and corporate,
- Tim Stoll (ADX Operations Manager) – production technology, facilities and operations,
- Amanda Sparks (ADX Finance Director) – corporate and finance,
- Rob Downey (legal advisor) – transaction documentation,
- Johannes Trenkwalder (CMS Lawyers) – Austrian labour law,
- Martin So (Reservoir Minds) - Reservoir Engineering,
- Artur Straton (ADX Bus Dev Manager Romania) – operations and commercial,
- Hans Werner Ladwein (Ex CEO E&P OMV) – subsurface and operations, and
- Klaus Angerer (ex-RAG and OMV production manager) – production operations.

Upon closing of a transaction ADX intends to form an Austrian SPV to acquire the assets. The directors of that company will include:

- Paul Fink who is an Austrian national,
- Ian Tchacos and
- Mr Hans Werner Ladwein who was Director E&P for OMV Austria as well as CEO of E&P for OMV Petrom, and
- Mr Klaus Angerer who started his career with RAG as a production and drilling engineer and had several senior management positions with OMV.

### AGM Meeting set for the 20<sup>th</sup> September 2019 – to provide ADX Board added ability to pursue growth

<https://adx-energy.com/documents/notice-of-general-meeting-proxy-form.pdf>

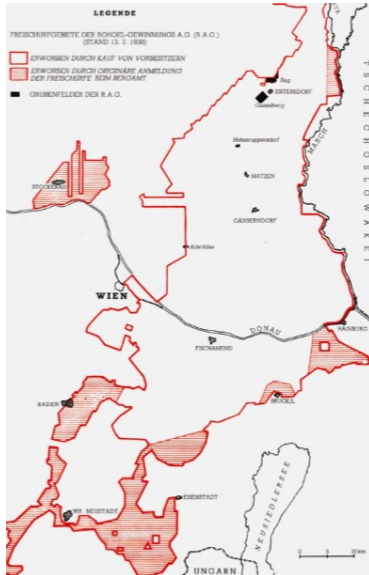
Please refer to the above referenced Notice of General Meeting for full details. Below we extract some salient points.

#### ADX Board has sought to obtain a mandate from shareholder via Resolution 5 to raise additional share capital.

Approval sought for the Company to issue up to 500,000,000 fully paid ordinary Shares, on the conditions that the Shares will be issued no later than 3 months after the date of the Meeting, the issue price will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days. None of the subscribers will be related parties of the Company and ADX intends to use the funds raised acquire the Zistersdorf and Gaiselberg Fields and for other operational or working capital needs including the potential testing Iacea Mica 1 appraisal well.

## Locations – Austria, ADX's Vienna Basin Fields and Molasse Basin Prospects

The Z&G Fields lie in the NE portion of the map in farmland areas, around 50km NNE of Wien (Vienna)



Source: RAG

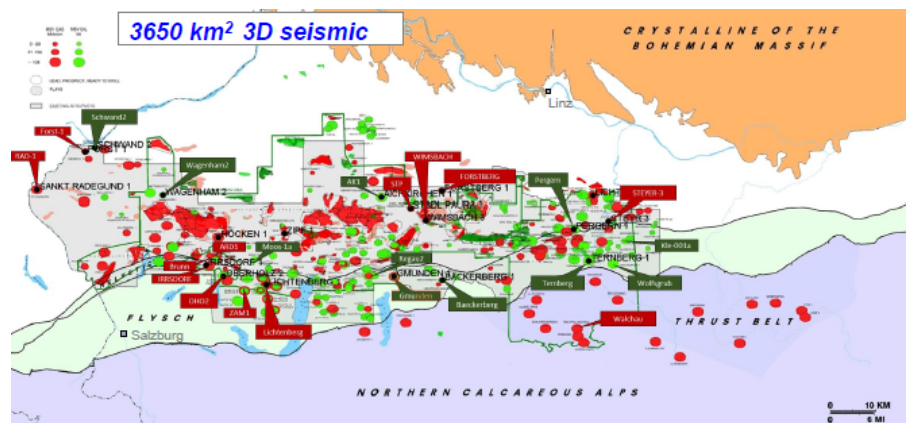
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Austria – where Eastern meet Western Europe



Source: Google Map

RAG Exploration Data and Molasse prospects currently delineated

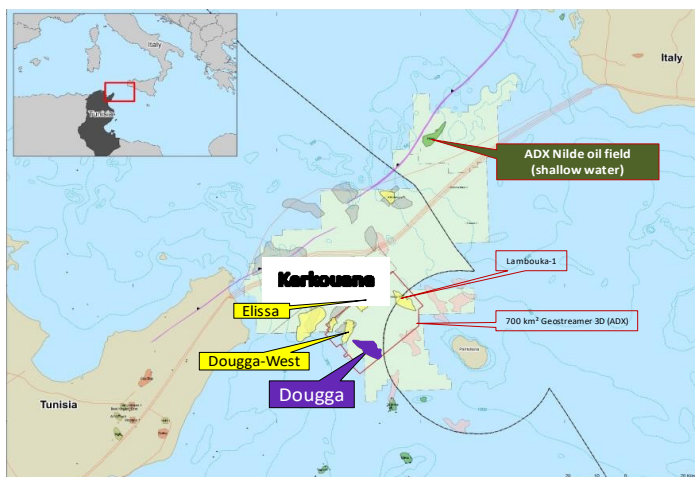


- Map shows 3,650 km<sup>2</sup> 3D area (grey) and prospects & leads as green or red circles
- The labels show peer reviewed prospects, selected as possible future drilling candidates
- Prospects with black dots have already been permitted and the well site is built in some cases
- The inventory contains a mix of small sized low risk appraisal step outs, medium sized medium risk exploration prospects and very large sized higher risk leads
- The basin has an extensive infrastructure network with tie-ins mostly available within a few kilometres.

Source: ADX presentations

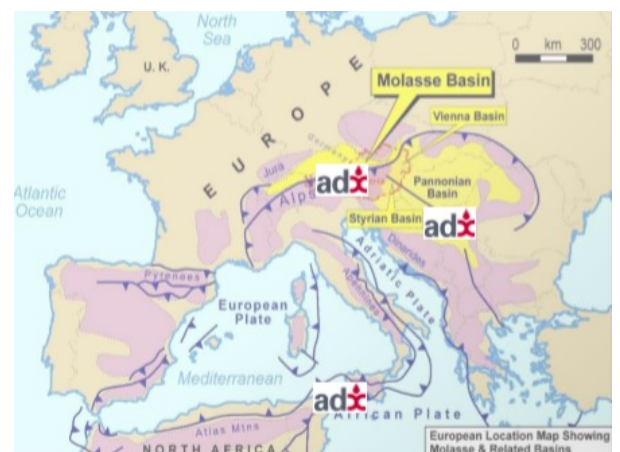
**Nilde oil field and Dougga gas-condensate fields**

These lie in contiguous acreage that spans Italian and Tunisian waters respectively in the relatively shallow Sicily channel



Source: ADX presentations

Generalised Basin map and ADX locations



Source: ADX presentations

## Reserve estimate sensitivity – impact on production & valuation

*Sources: ADX Energy's estimates of reserves, production and cost profiles, QA Capital's oil price and discount rates and calculations.*

### Zistersdorf & Gaiselberg Fields

Scenario		P1	P2	P2	P3	Flyche P2
		Developed	Developed	Dev'd+Unde v'd		Dev+Undev
Resource recovered: Oil	'000bbl	553	891	1,359	2,284	6,973
Resource recovered: Gas	mmcf	298	536	865	1,991	17,264
Resource recovered	'000boe	606	986	1,513	2,639	10,048
Field Life	years	10.0	16.0	19.0	19.0	23.0
<b>Production rate &amp; Sales</b>						
Prodn: Oil - 3-yr Average 2020-22	bopd	196	246	328	588	822
Prodn: Gas - 3-yr Average	mcfpd	111	163	220	518	1,844
Prodn: Total - 3-yr Average	boepd	216	275	368	680	1,150
Prodn: Total - 3-yr Average	'000boe	79	101	134	248	420
Prodn: Total - 2019	'000boe	124	124	124	124	124
Sales: 2020 - Oil	'000bbl	81	98	107	202	107
Sales: 2020 - Gas	mmcf	52	76	83	178	83
Sales: 2020 - Total	'000boe	91	111	122	234	122
Sales: 2021 - Total	'000boe	77	100	122	229	352
Sales: 2022 - Total	'000boe	65	86	153	271	772
<b>Pricing</b>						
Oil Price: Brent - 3-yr Average	US\$/bbl	\$58.00	\$58.00	\$58.00	\$58.00	\$58.00
Oil Price: Received - 3-yr Average	US\$/bbl	\$53.42	\$53.42	\$53.42	\$53.42	\$53.42
Gas Price: Received - 3-yr Average	US\$/mcf	\$6.40	\$6.40	\$6.40	\$6.40	\$6.40
USD/EUR Ex.Rate - 3-yr Average	US\$	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11
AUD/USD Ex.Rate - 3-yr Average	US\$	\$0.68	\$0.68	\$0.68	\$0.68	\$0.68
<b>Earnings</b>						
Revenue: Oil - 3-yr Aver. 2020-2022	US\$'000	3,771	4,731	6,312	11,302	15,853
Revenue: Gas - 3-yr Average	US\$'000	254	373	505	1,188	4,253
Revenue: Total - 3-yr Average	US\$'000	4,025	5,104	6,817	12,491	20,106
Opex: - 3-yr Average	US\$'000	2,622	3,280	4,307	7,784	7,393
EBITDA: - 3-yr Average	US\$'000	1,403	1,824	2,510	4,707	12,713
Revenue: Total - 3-yr Average	US\$/boe	\$51.82	\$51.58	\$51.56	\$51.05	\$48.43
Opex: - 3-yr Average	US\$/boe	\$33.76	\$33.15	\$32.57	\$31.82	\$17.81
EBITDA: - 3-yr Average	US\$/boe	\$18.06	\$18.44	\$18.98	\$19.24	\$30.62
EBITDA Margin: - 3-yr Average	%	34.9%	35.7%	36.8%	37.7%	63.2%
<b>Gross Cashflow &amp; Capital Spend</b>						
Gross Cashflow - 3 year Cum	US\$'000	3,670	4,671	6,586	11,896	31,651
Gross Cashflow - 10 year Cum	US\$'000	6,684	10,333	16,863	29,961	166,856
Acquisition Price	US\$'000	4,459	4,459	4,459	4,459	4,459
Capex - Cumulative 3-years	US\$'000	901	901	1,501	1,501	80,451
Exploration & Other - Cumulative 3-year	US\$'000	0	0	2,950	4,282	1,332
Life of Project - Capex,Explor&Acquis	US\$'000	5,859	5,859	9,409	10,741	86,741
Peak Debt	US\$'000	503	503	712	712	40,089
<b>Pre-Tax Returns</b>						
Ungeared NPV - pre-tax	US\$'000	2,832	5,859	7,729	18,246	72,797
Ungeared NPV - pre-tax	US\$/boe	\$4.68	\$5.94	\$5.11	\$6.91	\$7.25
NPV ADX A\$/Sh. Pre-tax	A\$/share	\$0.002	\$0.004	\$0.006	\$0.014	\$0.056
<b>Post Tax Returns</b>						
Discount Rate	%	10.8%	10.8%	10.8%	10.8%	10.8%
Ungeared NPV	US\$'000	1,883	4,183	5,450	13,384	51,731
Ungeared NPV per boe	US\$/boe	\$3.11	\$4.24	\$3.60	\$5.07	\$5.15
NPV ADX A\$/Sh. Post-tax	A\$/share	\$0.001	\$0.003	\$0.004	\$0.010	\$0.040
Ungeared IRR	%	37.8%	57.6%	45.0%	96.4%	33.4%
Ungeared Payback	Yrs	2.3	1.8	2.8	1.8	4.8
G geared NPV	US\$'000	1,916	4,216	5,502	13,437	54,126
G geared NPV per boe	US\$/boe	\$3.16	\$4.27	\$3.64	\$5.09	\$5.39
NPV per ADX Share at w.i.						
G geared IRR	%	41.2%	62.0%	48.4%	103.5%	53.8%
Sensitivity from base A\$/share		-\$0.0028	-\$0.0010	\$0.0000	\$0.0061	\$0.0357



## Oil price estimate sensitivity – impact on production & valuation

Sources: ADX Energy's estimates of reserves, production and cost profiles, QA Capital's oil price and discount rates and calculations.

Zistersdorf & Gaiselberg Fields		P2 Dev'd+Unde v'd \$53	P2 Dev'd+Unde v'd \$58	P2 Dev'd+Unde v'd \$63	P3 - \$53/bbl	P3 - \$58/bbl	P3 - \$63/bbl
Resource recovered: Oil	'000bbl	1,359	1,359	1,359	2,284	2,284	2,284
Resource recovered: Gas	mmcf	865	865	865	1,991	1,991	1,991
Resource recovered	'000boe	1,513	1,513	1,513	2,639	2,639	2,639
Field Life	years	19.0	19.0	19.0	19.0	19.0	19.0
<b>Production rate &amp; Sales</b>							
Prodn: Oil - 3-yr Average 2020-22	bopd	328	328	328	588	588	588
Prodn: Gas - 3-yr Average	mcfpd	220	220	220	518	518	518
Prodn: Total - 3-yr Average	boepd	368	368	368	680	680	680
Prodn: Total - 3-yr Average	'000boe	134	134	134	248	248	248
Prodn: Total - 2019	'000boe	124	124	124	124	124	124
Sales: 2020 - Oil	'000bbl	107	107	107	202	202	202
Sales: 2020 - Gas	mmcf	83	83	83	178	178	178
Sales: 2020 - Total	'000boe	122	122	122	234	234	234
Sales: 2021 - Total	'000boe	122	122	122	229	229	229
Sales: 2022 - Total	'000boe	153	153	153	271	271	271
<b>Pricing</b>							
Oil Price: Brent - 3-yr Average	US\$/bbl	\$53.00	\$58.00	\$63.00	\$53.00	\$58.00	\$63.00
Oil Price: Received - 3-yr Average	US\$/bbl	\$48.81	\$53.42	\$58.02	\$48.81	\$53.42	\$58.02
Gas Price: Received - 3-yr Average	US\$/mcf	\$6.40	\$6.40	\$6.40	\$6.40	\$6.40	\$6.40
USD/EUR Ex.Rate - 3-yr Average	US\$	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11
AUD/USD Ex.Rate - 3-yr Average	US\$	\$0.68	\$0.68	\$0.68	\$0.68	\$0.68	\$0.68
<b>Earnings</b>							
Revenue: Oil - 3-yr Aver. 2020-2022	US\$'000	5,768	6,312	6,856	10,328	11,302	12,277
Revenue: Gas - 3-yr Average	US\$'000	505	505	505	1,188	1,188	1,188
Revenue: Total - 3-yr Average	US\$'000	6,273	6,817	7,361	11,516	12,491	13,465
Opex: - 3-yr Average	US\$'000	4,306	4,307	4,308	7,783	7,784	7,785
EBITDA: - 3-yr Average	US\$'000	1,967	2,510	3,054	3,734	4,707	5,680
Revenue: Total - 3-yr Average	US\$/boe	\$47.44	\$51.56	\$55.68	\$47.07	\$51.05	\$55.04
Opex: - 3-yr Average	US\$/boe	\$32.57	\$32.57	\$32.58	\$31.81	\$31.82	\$31.82
EBITDA: - 3-yr Average	US\$/boe	\$14.87	\$18.98	\$23.10	\$15.26	\$19.24	\$23.22
EBITDA Margin: - 3-yr Average	%	31.4%	36.8%	41.5%	32.4%	37.7%	42.2%
<b>Gross Cashflow &amp; Capital Spend</b>							
Gross Cashflow - 3 year Cum	US\$'000	5,284	6,586	7,887	9,572	11,896	14,220
Gross Cashflow - 10 year Cum	US\$'000	13,375	16,863	20,352	23,876	29,961	36,047
Acquisition Price	US\$'000	4,459	4,459	4,459	4,459	4,459	4,459
Capex - Cumulative 3-years	US\$'000	1,501	1,501	1,501	1,501	1,501	1,501
Exploration & Other - Cumulative 3-year	US\$'000	2,950	2,950	2,950	4,282	4,282	4,282
Life of Project - Capex, Explor&Acquis	US\$'000	9,409	9,409	9,409	10,741	10,741	10,741
Peak Debt	US\$'000	712	712	712	712	712	712
<b>Pre-Tax Returns</b>							
Ungeared NPV - pre-tax	US\$'000	4,570	7,729	10,888	12,710	18,246	23,782
Ungeared NPV - pre-tax	US\$/boe	\$3.02	\$5.11	\$7.19	\$4.82	\$6.91	\$9.01
NPV ADX A\$/Sh. Pre-tax	A\$/share	\$0.0035	\$0.0059	\$0.0084	\$0.0098	\$0.0140	\$0.0183
<b>Post Tax Returns</b>							
Discount Rate	%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
Ungeared NPV	US\$'000	3,050	5,450	7,850	9,178	13,384	17,590
Ungeared NPV per boe	US\$/boe	\$2.02	\$3.60	\$5.19	\$3.48	\$5.07	\$6.67
NPV ADX A\$/Sh. Post-tax	A\$/share	\$0.002	\$0.004	\$0.006	\$0.007	\$0.010	\$0.014
Ungeared IRR	%	30.6%	45.0%	60.1%	67.1%	96.4%	128.7%
Ungeared Payback	Yrs	3.5	2.8	2.5	2.3	1.8	0.8
G geared NPV	US\$'000	3,102	5,502	7,903	9,231	13,437	17,643
G geared NPV per boe	US\$/boe	\$2.05	\$3.64	\$5.22	\$3.50	\$5.09	\$6.69
NPV per ADX Share at w.i.							
G geared IRR	%	32.6%	48.4%	64.7%	72.1%	103.5%	137.4%
Sensitivity from base A\$/share		-\$0.0024	\$0.0000	\$0.0024	-\$0.0043	\$0.0000	\$0.0043



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