

8 September 2020

Parta Exploration Farmin Update

ADX Energy Ltd (ASX Code: **ADX**) advises that it received, after the close of trading on the 7th of September 2020, a notice from Parta Energy Pty Ltd (**PE**) (being a wholly owned subsidiary of ASX listed Tamaska Oil & Gas Limited (**Tamaska**)) that the board of Tamaska have decided not to proceed with the farmin transaction relating to the EX-10 Parta Exploration licence in Western Romania pursuant to the terms of the previously announced farmin agreement between ADX Energy Panonia Srl (**ADX Panonia**), Danube Petroleum Limited (**Danube**) and **PE**. (**Farmin Agreement**).

ADX holds a 49% shareholding in Danube. The remaining shareholding in Danube is held by Reabold Resources PLC. Danube via its 100% owned Romanian subsidiary, ADX Panonia, holds:

- a 100% interest in the Ex-10 Parta Exploration license in Romania (including a 100% interest in the Parta Sole Risk Area); and
- a 100% interest in the Iacea Mare Production license in Romania (which hosts the IMIC-1 well).

The Farmin Agreement relates only to the Ex-10 Parta Exploration License, not the Iacea Mare Production license which contains the IMIC-1 gas discovery well.

The Board of ADX is surprised and disappointed with this decision, particularly given that ADX had not, until the middle of last week, had any correspondence or discussions with Tamaska that indicated in any manner whatsoever that Tamaska did not intend to proceed with the planned acquisition of 3D exploration seismic in accordance with PE's farmin obligations. On the contrary, there has had regular verbal and detailed written correspondence between the parties in relation to the upcoming work program obligations and payment of cash calls by Tamaska prior to mobilisation of seismic contractors (including correspondence through to late August 2020). These discussions between representatives of ADX and the Directors of Tamaska and PE have been consistent with Tamaska's ASX announcements regarding the farmin program, including Tamaska's latest announcement on 31 July 2020.

ADX received a letter from PE on 1 September 2020 stating that PE did not intend to pay an agreed cash call for funds payment under the Farmin Agreement relating to the 3D exploration seismic program and stating that PE "is under no obligation to proceed with the farmin and reserves its right not to proceed". Following this letter, ADX management had several discussions with representatives of Tamaska to try to understand Tamaska's unexplained change of position with a view to securing payment of the cash call. Failure of those discussions to reach a satisfactory conclusion culminated in a letter from ADX to PE and Tamaska Directors dated 3rd of September 2020 stating that PE was in default of its obligations under the Farmin Agreement and requested rectification of the default by Close of Business on 9 September 2020.

Based on the the letters received on 1 September 2020 and on 7 September 2020, Tamaska have taken the view that their obligations under the Farmin Agreement are more akin to the rights of an option holder rather than a farminee and have decided not to proceed with the farmin.

ADX strongly rejects the legal basis upon which Tamaska has elected not to comply with the farmin transaction agreed in the Farmin Agreement and will reserve all of its rights. ADX is seeking legal advice in relation to Tamaska's letter and will advise Shareholders on the results of this advice in due course. PE's outstanding financial obligation under the Farmin Agreement is US\$1,300,000.

As a result of the letter from PE, ADX has had to put on hold the mobilisation of the 3D exploration seismic crew and has no ongoing financial exposure in relation to the 3D exploration seismic program operations with the seismic contractor. An update on the operational ramifications of the default under the Farmin Agreement by Tamaska and PE will be provided to Shareholders as soon as is practically possible.

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END OF THIS RELEASE - Authorised for lodgement by Ian Tchacos, Executive Chairman