

22 September 2025

Court Rules in favour of ADX Resuming Welchau Operations

Relevant court rejects objections by environmental activist groups to drilling and testing operations

“The court ruling allows ADX to resume testing operations at Welchau-1. The ruling also places ADX in a strong position to obtain the necessary permits for further exploration drilling including the deepening of the Welchau-1 well to access the Welchau Deep Prospect”

Key points:

- ADX holds a 75% economic interest in the Welchau discovery and other emerging prospects in the Welchau Investment Area located in ADX' ADX-AT-II licence in Upper Austria.
- ADX drilled the Welchau-1 well during the first quarter of 2024 in accordance with drilling permits issued in November 2023 by the Ministry of Finance of the State of Austria and environmental clearances granted by the local Upper Austrian State Government authority responsible for the Nature Conservation (Environmental Clearances).
- In early 2025 four registered Austrian environmental non-governmental organisations (ENGOS) objected to the Environmental Clearances. A court ruling repealed a previous law allowing operations to be undertaken during the review process for an objection to an Environmental Clearance. As a result of this ruling, ADX suspended the Welchau-1 testing operations until the State Administrative Court of Upper Austria opined on the objections to the Environmental Clearances made by the ENGOS (refer ASX Release dated 14 January 2025).
- The Upper Austrian State Administrative Court has now ruled that the Environmental Clearances were granted in accordance with the regulations and that ADX has conducted drilling and testing activities to date conscientiously, safely, based on applicable laws and in compliance with all the conditions of the permits (Ruling).
- Based on the Ruling, ADX may resume drilling and testing activities at the Welchau-1 location during the winter months from the 1st of October to the 31st of March.
- The Ruling in favour of the continuation of Welchau operations is based on the strong public interest in Austria for finding and exploiting new domestic natural gas deposits.
- Three of the four reservoir intervals with oil and gas indications intersected by the Welchau-1 well remain untested, and their potential has not been conclusively assessed.
- The immediate forward plan for Welchau-1 is to conduct fluid sampling of the Reifling formation which was perforated prior to suspension of testing operations.

ADX Executive Chairman, Mr Ian Tchacos, said, “The Board of ADX welcomes the decision by the Upper Austrian State Administrative Court. The decision is not only important for further testing and exploration operations at Welchau, it is a very positive indication of the ongoing support for gas exploration due to the strong public interest for securing clean domestic natural gas reserves in Austria.”

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ADX Energy Ltd (**ASX Code: ADX**) is pleased to advise that it has received a positive court ruling in relation to the environmental permits received for drilling and testing operations at the Welchau-1 well. This is also positive for future exploration operations in other emerging prospects within the Welchau Investment Area located in ADX' ADX-AT-II licence in Upper Austria. ADX holds a 75% economic interest in the Welchau-1 well and the Welchau Investment Area.

ADX drilled the Welchau-1 well during the first quarter of 2024 in accordance with drilling permits issued in November 2023 by the Ministry of Finance of the State of Austria and environmental clearances granted by the local Upper Austrian State Government authority responsible for the Nature Conservation (Environmental Clearances).

Objections were lodged in early 2025 by four registered Austrian environmental non-governmental organisations (ENGOS) to the Environmental Clearances received by ADX to conduct drilling and well testing operations at Welchau-1. A court ruling repealed a previous law allowing operations to be undertaken during the review process for an objection to an Environmental Clearance. As a result of this ruling, ADX suspended the Welchau-1 testing operations until the State Administrative Court of Upper Austria opined on the objections by the ENGOS to the Environmental Clearances (refer ASX Release dated 14 January 2025).

The Upper Austrian State Administrative Court has now ruled the Environmental Clearances were granted in accordance with the regulations and that ADX has conducted drilling and testing activities to date conscientiously, safely, based on applicable laws and in compliance with all the conditions of the permits (Ruling).

The Ruling creates the legal basis for ADX to resume testing and drilling operations at the Welchau-1 drill site. Drilling and testing activities at the Welchau-1 location may be conducted during the winter months from the 1st of October to the 31st of March in accordance with the conditions of the Environmental Clearances. The Ruling in favour of the continuation of Welchau operations is based on the strong public interest in Austria for finding and exploiting new domestic natural gas deposits, thereby avoiding high cost, high carbon foot print LNG imports or an ongoing reliance on Russian gas.

The Welchau-1 well intersected four intervals with oil and gas indications. Three of the four reservoir intervals remain untested, and their potential has not been conclusively assessed. The Welchau-1 well may also be deepened at a future time with the appropriate permits to assess further exploration potential below the current depth of the well i.e. the Welchau Deep prospect.

The immediate forward plan for Welchau-1 is to conduct fluid sampling of the Reifling formation which was perforated prior to suspension of testing operations. We look forward to updating shareholders in relation to future operations at Welchau in the near future.

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Authorised for lodgement by Ian Tchacos, Executive Chairman

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