

# ADX Energy Ltd (ASX: ADX)

February 05, 2026

Share price: A\$0.03

**Target: A\$0.20**

## Adding materiality to Welchau

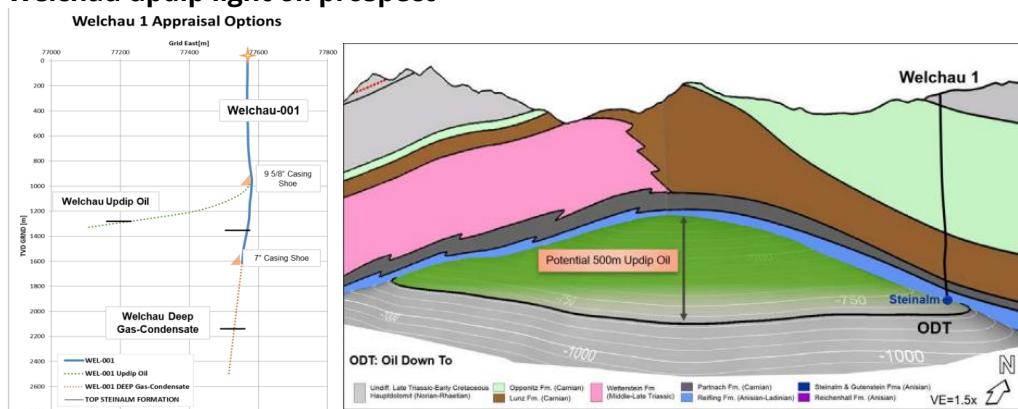
- The continuous hydrocarbon shows and light oil recovered at Welchau-1 indicate the presence of a light-oil system within the broader Welchau anticline as well as a deeper gas condensate system in pressure communication with the historic Molln-1 gas discovery.
- The latest mapping indicates the crest of Welchau structure is 500 m updip of Welchau-1 which ADX estimates to contain 11.7 mmbbl of P50 prospective resources (Pmean of 17.7 mmbbl).
- The latest mapping also indicates the Welchau gas-condensate objective, which carries P50-Pmean prospective resources of 65.4–125.4 bcf (unchanged) is now mapped to be considerably shallower (~ 600 m below Welchau TD) than previously expected and easily accessible by deepening the well. Importantly pressure data indicates Welchau-1 is in pressure communication with the deeper Molln-1 well which tested gas at 3.7 mmcf/d (Welchau Deep is actually an updip Molln appraisal).
- ADX now has two re-entry options: either sidetrack to test the up-dip oil target or deepen the current wellbore to appraise the gas condensate.
- Each prospect carries an estimated unrisked value of A\$0.15–0.16/sh. Pending the results of the planned re-testing, we reiterate our target price of A\$0.20/sh, implying a ~6.5× multiple to the current share price.

Rating & target	Old	New	
Target	A\$ 0.20	n.c.	
Yield		0%	
Implied total return		525%	
Share data	2024	2025e	2026e
Shares dil., mm	657	875	875
Mkt cap, US\$mm	\$14	\$18	\$18
EV, US\$mm	\$9	\$16	\$23
Financial Data	2024	2025e	2026e
Gas, mmcf/d	0.1	0.1	0.1
Liquids, bbl/d	196	225	247
Total boe/d (6:1)	216	248	270
CFO, US\$mm	(\$1)	(\$3)	(\$1)
Net capex, US\$mr	\$7	\$2	\$5
Net debt, US\$mm	(\$5)	(\$2)	\$4
CFPS dil., US\$/shr	(\$0.00)	(\$0.00)	(\$0.00)
EPS dil., US\$/shr	(\$0.01)	(\$0.01)	(\$0.01)
Valuation	2024	2025e	2026e
Share price, A\$/shr	A\$ 0.032	A\$ 0.032	A\$ 0.032
EV/DACF	-5.2x	-4.1x	-15.9x
EV per boe/d (US\$)	\$42,660	\$64,055	\$83,652
Net asset value			
CNAV, A\$/shr			A\$ 0.012
RENAV, A\$/shr			A\$ 0.199
Unrisked NAV, A\$/shr			A\$ 2.097
P/RENAV			0.2x
P/ENAV			0.0x

All figures in US\$ unless otherwise noted  
A\$/US\$:

0.65

## Welchau updip light oil prospect



Source: Company

## Valuation

Our total unrisked valuation for the company based on its 2P reserves and the shallow gas play in Austria is ~A\$0.08/sh. Our ReNAV of A\$0.20/sh for the company reflects: (1) producing assets, (2) shallow gas targets, (3) Welchau-1, and (4) the Italian permit, based on anticipated farm-out terms.

## Contact details

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**Figure 1. Financial & operating information**
**ADX Energy Ltd (ADX AU)**

Financial & Operating Information		2023	2024	2025e	2026e	2027e	2028e	2029e
<b>Commodity Prices</b>								
Brent	US\$/bbl	\$82.46	\$80.48	\$68.47	\$68.77	\$70.00	\$70.00	\$70.00
Austria Gas price	US\$/mcf	\$17.95	\$11.68	\$10.13	\$11.34	\$11.65	\$11.67	\$11.67
A\$/US\$	A\$/US\$	\$0.67	\$0.67	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65
<b>Production</b>								
Oil and Liquids	bbl/d	263	196	225	247	247	247	247
Natural Gas	mmcf/d	0.2	0.1	0.1	0.1	0.1	2.6	5.1
Total (6 mcf = 1 boe)	boe/d	289	216	248	270	268	688	1,102
% Oil and Liquids	%	91%	90%	91%	91%	92%	36%	22%
<b>Netbacks</b>								
Realized Price	US\$/boe	\$83.56	\$90.29	\$85.52	\$64.70	\$65.88	\$68.40	\$69.00
Royalties	US\$/boe	\$4.73	\$5.75	\$4.41	\$3.35	\$3.44	\$10.74	\$12.49
Production & Transport Costs	US\$/boe	\$81.04	\$105.57	\$112.07	\$76.37	\$76.97	\$33.37	\$22.93
Operating Netback	US\$/boe	(\$2.21)	(\$21.03)	(\$30.97)	(\$15.02)	(\$14.52)	\$24.29	\$33.58
Taxes	US\$/boe	-\$2.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.16	\$0.10
Cash Flow Netback	US\$/boe	(\$8.94)	(\$27.44)	(\$31.02)	(\$9.37)	(\$8.83)	\$27.53	\$36.34
Government Take	%	3%	6%	5%	5%	5%	16%	18%
<b>Financials</b>								
Cash Flow (CFO)	US\$mm	(\$2)	(\$1)	(\$3)	(\$1)	(\$2)	\$5	\$13
CFPS - diluted	US\$/shr	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	\$0.01	\$0.02
EBITDAX	US\$mm	\$1	(\$0)	(\$2)	(\$1)	(\$1)	\$7	\$15
E&D Capex	US\$mm	\$5	\$19	\$2	\$5	\$1	\$3	\$0
A&D Capex, Net	US\$mm	(\$5)	(\$12)	\$0	\$0	\$0	\$0	\$0
Total Net Capex	US\$mm	(\$0)	\$7	\$2	\$5	\$1	\$3	\$0
Total Net Capex/CFO	x	0.2x	-5.4x	-0.7x	-3.8x	-0.7x	0.5x	0.0x
<b>Leverage</b>								
Net Debt	US\$mm	(\$4)	(\$5)	(\$2)	\$4	\$8	\$6	(\$7)
Net debt/CFO (Trailing)	x	n.a.						
Entry Net Debt/CFO	x	n.a.	n.a.	n.a.	n.a.	-2.0x	1.5x	0.4x
<b>Capital Structure</b>								
Basic Shares o/s @ YE	mm	428	574	714	714	714	714	714
Diluted Shares o/s @ YE	mm	502	657	875	875	875	875	875
Market Capitalization	US\$mm	\$11	\$14	\$18	\$18	\$18	\$18	\$18
Enterprise Value	US\$mm	\$7	\$9	\$16	\$23	\$26	\$24	\$11
<b>Dividends &amp; Sustainability</b>								
Dividends	US\$mm	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$/shr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Yield	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Free Cash Flow	US\$mm	(\$7)	(\$20)	(\$5)	(\$7)	(\$4)	\$3	\$13
Cash Use/CFO	%	16%	-535%	-72%	-376%	-66%	53%	3%
<b>Performance</b>								
Prod. Per Shr Growth (Y/Y) - dil.	%	76%	240%	-3%	-9%	-1%	157%	60%
PPS Growth (Y/Y) DDA - dil.	%	88%	656%	-33%	-48%	-27%	130%	296%
CFPS Growth (Y/Y) - dil.	%	-177%	-34%	122%	-51%	58%	-344%	141%
CFPS Growth (Y/Y) DDA - dil.	%	-220%	569%	29%	-76%	16%	-319%	497%
ROCE	%	n.a.						
<b>Net Asset Value</b>								
RENAV (Atax) - diluted	A\$/shr	A\$ 0.199						
Unrisked NAV (Atax) - diluted	A\$/shr	A\$ 2.097						
P/CNAV	x	2.6x						
P/RENAV	x	0.2x						
P/Unrisked NAV	x	0.0x						
<b>Valuation</b>								
Share Price, YE/Current	A\$/shr	A\$ 0.032						
P/CF	x	-58.7x	-5.6x	-5.0x	-18.2x	-19.4x	2.4x	1.2x
EV/DACF	x	n.a.	-5.2x	-4.1x	-15.9x	-19.8x	2.2x	0.5x
Target EV/DACF	x	-13.8x	-8.0x	-8.7x	-31.1x	-36.0x	4.3x	1.5x
EV per boe/d	US\$/boe/d	\$23,253	\$42,660	\$64,055	\$83,652	\$98,095	\$34,542	\$10,026
Proved Plus Probable	mmboe	5	5	5	5	5	4	4
EV per 2P boe	US\$/boe	\$1.32	\$1.84	\$3.23	\$4.68	\$5.56	\$5.31	\$2.71
EV per 2P boe, with FDC	US\$/boe	n.a.						

a) EBITDAX = Pre-Int. &amp; Pre-Tax Cash Flow; b) DDA = Debt-and-Dividend-Adjusted

c) CNAV incl. 2P reserves, RENAV incl. 2P reserves + Risked LT inventory upside, ENAV incl. 2P reserves + Unrisked LT inventory upside

Source: Auctus Advisors, Company Disclosures

\*\*Futures strip as of 5-Feb-26

**Figure 2. NAV Table**

	WI Reserves / Resources (mmboe)	Unrisked NAV (US\$ mm)	Unrisked NAV/sh A\$/Share	GCoS (%)	EMV (US\$ mm)	A\$/Share	% Total
Net Cash (YE25)		2	0.004		2	0.004	2%
G&A		-12	-0.022		-12	-0.022	-11%
Options and Warrants Exercised		8	0.014		8	0.014	7%
<b>Austria</b>							
Zistersdorf 2P Reserves	2	8	0.014	100%	8	0.014	7%
Anshof Producing Reserves	4	1	0.002	100%	1	0.002	1%
<b>Total Core NAV</b>		<b>7</b>	<b>0.012</b>		<b>7</b>	<b>0.012</b>	<b>6%</b>
<b>Austria</b>							
Anshof Remaining 2P Reserves	0	14	0.024	20%	3	0.005	2%
SGB-1 Anshof area oil prospect (farm-out)	0	4	0.007	50%	2	0.003	2%
Remaining Anshof prospective resources	5	38	0.000				
Welchau Prospect - Steinalm formation	22	174	0.306	5%	9	0.015	8%
Welchau Prospect - Reifling formation	19	149	0.263	10%	15	0.026	13%
Welchau ROS oil prospect	11	86	0.000				0%
Welchau Deep gas prospect	11	85	0.150	25%	21	0.037	19%
Welchau Updip Oil	12	91	0.161	20%	18	0.032	16%
GOLD/ZAUN/GRAB shallow gas Cluster (farm-out)	1	20	0.035	72%	14	0.025	13%
PICH shallow gas prospect (farm-out)	0	8	0.013	75%	0	0.000	0%
STEY shallow gas prospect (farm-out)	0	1	0.001	68%	0	0.000	0%
HOCH and SCHOE shallow gas prospects (farm-out)	0	8	0.014	57%	4	0.008	4%
HASE Shallow Gas gas prospect (farm-out)	1	0	0.000				0%
Sub-Flysch area gas prospects	30	234	0.411				0%
Molasse area gas prospects	3	26	0.045				0%
<b>Romania</b>							
Iecea Mare	2	7	0.013				0%
<b>Italy</b>							
C.R150.AU gas prospective resources	115	242	0.425	25%	20	0.034	17%
<b>Total Risked Appraisal &amp; Exploration</b>		<b>1,186</b>	<b>1.867</b>		<b>111</b>	<b>0.187</b>	<b>94%</b>
<b>Total NAV</b>		<b>1,193.31</b>	<b>1.879</b>		<b>117</b>	<b>0.199</b>	<b>100%</b>
<b>Unrisked NAV</b>							<b>2.097</b>
<b>P/NAV</b>							<b>16.1%</b>
<b>P/Unrisked NAV</b>							<b>1.5%</b>

Source: Auctus, Company Disclosures

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