



ASX ANNOUNCEMENT

24 MARCH 2022

## SITE WORKS UNDERWAY FOR IN-SITU WELL SITE POWER GENERATION OPERATIONS WITH ELITE MINING IN COLORADO

**AXP Energy Limited** (ASX: **AXP**, OTC US: **AUNXF**), ('AXP', 'Company') is pleased to confirm that site works are advancing at the first in-situ power generation operation which will use stranded natural gas from AXP's Colorado leases for use in US-based Elite Mining Inc's ('EMI', 'Elite') cryptocurrency mining operations.

As previously announced, AXP secured the necessary permits from the Colorado Oil & Gas Conservation Commission ('COGCC') to finalise the associated infrastructure for the installation of the first three Elite Mining Units ('EMU') (refer ASX announcement: 15 February 2022).

With the necessary permits and most equipment now on site, further earthworks are underway (see images 1 & 2) so the first three EMUs can be submerged. Pads are also being prepared for the power generators which are now on-route to site and are scheduled to arrive in the coming week (see images 3 & 4). Based on the current works schedule, the EMUs will be coming online in a phased approach starting in April.

The stranded gas which AXP will sell to Elite is being sourced from the Pathfinder #2 well with an additional gathering line from the Amerigo Vespucci well to be used in order to ensure sufficient volumes and additional supply redundancy. Both wells were selected as they will contribute to increasing oil production from the lease. Volumes will be reported once the wells are tied in and producing gas and oil at a steady state.

### COMMENTARY

**Chief Executive Officer Tim Hart commented:** "With the site fully permitted and weather conditions improving as we move out of winter, activities are now finally ramping up. With the first EMU set to be operational next month we can expect first revenues from both the first gas supply to EMI and increased oil production to materialise very shortly. The oil production revenue is particularly welcoming as both wells chosen were previously shut in due to the reservoir cap and flaring restrictions in place in Colorado. We will keep shareholders abreast of progress through to the site going live.

As previously advised, the work to frac 2 of 9 DUC wells is still on track with both wells still in flow back. Field activities are ramping up as weather improves across North America. Additional updates will be provided as these efforts materialize"



*Images 1-4: AXP's Colorado lease ready for the commencement of earthworks (1 & 2) and power generator units being loaded for transportation to site (3 & 4)*



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

END

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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.

## ABOUT ELITE MINING, INC

EMI ([www.elitemininginc.com](http://www.elitemininginc.com)) provides mining hardware to third parties to mine digital currencies, using proprietary immersion technology. The hardware, or miners, are submerged in EMI's proprietary liquid-cooled Immersion Mining Pods, which are placed within a 28-foot Elite Mobile Unit (EMU) to optimize performance and improve energy.

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