

ADX Energy Ltd (ASX: ADX)

February 05, 2026

Share price: A\$0.03

Target: A\$0.20

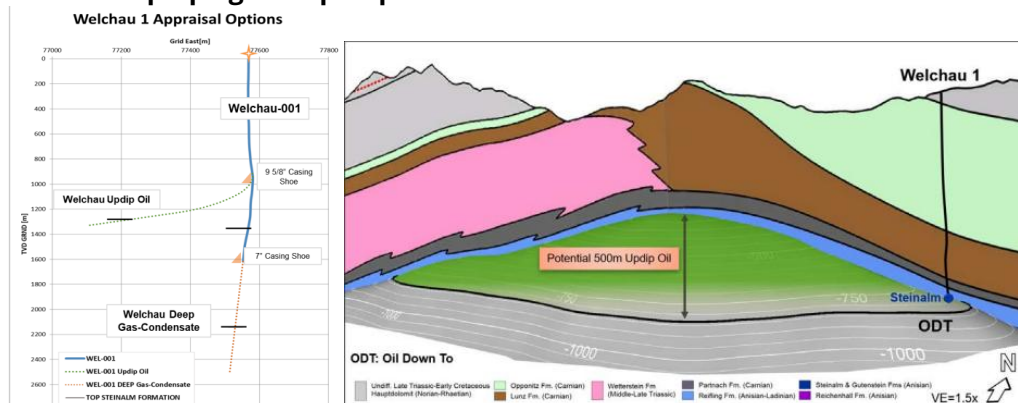
Adding materiality to Welchau

- 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 unrisks 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 ~6.5x 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 |
| Unrisks 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 | | |

All figures in US\$ unless otherwise noted
A\$/US\$: 0.65

Welchau updip light oil prospect



Source: Company

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Valuation

Our total unrisks 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.

Figure 1. Financial & operating information

| ADX Energy Ltd (ADX AU) | | | | | | | | |
|--|------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Financial & Operating Information | | 2023 | 2024 | 2025e | 2026e | 2027e | 2028e | 2029e |
| Commodity Prices | | | | | | | | |
| 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 |
| Production | | | | | | | | |
| 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% |
| Netbacks | | | | | | | | |
| 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% |
| Financials | | | | | | | | |
| 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 |
| Leverage | | | | | | | | |
| Net Debt | US\$mm | (\$4) | (\$5) | (\$2) | \$4 | \$8 | \$6 | (\$7) |
| Net debt/CFO (Trailing) | x | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Entry Net Debt/CFO | x | n.a. | n.a. | n.a. | n.a. | -2.0x | 1.5x | 0.4x |
| Capital Structure | | | | | | | | |
| 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 |
| Dividends & Sustainability | | | | | | | | |
| 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% |
| Performance | | | | | | | | |
| Prod. Per Shr Growth (Y/Y) - dil | % | 76% | 240% | -3% | -9% | -1% | 157% | 60% |
| PPS Growth (Y/Y) DDA - dil. b | % | 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. b | % | -220% | 569% | 29% | -76% | 16% | -319% | 497% |
| ROCE | % | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net Asset Value | | | | | | | | |
| 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 | | | | | | |
| Valuation | | | | | | | | |
| Share Price, YE/Current | A\$/shr | A\$ 0.032 | A\$ 0.032 | A\$ 0.032 | A\$ 0.032 | A\$ 0.032 | A\$ 0.032 | 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. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

a) EBITDAX = Pre-Int. & 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% |
| Austria | | | | | | | |
| Zistersdorf 2P Reserves | 2 | 8 | 0.014 | 100% | 8 | 0.014 | 7% |
| Anshof Producing Reserves | 4 | 1 | 0.002 | 100% | 1 | 0.002 | 1% |
| Total Core NAV | | 7 | 0.012 | | 7 | 0.012 | 6% |
| Austria | | | | | | | |
| 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% |
| Romania | | | | | | | |
| Iecea Mare | 2 | 7 | 0.013 | | | | 0% |
| Italy | | | | | | | |
| C.R150.AU gas prospective resources | 115 | 242 | 0.425 | 25% | 20 | 0.034 | 17% |
| Total Risked Appraisal & Exploration | | 1,186 | 1.867 | | 111 | 0.187 | 94% |
| Total NAV | | 1,193.31 | 1.879 | | 117 | 0.199 | 100% |
| Unrisked NAV | | | | | | 2.097 | |
| P/NAV | | | | | 16.1% | | |
| P/Unrisked NAV | | | | | 1.5% | | |

Source: Auctus, Company Disclosures

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