

CHAIRMAN'S UPDATE

Insights on energy markets and corporate activity across our operating regions.



OIL MARKETS

Key developments and supply risks



EUROPEAN GAS

Market trends, supply and policy updates



REGIONAL ACTIVITY

Corporate and operational highlights



WHY IT MATTERS

The impact for ADX and our strategy ahead

Ian Tchacos

Executive Chairman

E: admin@adxenergy.com.au



Dear fellow Shareholders,

The oil and gas markets are going through one of the most volatile periods I have seen in the last four decades in the industry.

Things are changing day by day. While the focus in Australia is understandably on high oil price, the gas price (up 123%) in Europe is very relevant to ADX. Europe's gas-supply challenge is structural in nature and is likely to be far more difficult to resolve in the near term. As a result, investor sentiment in the UK and Europe is becoming increasingly more supportive of the oil and gas sector.

In today's update I will outline several recent developments that are particularly relevant to our Company and its outlook.

ITALY MOVES TO FAST-TRACK DOMESTIC OIL AND GAS

On 10 September Italy's Council of Ministers [approved a measure](#) aiming to speed up oil and gas projects.



Reuters

<https://www.reuters.com/business/italy-moves-speed-up-oil-and-gas-projects>

Italy moves to speed oil, gas projects in energy security push

6 days ago — Italy currently produces about 29 million barrels of crude oil a year, mainly in the southern region of Basilicata, and around 3 billion cubic ... [Read more](#)

Prime Minister Giorgia Meloni said:

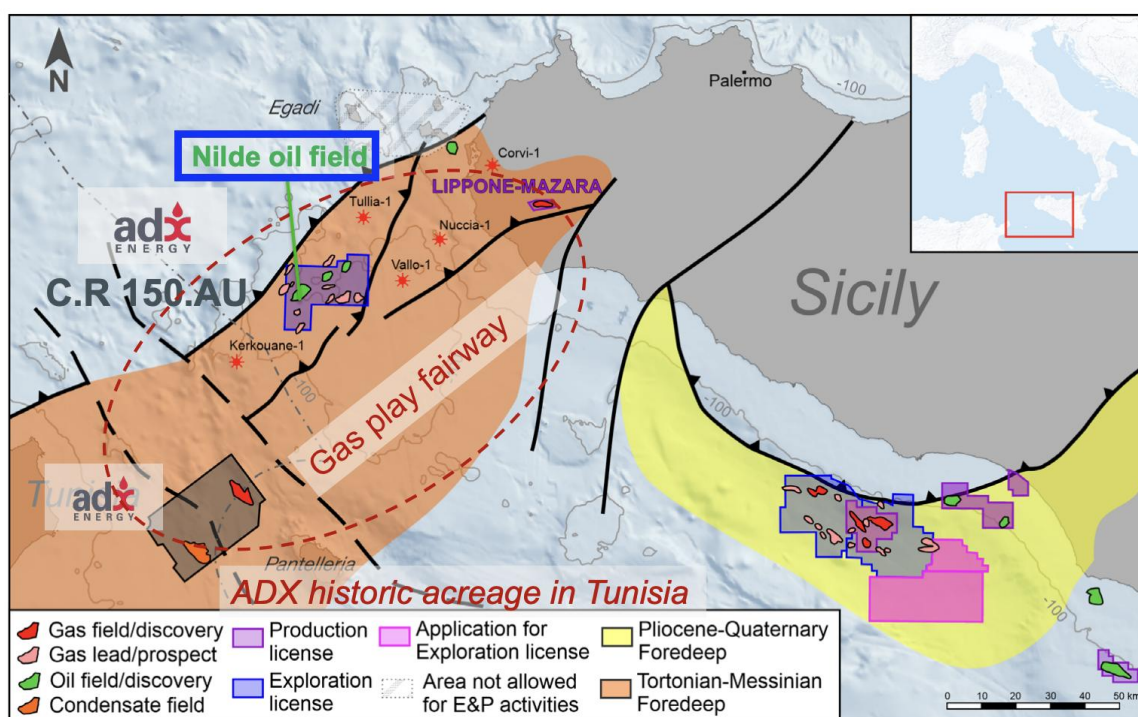
"we want to move forward on increasing national production of oil and gas, because it does not make much sense to buy this energy abroad when we can also produce it in Italy".

Energy Minister Gilberto Pichetto Fratin said:

"We cannot allow procedures that are strategic for the country's energy security to remain stalled for years"; energy security and continuity of supply "are national interests".

Why it matters for ADX:

- Italy's increasingly supportive stance towards oil and gas developments is likely to be positive for ADX's 100% owned Sicily Channel permit. While the Company's focus is appropriately on gas exploration, the permit also contains the prematurely abandoned Nilde Oil Field.
- The gas exploration project is ADX's primary focus given the scale and prospectivity of the gas play and its proximity to existing infrastructure. It's the best pathway for gas from the Mediterranean into a prime market that is desperate for new supply.
- "Italy currently imports 90%+ of its gas and 53% is consumed for gas fired power"
- The Nilde Oil Field could be an exceptional value add for ADX as a brown field redevelopment project. The field, in shallow water, previously produced from exceptionally productive reservoirs (20,000 per barrel for vertical wells).
- Nilde was discovered in 1973 and produced approximately 20.5 million barrels of oil in the 1980s before oil price tanked from US\$43 per barrel to US\$12 per barrel.
- ADX-commissioned independent assessment indicates a substantial 2C contingent oil resource remains at the Nilde Oil Field



That oil has been off limits since the 2019 moratorium on oil exploration. The relevant blocks are currently awarded to ADX are on the condition that they are explored for gas ONLY.

It should be noted, the Italian Ministry of Environment and Energy Security has published a statement identifying the Nilde reservoir as having potential as a CO₂ storage site. Should such a project proceed, it may create an opportunity to produce the remaining oil in conjunction with CO₂ injection potentially improving overall oil recovery.

Of course, oil has become very topical now with everything happening in the Middle East. However, the moratorium on oil exploration remains in force for the time being.

The relevant decree is scheduled to be converted into law within approximately 60 days. Once that process is complete, ADX should have a much clearer understanding on the implications for its Sicily Channel block.

MACRO UPDATE

European Gas

Dutch [TTF](#) hit approximately €80 per MWh last week - up 130% over a year.



EU gas storage levels have been in the media too:

- EU storage is about [68 per cent full](#) against a five-year average of 85 per cent, the lowest for this time of year.
- The International Energy agency released a [report](#) asking governments to consider mandatory storage obligations, strategic gas reserves and LNG buffer schemes.
- QatarEnergy has [extended force majeure into early November](#).

Why it matters for ADX:

- ADX gas is sold at Austrian hub prices, which trade at a premium to Dutch TTF prices. Importantly, 82 per cent of ADX's resource base is EU based gas.
- ADX is also assessing opportunities to produce currently unexploited gas from its Vienna Basin oil fields. This gas is located at the crest of the reservoirs that can be accessed by perforating upper zones in existing wells. At US\$ 170 per barrel equivalent gas price this initiative has the potential to deliver a significant increase in revenue.

Oil

Brent crude is now approximately US\$100 per barrel again.



The big disruption to EU markets was Saudi Aramco halting October oil deliveries:



Reuters

<https://www.reuters.com/business/energy/aramco-...>

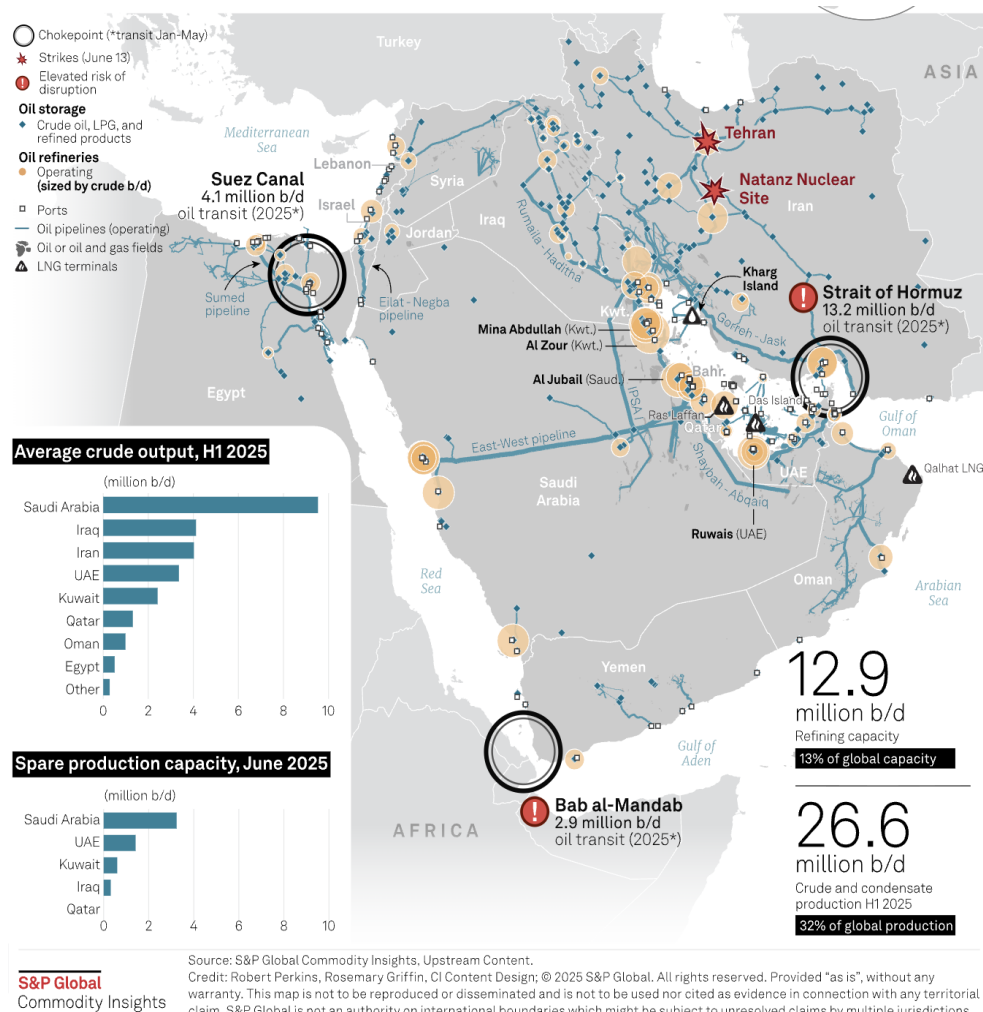
Aramco halts October crude deliveries to some European ...

2 days ago — Oil company **Saudi Aramco** has told at least two **European** refining customers they will receive no crude oil next month following an attack ...

Right now, supply out of the Middle East is either halted or at risk - that makes up approximately 30% of global oil supply.

Three key supply routes are challenged:

- The strait of Hormuz (approximately 20% of global oil supply)
- Bab Al Mandeb strait (approximately [11% of global oil supply](#)), and
- Saudi Arabia's 1,200 km East-West pipeline, which had been helping to mitigate the impact of the disruption at the Strait of Hormuz, was [hit by drones at several points](#) and shut down the next day.



To date, the impact of the supply shock on prices has been partially mitigated by aggressive inventory drawdowns. Between February and August 2026, approximately [507 million barrels drawn](#) were withdrawn from global oil inventories

These drawdowns are now accelerating even further. In the first two weeks of September (up to 11 September), an estimated 120 million barrels were drawn from stocks. ([source](#))

Why it matters for ADX:

- Approximately 94% of ADX's oil and gas sales revenue is linked to the Brent crude oil price. In the first half of 2026, the average Brent sales price for the June quarter was US\$104.52 a barrel. As at the close of 23 September, Brent was trading at around US\$100 a barrel.
- If the Middle East supply shock extends beyond the end of 2026 - as the US EIA now expects - the strategic reserves that have been drawn down to hold down oil prices will no longer be available to cushion the market.

EU POLICY

The [Russian gas phase-out](#) timetable is unchanged:

- Russian LNG imports end on 1 January 2027,
- Long-term pipeline contracts end by 30 September 2027 (1 November 2027 at the latest).

“Russian gas represents 14% of European gas”

Germany [approved](#) up to €35 billion of state aid for 11 GW of new gas-fired power plant.

Germany's energy ministry said it was preparing to respond if the country faces a significant hit to its natural gas supply security:

“We are preparing the necessary courses of action in such a way that they can be deployed quickly and in a targeted manner if the situation deteriorates,”

Some commentary from European Commission President Ursula Von Der Leyen's [State of the Union address](#) on the 16th of September:

“Since the start of the conflict, imported fossil fuels have cost us an additional €90 billion, without a single molecule of energy added.”

And: *“Europe cannot remain an industrial powerhouse if its energy prices are structurally too high.”*

Why it matters for ADX:

- *Europe is ending Russian gas on a fixed timetable AND committing to build new gas-fired capacity.*
- *The EU currently imports 87.6% of its gas ([source](#))*
- *It is good for domestic European gas companies like ADX in Austria and in Italy.*

REGIONAL UPDATES

- **OMV has a new CEO.** Emma Delaney, 30 years at BP, took over from Alfred Stern on 1 September, the first woman to lead the company. [Details](#)
- **Consolidation among smaller producers:** DNO agreed a [US\\$396 million cash takeover of Capricorn Energy](#).
- **BlueNord** shareholders approved the merger with Vår Energi on 24 August; completion is pending. [Details](#)
- **Libya and Tunisia:** Libya's NOC says it signed a production-sharing agreement with Chevron for Area 106 in the Sirte Basin (24 August). Joint Oil, the Libya-Tunisia joint venture, has opened a bid round for offshore blocks on the southern side of the Sicily Channel. [Chevron](#) | [Joint Oil](#)
- **Greece:** HEREMA launched a tender (12 August) for new seismic from Corfu to south of Crete, the first major survey cycle since 2012-13; Energean (9 September) plans a deepwater well on Block 2 with ExxonMobil and HELLENiQ in early 2027. [Seismic](#) | [Energean](#)

Why it matters for ADX:

- ADX's Sicily Channel permit is 100 per cent owned and sits in the same system the majors are now mapping in Malta, Libya and Tunisia.
- More supermajor activity/consolidation in the Mediterranean is positive for ADX's Sicily Channel permits.

ADX PRICE SENSITIVE ASX ANNOUNCEMENTS FROM THIS MONTH

- **19 Aug** - [Sicily Channel New Acreage Gazettals](#) (price sensitive):
- **28 Aug** - [HOCH-1 Production Testing Update - 3 Additional Zones Flow Gas](#) (price sensitive)
- **4 Sep** - [Sicily Channel Additional Acreage](#) (price sensitive):
- **14 Sep** - [ADX Attracts Partner Funding for the GOLD Gas Prospect](#) (price sensitive)

[READ ALL ANNOUNCEMENTS HERE](#)

ADX ANALYST COVERAGE THIS MONTH

- **Auctus Advisors**, 14 September: ["Industry partner for GOLD cluster"](#)

ADX LATEST INVESTOR PRESENTATION

- [Corporate Presentation - 17 September 2026](#)

I hope this update provides useful context on the markets in which ADX operates and the factors currently influencing them.

Thank you for your continued support and feel free to reach out should you have any questions or comments.

Ian Tchacos

Executive Chairman, ADX Energy Ltd

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P: +61 (8) 9381 4266
E: admin@adxenergy.com.au
adxenergy.com.au
Level 1, 168 Stirling Highway
Nedlands WA 6009

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