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Parta Appraisal Program Funding “Ilecea Mare Production License Onshore Romania”

ADX Energy Ltd (ASX Code: **ADX**) further to the ASX announcement made on 11 December 2018 regarding Funding Options for the Parta Appraisal Program, ADX is pleased to announce that Reabold Resources Plc (LSE AIM:RBD) and ADX have agreed to the following immediate funding contributions and future funding options for Danube Petroleum Limited (“Danube”).

The immediate funding contribution is for the suspension and preparation for well testing of the Ilecea Mica-1 appraisal well (including purchase of long lead items, planning and services contracting), the approvals and planning work for the Ilecea Mica-2 appraisal well, high resolution 2D seismic acquisition in the Ilecea Mare production license as well as data acquisition and review of new venture gazettal opportunities onshore Romania.

Under the arrangements, Reabold has committed to an immediate funding contribution by subscribing to 810,811 Danube Shares at an issue price of £1.00 per share to be subscribed in two tranches, the first tranche being for 237,838 Danube Shares to be paid for on or before the 13th of September 2019 (since paid) and the second tranche being for 572,973 Danube Shares to be paid for on or before 30th of September 2019. ADX in turn has committed to an initial funding contribution by subscribing to 540,541 Danube Shares at an issue price of £1.00 per share to be subscribed in two tranches, the first tranche being for 158,559 Danube Shares to be paid for on or before the 13th of September 2019 (since paid) and the second tranche being for 381,982 Danube Shares to be paid for on or before 30th of September 2019.

The abovementioned funds will ensure the timely continuation of the successful Appraisal Work Program with a view to testing the Ilecea Mica-1 well and acquiring additional high resolution 2D seismic intended to confirm the potential large stratigraphic upside identified for the PA IV sand. The Ilecea Mica-2 planning and approvals will enable the drilling of the second appraisal well following completion of the Ilecea Mica-1 well program. In addition to funding for the Appraisal Work Program, ADX, on behalf of Reabold, together with their Parta Exploration Permit partner Tamaska Oil & Gas Limited (ASX Code: TMK), will undertake an evaluation of new gazettal blocks which are being offered in an extensive new license bidding round in Romania.

Following the above issue of shares ADX will hold a 58.4 % shareholding in Danube with the remaining 41.6% held by Reabold.

ADX and Reabold have agreed the following funding options for planned Parta Appraisal Project drilling and development projects;

1. Reabold has the option (in its discretion) to subscribe for a further 1,627,604 Danube Shares at an issue price of £1.20 per share for a total subscription price of £1,953,125 within 12 weeks of receipt well logging data from the final logging run on the first Parta Appraisal Well (the Ilecea Mica-1 well), and

2. ADX has the option (in its discretion) to subscribe for a further 651,042 Danube Shares at an issue price of £1.20 per share for a total subscription price of £781,250 within 12 weeks of receipt of well logging data from the final logging run on the first Parta Appraisal Well (the Iacea Mica-1 well).

The above funding options provide a framework to fund the drilling of the Iacea Mica-2 well or a pipeline to tie in the Iacea Mica-1 well to the Calacea gas plant. It is the goal of ADX and Reabold to maintain the momentum from the Iacea Mica-1 drilling results with a view to commencing production from the Parta Appraisal Program as soon as practically possible.

Asset Ownership Structure

ADX holds a 63% shareholding in Danube Petroleum Limited (Danube), prior to the ongoing funding referred to in this ASX release. 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 Iacea Mare Production license.

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