

ersonal use only



AXP ENERGY

QUARTERLY UPDATE WEBINAR

3 FEBRUARY 2022

This presentation and any materials provided to the reader (“the Materials”) have been prepared by AXP Energy Limited (“AXP” or “Company”) and contain general information about AXP’s activities.

By accepting the Materials you agree to be bound by the terms and conditions below.

The Materials are provided for information purposes only. The information contained in the Materials is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and consider talking to a financial adviser or consultant before making any investment decision based on the Materials.

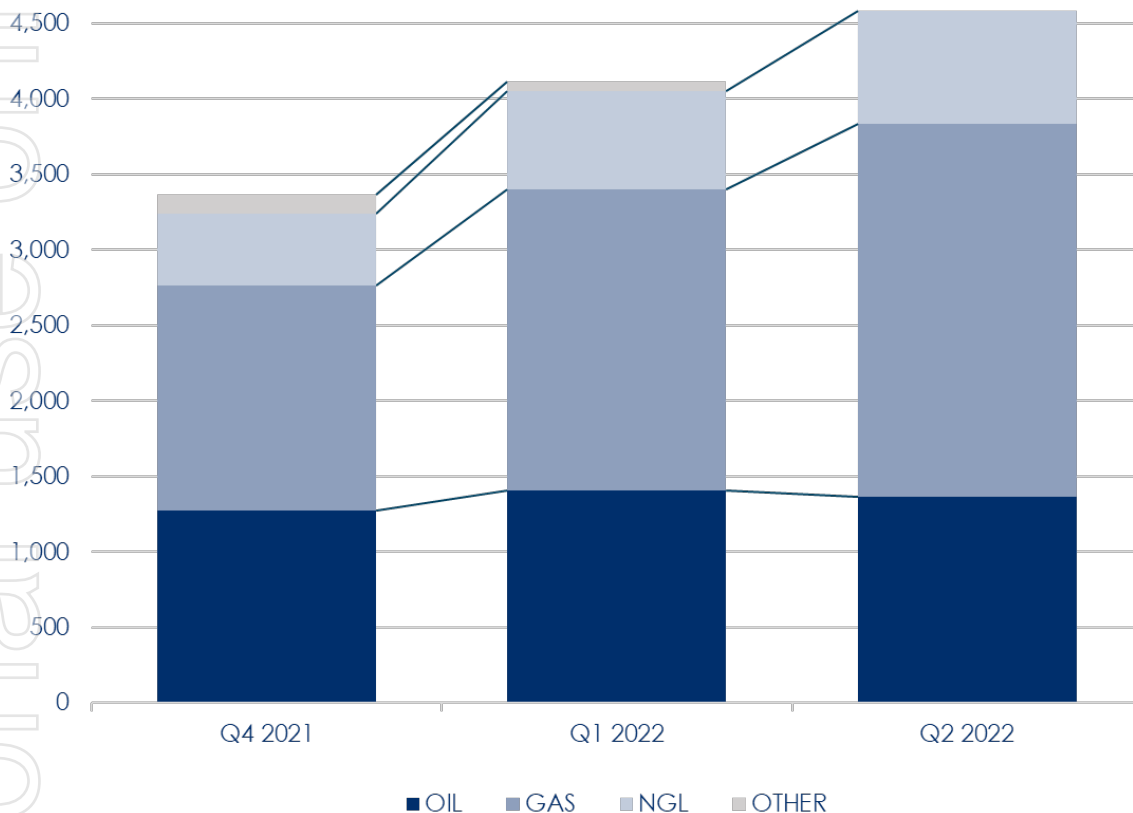
Certain statements in the Materials may constitute forward looking statements. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

While all reasonable care has been taken in relation to the preparation of the Materials, none of the Company, its subsidiaries, or their respective Directors, Officers, employees, contractors or agents accept any responsibility whatsoever for any loss or damage resulting from the use of, or reliance on the Materials by any person.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given. Some of the information in the Materials is based on unaudited financial data which may be subject to change. All values are expressed in USD unless otherwise stated.

All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company.

QUARTERLY NET REVENUE – BY HYDROCARBON



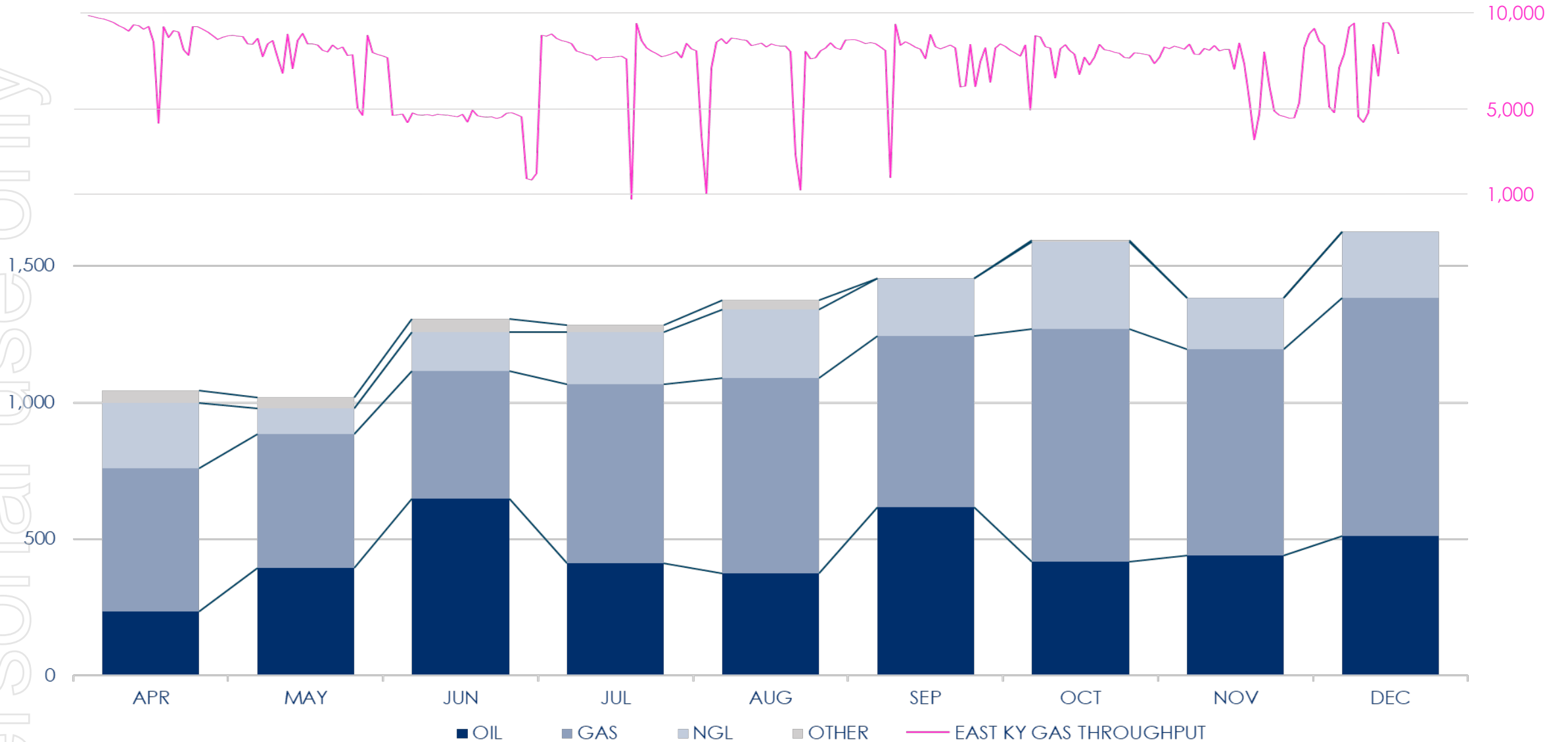
HIGHLIGHTS

- Quarterly Net Revenue **\$4,580,652** (prior quarter \$4,115,578) – An **11%** increase
- Net customer receipts **\$4,617,874** (prior quarter \$3,697,811) – A **25%** increase
- Barrels of oil sold: **26,385 BBL** (prior quarter 28,389 BBL)
- Oil inventory at 31 December: **17,762 BBL** (prior quarter end: 18,518 BBL)
- Natural gas sold: **697 MMcf** (prior quarter 774 MMcf)
- NGLs sold 26,882 BBL (prior quarter 31,202 BBL)
- Cash and cash equivalents at quarter end **\$2,709,422**, a slight decrease of \$224,327 on the previous quarter
- The Company incurred **~\$920K** in one-off costs during the quarter

CONTINUED REVENUE GROWTH



MONTHLY NET REVENUE [\$ '000] vs EAST KENTUCKY GAS THROUGHPUT [Mcf/day]



ersonal use only

DRILLING

- In-house drilling team established in 2021
- 8 Illinois Basin well locations identified (oil producing targets)
- A further 2 Appalachian Basin verticals (where the vertical section has already been drilled - ~30% of the cost) designed as horizontals have also been identified

DUCs & RE-COMPLETIONS

- 9 DUCs identified thus far, 2 of which have now been perforated with fracking scheduled for next week
- The next 7 DUCs (2 in Western KY and 5 in Eastern KY) are predominantly gas but with a mix of oil and are now being assessed
- A further 10 Appalachian Basin gas wells have been identified with oil behind-pipe and are being studied for dual-completion
- Perforation of a potential producing zone in 1 well in the DJ Basin (Colorado) will also be completed

WORKOVER PROGRAM

- In calendar 2021 AXP worked over 70 wells bringing in 441 BOE/d of production
- In calendar 2022, this program continues as we continue assess and work on a further 104 wells in Eastern Kentucky (Appalachian) and a further ~30 similar candidates in Western Kentucky (Illinois Basin).

- **Growth Realization**
- **Consolidation of Assets (MHP, Trey & Kentucky Exploration)**
- **Continuing to bring production back online**
 - Many of the MHP wells were offline from being shut-in since the beginning of the pandemic
- **Cost out**
 - Building our staff to support organic growth
 - Finance
 - Human Resources
 - Land & Legal affairs
 - Operations - bringing more functions in-house
 - Exploration & Development
 - Oil Transportation – control of our revenue/inventory
- **Alternative Gas Sales & Power Generation**
 - Elite Site in Colorado – initial entry into this space
 - Exploring other sites in Kentucky
 - Great sales channel but it's an Emerging Market – treading lightly
- **Macro picture strong**
 - LNG demand continues to grow worldwide
 - US continues to expand it's LNG infrastructure to strengthen supply
 - This will support strong gas prices
 - US is in the midst of a pause in development which will continue to support a strong gas price

ACQUIRE

LOW-COST, OPPORTUNISTIC ACQUISITIONS

- Neglected assets
- Building scale
- Long life, low decline fields, with upside
- Existing offtakers
- Earnings accretive today

ENHANCE

LOW-COST WORKOVERS & WELL ENHANCEMENT

- Extreme cost discipline and CAPEX gating
- Proven enhancement methods
- Economies of scale
- Realtime evaluation of activities

PRODUCE

RIGOROUS FIELD DEVELOPMENT PLANNING

- Optimized & efficient production
- Prolong well & field life
- Retire non-viable wells
- Steady P&A progress
- ROI is our new benchmark

VALUE CREATION

ersonal use only



AXP ENERGY

THANK YOU