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## Two Year Extension for Parta License satisfies important condition for Farm in Agreement

US\$1.5million agreement to fund 3D Seismic program is expected to be completed by end June 2019.

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### SUMMARY

- Two year extension given for Parta Exploration License for a minimal but necessary additional seismic processing work program commitment of approximately Euro 100,000.
- The extension satisfies the only regulatory condition for the completion of a binding Heads of Agreement for a farm in to fund a 100 km<sup>2</sup> 3D Seismic program planned for Q4 2019 (*refer to previous ASX announcement dated 8 April 2019*)
- The planned 3D seismic work program is highly complementary with the funded Iecea Mica 1 appraisal well due to spud soon in the adjoining Iecea Mare production license.

ADX Energy Ltd (ASX Code: **ADX**) is pleased to advise that the Romanian National Agency for Mineral Resources has approved a two year extension for the Parta Exploration License onshore Romania. The extension has been provided with very minimal but beneficial additional reprocessing work on existing 50 Km<sup>2</sup> of 3D seismic and 200 km of 2D seismic. The work is valued at approximately Euro 100,000.

As announced on the 8<sup>th</sup> of April 2019, ADX has executed a farm-in on behalf of Danube Petroleum Limited (Danube) and ADX Energy Panonia Srl (Panonia) to fund a 3D seismic program in the Parta Exploration License (License) onshore Romania. ADX holds a 63% shareholding in Danube.

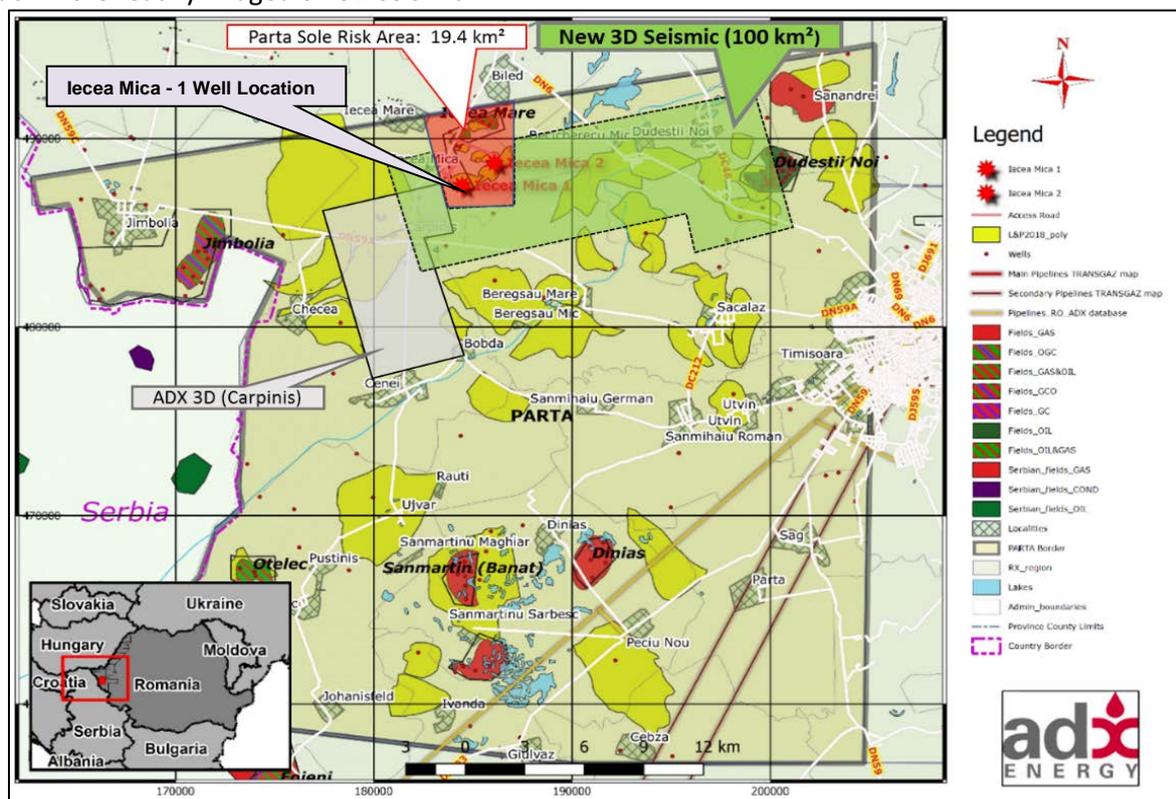
Parta Energy Pty Ltd (Farminee) will fund the first US\$1,500,000 of expenditure for the acquisition of approximately 100 km<sup>2</sup> of 3D seismic to earn a 50% participating interest in the Parta Farm-in Area (see map attached). The Farm-in funding is subject to the following conditions;

1. The agreement of a Joint Operating Agreement
2. *The extension of the Parta Exploration License for an additional 2 years – now satisfied!*
3. The finalisation of a work program and budget for the 3D Seismic acquisition and processing

The license extension represents the only regulatory condition in relation to the farm-in and ADX expects that the other contractual conditions will be finalised with Farminee by the end of June 2019. ADX is pleased that it can now commence contracting work for the acquisition of the Parta 3D exploration seismic program which it expects to commence during the fourth quarter of 2019 following the drilling of the Iecea Mica-1 appraisal well in the adjacent Iecea Mare production license (Sole Risk Area in below map. Note that well Iecea Mare-1 will be drilled on an already existing small 3D seismic).

The Parta exploration 3D seismic program will extend the modern 3D seismic footprint across the north of the Parta Permit and the Iecea Mare production license to approximately 200km<sup>2</sup>. The combination of an extensive 3D seismic data set together with the drilling results from the Iecea Mica 1 appraisal well will be very valuable for the focus of future exploration. The deepening of the Iecea Mica -1 well to evaluate a potential fractured basement play that is proven for oil and gas elsewhere in the basin yet underexplored is very promising for future follow up targets.

The 3D seismic area is in a prospective yet under explored area of the Pannonian basin where little 3D seismic and modern 2D seismic exists and there has been very little drilling below 2000m. Exploration results elsewhere in the basin using 3D seismic have resulted in success rates in excess of 60%. As recently identified by ADX from existing 3D seismic purchased with the Iecea Mare license there is deeper prospectivity which has resulted in productive oil wells elsewhere in the basin which can be much more readily imaged on 3D seismic.



**Map showing Parta Exploration License (approx. 1200 km<sup>2</sup>), Sole Risk Exclusion Area, Existing 3D seismic, New 3D Seismic and the Iecea Mica -1 appraisal well location.**

ADX has previously acquired approximately 100km of 2D seismic, 50km<sup>2</sup> of 3D seismic (surface area), has reprocessed approximately 470 km of vintage 2D seismic and has licensed (with landowners) an area of approximately 200km<sup>2</sup> for future 3D seismic acquisition within the Parta Exploration License. The Parta Exploration License activities are intended to provide low risk, high reward exploration follow up drilling locations for ADX and Danube following on from the Parta Appraisal Drilling Program.

### **Asset Ownership Structure**

ADX holds a 63% shareholding in Danube Petroleum Limited (Danube). The remaining shareholding in Danube is held by Reabold Resources Plc. Danube, via its' Romanian subsidiary, ADX Panonia, holds a 100% interest in the Parta Exploration license (including a 100% interest in the Parta Appraisal Sole Risk Project) and a 100% interest in the Iecea Mare Production license.

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