



ASX ANNOUNCEMENT

7 NOVEMBER 2022

APPOINTMENT OF INTERIM CHIEF OPERATING OFFICER

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') is pleased to announce another important addition to its executive team, with the appointment of Mr. Greg Grotke as Interim Chief Operating Officer.

Effective 7 November 2022, Mr Grotke's appointment will add a wealth of on-ground experience that's directly applicable to the Company's growth strategy across its core business divisions.

Mr Grotke's core tasks and responsibilities will comprise management of operations along with oversight of sales and business development initiatives – two areas where he has a demonstrated track record of success within the US oil & gas industry.

Mr Grotke's career experience in the oil & gas sector includes senior technical and management roles at Noble Energy Inc (subsequently acquired by Chevron – NYSE:CVX), Amoco then BP-Amoco (now BP, LON:BP) and Owens Corning (NYSE:OC). At Noble, Mr Grotke led group subsidiaries with direct responsibility for over US\$700m of assets across six basins in the western US, which collectively delivered ~8% of Noble's income from operations.

He also has a strong track record in the execution of operational reviews and cost management, leading multiple business divisions through OPEX reductions and negative cash-flow reversals. One such turnaround combined OPEX reductions of more than 30% along with increased oil flow rates, delivering positive cashflow inside 12 months from a peak cash burn of +US\$3.5m per week.

The appointment is interim to accommodate Mr Grotke's transition to the role, and facilitate his initial priorities as COO which will comprise a detailed review of operations across AXP's core business divisions. The hiring significantly bolsters AXP's management team at an important juncture for the business, which is now positioned to unlock further value from its suite of US oil & gas projects.

Mr Grotke's appointment follows the recent promotion of finance executive Bradley Mervis to the role of Chief Financial Officer (*refer ASX Announcement 16 September 2022*) and demonstrates the ability of AXP to attract talented industry executives to lead its growth strategy.

With demonstrated experience in senior oil & gas management roles, Mr Grotke is the ideal candidate to directly oversee AXP's operations and unlock further value in the group's asset portfolio. The Company looks forward to gaining his insights in pursuit of its near-term operational objectives; optimising NGL (Natural Gas Liquid) processing methods, higher oil production and sales volumes through improved logistics; and expanded natural gas production (volumes and margins) through new well recompletions and enhancements.

Commenting on the appointment, AXP CEO Tim Hart, said:

"Greg's appointment marks a major addition to the AXP executive team. His hiring provides AXP with senior oil & gas management experience at a crucial phase in its growth strategy and I am particularly excited to welcome him aboard. Whilst we're enthusiastic to leverage his deep technical knowledge and broad understanding of the US oil & gas market landscape, he will also be instrumental in building the team to broaden the management and operational capabilities across the company and support growth. His appointment is particularly timely as it coincides with improved midstream reliability and the finalisation of some other important changes that we look forward to sharing with shareholders in due course."

Interim Chief Operating Officer designate Mr Grotke further commented:

"I firmly believe in the strength of AXP's asset portfolio and the Company has a unique opportunity to convert its US oil & gas operations into significant long-term profit generators. In that context, I'm excited to join the executive team and assist in finding solutions for the technical and operational challenges associated with advanced stage oil & gas projects. With the recent acquisitions now consolidated, I look forward to working with Tim, the executive team, the Board, and the entire AXP organization to unlock that value."

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

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ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP) 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.

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