



ASX ANNOUNCEMENT

18 NOVEMBER 2021

PIPELINE TIE-IN DELIVERS NEW PRODUCTION ABOVE FORECAST

HIGHLIGHTS

- KayJay pipeline repair project 90% complete and delivering ~500 Mcf/day of gas production;
- Daily production rate to grow with four remaining wells to be tied in by month end;
- Workovers ongoing with more wells identified to deliver further oil & gas production gains;
- Reserves & Resources to be reported next week.

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') is pleased to report on production gains from the KayJay pipeline repair project first reported on 1 July 2021.

KayJay pipeline repair project performing above forecast

As reported on 1 July 2021, a low-cost (~US\$25,000) pipeline repair project commenced to connect 31 wells offline since 2016. The project, which involves laying ~7km of new 4-inch pipeline, is 90% complete and production over the past five days averaged 500 Mcf/day with some associated oil production. The four remaining wells will be tied into production by the end of November which are expected to add another ~50 Mcf/day.

Forecast production from this project was 450 Mcf/day and the Company is pleased to deliver production at ~22% above this guidance which excludes any associated oil. Prior to beginning this project, this portion of the field had average production of only ~185 Mcf/day.

AXP's Chief Executive Officer Tim Hart said: *"Our low-cost workovers and infrastructure repair work is yielding excellent production gains. The KayJay pipeline infrastructure repair project has taken us a little longer to complete but we are pleased with the gains it is generating and we are selling this gas into a high margin sales channel."*

"With a portfolio of wells that are still under-producing, we see further production upside as our team identifies more priority targets. AXP's growing cash flows and solid cash position means we now have greater flexibility to realise production gains quicker from expanded workover programs which are underway."

Further updates pending:

As advised in late October, the Company is now finalising and expects to publish its reserves & resources in respect of the MHP and Trey acquisitions. This is scheduled for release next week.

This announcement has been authorised by the Board of AXP Energy Limited.

END

FURTHER INFORMATION

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ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP) (formerly Fremont Petroleum Corporation Limited) is an oil & gas production and development company with operations in Colorado, Illinois, Kentucky, Tennessee and Virginia. AXP's focus is to aggressively grow daily production by improving current asset performance and opportunistically acquiring onshore USA oil & gas assets with the following characteristics: producing conventional oil & gas wells; production that can be enhanced through low-cost field operations and workovers; leases which are held by production and which do not require ongoing drilling commitments; and economies of scale which can be achieved by acquiring and carrying out similar enhancement strategies on contiguous or nearby fields with similar characteristics.

DISCLAIMER

This announcement contains or may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements." Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as "expects", "will," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Hydrocarbon production rates fluctuate over time due to reservoir pressures, depletion, down time for maintenance and other factors. The Company does not represent that quoted hydrocarbon production rates will continue indefinitely.

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