ASX ANNOUNCEMENT **29 SEPTEMBER 2023**

RESERVES & CONTIGENT RESOURCES UPDATE

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), (**'***AXP*', '*Company*') is pleased to provide an updated estimate of its Reserves and Contingent Resources as at 1 July 2023 (the '*Evaluation Date*'). The Reserves and Contingent Resources ('*R&R*') below are net to AXP and its subsidiaries. The Company last reported on its R&R estimate for evaluation date 1 July 2022 in an announcement dated 29 September 2022.

Refer to Appendix 1 for a glossary of terms, the conversion rates used for gas and NGLs to oil equivalent and other important information related to this update.

- ***There has been a 10% decrease in 2P reserves due to reduced hydrocarbon pricing during the assessment period, reduced forecast pricing and, to a lesser extent, due to depletion due to production during the period;***
- ***2P Reserves at 1 July 2023 were comprised of 25.7 billion cubic feet of natural gas, 969 thousand barrels of oil and 1.29 million barrels of NGLs;***
- ***Importantly, all of AXP's Proved reserves are in the Producing and Developed category;***
- ***Field Development Planning was paused early in the calendar due to suppressed hydrocarbon pricing and this has resulted in all Proved Undeveloped reserves assessed in the previous period (as at 1 July 2022) being moved to the Contingent category, thus resulting in a 100% decrease in the Proved Undeveloped reserve category;***
- ***The 2C Contingent Resources of 212.07 million barrels of oil equivalent (MMboe) was fractionally up on the prior period (211.95 million barrels of oil equivalent) due to the movement of Proved Developed reserves to the Contingent category.***

Reserves

Low current and forecast hydrocarbon pricing resulted in some wells either being uneconomic at current pricing or having a shorter economic lifespan due to forecast pricing. Predominantly as a result of this, and also through reserved depletion due to production in the period, there was a 9% reduction in the Proved Developed (1P) reserve category.

The small amount of Proved Undeveloped reserves assessed at 1 July 2022 was assessed in the current period to be uneconomic at current and forecast hydrocarbon pricing and were moved to Contingent resources – with the same risk level (2C).

Probable reserves have decreased by 10% for the same reasons stated above and this has resulted in an overall decrease of 10% year on year in the Proved + Probable Reserves category (2P).

The following table summarises AXP's reserve and contingent resources ('R&R') estimate as at 1 July 2023. The percentage changes noted in the first table have been calculated from 1 July 2022 (following table).

All figures are *net* to the Company.

RESERVE & RESOURCE CATEGORY AS AT 1 JULY 2023	**OIL** [MBBL]	**GAS** [MMCF]	**NGL** [MBBL]	**TOTAL** [MBOE]	**% CHANGE**
Proved Developed (PDP & PDNP)	821	18,181	1,230	5,082	- 9%
Proved Undeveloped (PUD)	-	-	-	-	- 100%
Proved Reserves (1P)	**821**	**18,181**	**1,230**	**5,082**	- 10%
Probable Reserves	148	7,504	62	1,460	- 10%
Proved + Probable Reserves (2P)	**969**	**25,685**	**1,292**	**6,542**	- 10%
Contingent Resource (2C)	**68,373**	**714,382**	**3,699**	**212,066**	0%

The above totals represent an aggregation of the assessed Reserves for the Company's 3 producing areas. A more detailed breakdown of the assessed Reserves, segmented by both basin and development status, is provided in Appendix 2.

AXP's reserves and contingent resources as at 1 July 2022 were as follows:

RESERVE & RESOURCE CATEGORY AS AT 1 JULY 2022	**OIL** [MBBL]	**GAS** [MMCF]	**NGL** [MBBL]	**TOTAL [MBOE]**
Proved Developed (PDP & PDNP)	937	21,244	1,127	**5,605**
Proved Undeveloped (PUD)	20	138	-	**43**
Proved Reserves (1P)	957	21,382	1,127	**5,647**
Probable Reserves	179	8,325	55	**1,621**
Proved + Probable Reserves (2P)	1,136	29,707	1,182	**7,269**
Contingent Resource (2C)	68,322	713,985	3,699	**211,949**

Contingent Resources

The following table provides a further breakdown of the Company's Contingent Resources, assessed at 1 July 2023, and categorised by risk (refer Section entitled *'Notes on Calculation of Reserves & Contingent Resources'*, below).

CONTINGENT RESOURCE CATEGORY	OIL [MMBBL]	GAS [Bcf]	NGL [MMbbl]	TOTAL [MMboe]
Low Estimate (1C)	46.82	507.16	2.28	**149.02**
Mid Estimate (2C)	68.37	714.38	3.70	**211.95**
High Estimate (3C)	96.55	1,042.28	9.25	**306.27**

Qualified Petroleum Reserves and Resources Evaluator Statement

The above petroleum reserve and resource information is based on and fairly represents information and supporting documentation prepared under the supervision of Mr. Russell Hamilton (Vice President and General Manager of AXP Energy, Inc - US) by independent experts Wright & Company, Inc, Brentwood, Tennessee ('*Wright*').

Mr. Hamilton is a licensed professional geologist in the state of Tennessee (license number 5624) and has been employed by AXP Energy, Inc, Kentucky, since 2005 including in the position of Senior Geologist. Mr Hamilton has also held positions at the Kentucky State Department of Mines and Minerals (Oil & Gas Conservation) as an Oil & Gas Inspector and Hinkle Environmental as an Environmental Scientist and Project Geologist. He holds a Bachelor of Geology from the Eastern Kentucky University, Richmond, Kentucky and has over 20 years' experience in the Appalachian and Illinois Basins' hydrocarbon geology.

Wright's founder and President, Mr D. Randall Wright is a qualified Reserves Estimator as set forth in the Society of Petroleum Engineers ('*SPE*') "*Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information*" (2019). This qualification is based on more than 48 years of practical experience in the estimation and evaluation of petroleum reserves with Texaco, Inc., First City National Bank of Houston, Sipes, Williamson & Associates, Inc., Williamson Petroleum Consultants, Inc., and now Wright & Company, Inc, which he founded in 1988. Mr. Wright has a Master of Science degree in Mechanical Engineering from Tennessee Technological University. He is a registered Professional Engineer in the state of Texas (TBPE #43291), granted in 1978, a member of the Society of Petroleum Engineers (SPE), and a member of the Order of the Engineer.

Notes on Calculation of Reserves & Contingent Resources

The information prepared by Wright was prepared in accordance with the definitions and guidelines of the *Petroleum Resources Management System,* revised June 2018 ('*SPE-PRMS 2018*'), issued by the SPE and sponsored by (among others) the SPE, the World Petroleum Council ('*WPC*'), the American Association of Petroleum Geologists ('*AAPG*') and the Society of Petroleum Evaluation Engineers ('*SPEE*').

The estimates of reserves and resources contained in the independent experts' reports were determined by accepted industry methods as determined by the SPE-PRMS 2018, the *Guidelines*

for Application of the Petroleum Resources Management System (SPE revision 2011) and the *Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information* (SPE revision 2019). The independent experts also reviewed certain properties that may have contingent or prospective resources as defined by the SPE-PRMS 2018.

Reserves and Contingent Resources reports are prepared using deterministic and probabilistic methods. The Reserves and Contingent Resources estimate methodologies incorporate a range of uncertainty relating to each of the key reservoir input parameters to predict the likely range of outcomes.

Under the SPE-PRMS 2018, Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.

Categorization of Reserves according to the level of certainty associated with them is prescribed as follows:

Proved *or 1P Reserves are those quantities of Petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions.*

1P Reserves are further categorised by their development status, namely:

*Proved Developed Producing (**PDP**) reserves are generally defined as estimated remaining quantities of oil and gas anticipated to be economically producible, as of a given date, by application of development projects to known accumulations under existing economic and operating conditions;*

*Proved Developed Non-Producing (**PDNP**) are proven resources that can be expected to be recovered through existing wells and existing equipment and operating methods;*

*Proved Undeveloped (**PUD**) reserves are proven reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for completion.*

Probable *Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P).*

Possible *Reserves are those additional reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P).*

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development

project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be subclassified based on project maturity and/or economic status and have denotations such as 1C (low risk), 2C (same technical confidence as *probable* reserves but not commercially matured to reserves), and 3C (same technical confidence as *possible* reserves, but not commercially matured to reserves).

AXP has identified several potential upside projects that target deeper horizons known to be productive, but have not been exploited at this time. These were assessed and the estimate gross reserves potential and assigned to the 1C, 2C, or 3C category based on available data, risk of development, and geologic control.

Project and field totals are aggregated by arithmetic summation by category. Aggregated 1P and 1C estimates may be conservative, and aggregated 3P and 3C estimates may be optimistic due to the effects of arithmetic summation.

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

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FURTHER INFORMATION

Tim Hart Chief Executive Officer: +1 (303) 999-5420

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 of1933 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.

APPENDIX 1 – GLOSSARY AND OTHER INFORMATION

TERM	DEFINITION
bbl	Barrel of oil
Bcf	Billion standard cubic feet of gas
boe	Barrel of oil equivalent
Mbbl	Thousand barrels of oil
MMbbl	Million barrels of oil
Mboe	Thousand barrels of oil equivalent
MMboe	Million barrels of oil equivalent
MMcf	Million standard cubic feet of gas

Natural gas is converted to barrel of oil equivalent (BOE) using a conversion factor of 6 Bcf to 1 MMboe for Appalachian and Illinois Basin gas; and using a conversion factor of 5 Bcf to 1 MMboe for DJ Basin gas.

APPENDIX 2 – RESERVES DETAIL BY BASIN

RESERVE CATEGORY 1 JULY 2023	OIL [MBBL]	GAS [MMcf]	NGL [MBBL]	TOTAL [MBOE]
Proved				
*Proved Developed Producing (**PDP**)*				
Appalachian Basin	494	17,610	1,202	**4,630**
Illinois Basin	238	40	-	**245**
Denver-Julesburg Basin	46	-	-	**46**
*Total **PDP***	***778***	***17,651***	***1,202***	**4,921**
*Proved Developed Non-Producing (**PDNP**)*				
Appalachian Basin	28	425	29	**128**
Illinois Basin	13	-	-	**13**
Denver-Julesburg Basin	2	105	0	**20**
*Total **PDNP***	***44***	***531***	***29***	**161**
*Proved Undeveloped (**PUD**)*				
Appalachian Basin	-	-	-	**-**
Illinois Basin	-	-	-	**-**
Denver-Julesburg Basin	-	-	-	**-**
*Total **PUD***	**-**	**-**	**-**	**-**
Total Proved (1P)	**821**	**18,181**	**1,230**	**5,082**
Probable				
Appalachian Basin	63	7,058	62	**1,301**
Illinois Basin	85	446	-	**159**
Denver-Julesburg Basin	-	-	-	**-**
Proved + Probable (2P)	**969**	**25,658**	**1,292**	**6,542**
Possible				
Appalachian Basin	300	9,920	603	**2,556**
Illinois Basin	564	344	-	**621**
Denver-Julesburg Basin	-	-	-	**-**
Proved + Probable + Possible (3P)	**1,833**	**35,949**	**1,895**	**9,719**