



AXPENERGY

QUARTERLY UPDATE WEBINAR

28 October 2021

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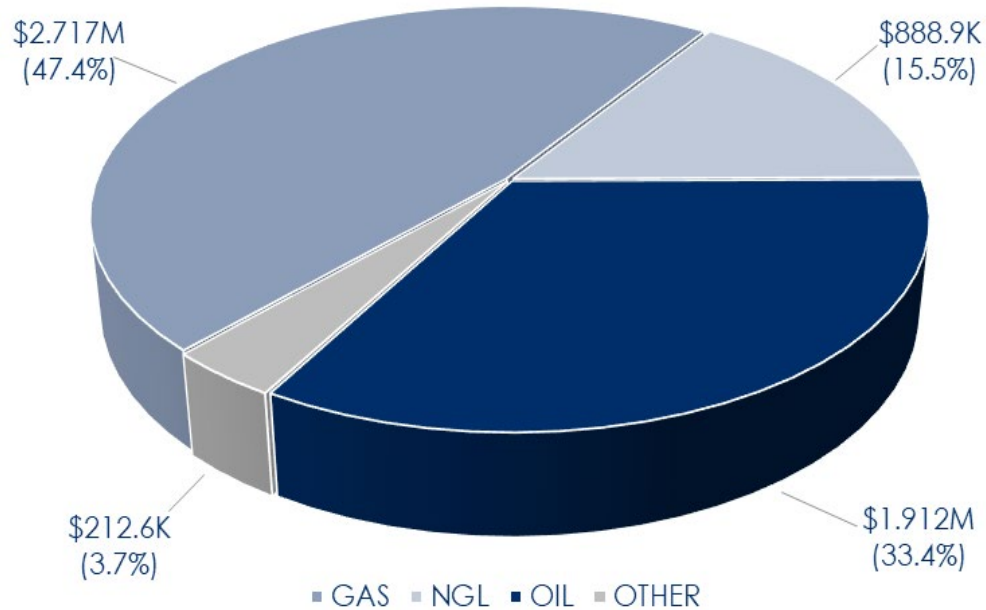
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QUARTERLY NET REVENUE BY HYDROCARBON

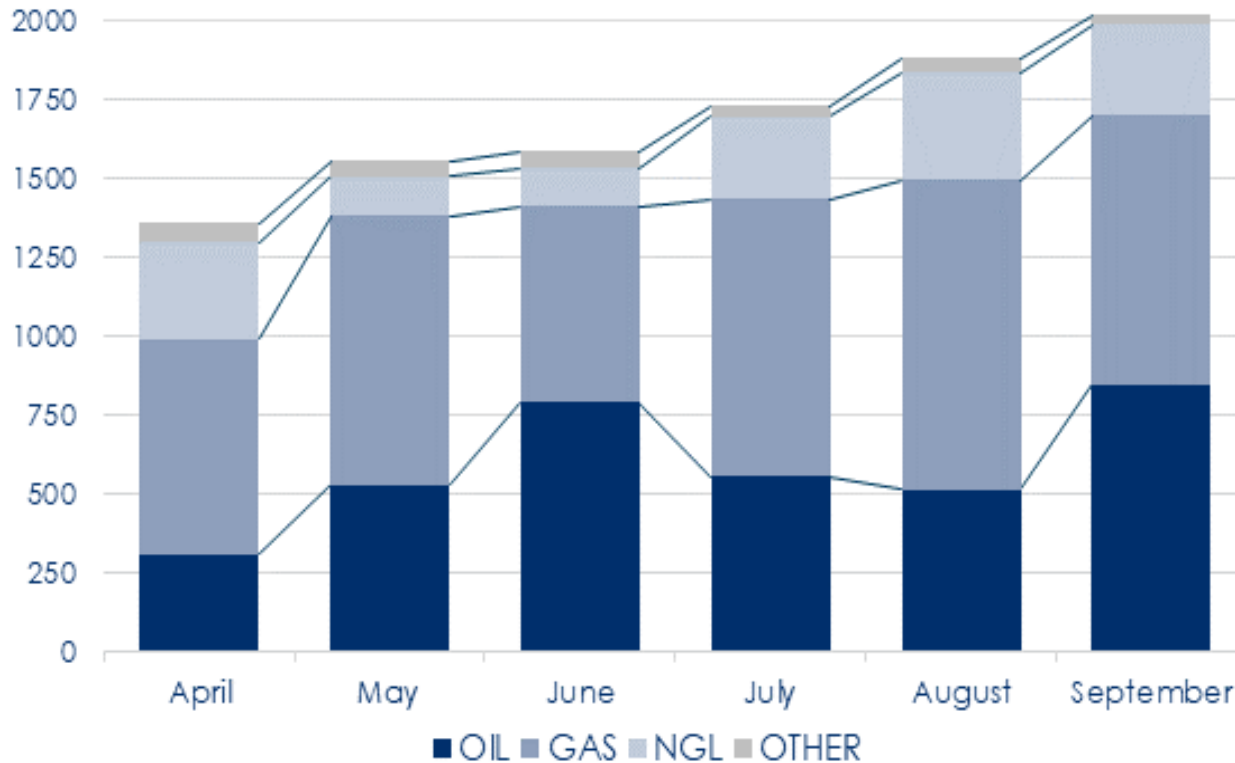


- Maiden cashflow positive quarter of **\$301K** after **~\$800k of one-off costs**
- Quarterly Net Revenue of **\$5,731,238 up 31%** (prior Quarter: \$4,386,654)
- Net customer receipts of **\$5,032,726 up 35%** (prior Quarter \$3,733,924)
- **28,389 BBL** sold (prior Quarter 24,584 BBL)
- Gas sales of **774 MMcf** and NGL sales of **31,202 BBL**
- Cash and cash equivalents (excluding unsold oil) at Quarter end was **\$4,066,519**
- Unsold oil inventory **18,518 barrels** at Quarter end; WTI price > US\$84 per barrel
- Focus remains on growing the top line, improving margins and internalizing key functions

Steady month-on-month revenue growth



MONTHLY NET REVENUE [\$ '000]



TOP LINE (REVENUE)

- Revenue growth again driven by pricing and volumes
- Six straight months of revenue growth
- September net revenue exceeded \$2M

CONTINUING TO IMPROVE MARGINS

- Internalizing some operations such as oil haulage
- Colorado legacy costs continue to impact; will be offset by increasing oil production
- Contract negotiations ongoing for gas processing, pricing and transport

Production and development overview



SEPTEMBER QUARTER WORKOVERS

Project/Well	Completed	Daily Gross Production Increase			Cost (U\$)
		Gas [Mcf]	NGL [USG]	Oil [BBL]	
ARCH-2	JULY	51	N/A	5	41,450
ARCH-1		37	N/A	21	28,463
CNR Carroll	AUGUST	8	14	1	3,000
CNR Hembree		10	18	1	3,000
Buford Lake		5			200
DPI-928		5	9	1	1,000
ARCH-6		55	N/A	14	12,710
DPI-1784		30	60	0	7,091
DPI-984	SEPTEMBER	3	5	1	1,500
MF 604		3	5	1	1,500
Begley 7		4	4	1	1,500
HE-73		20	36	3	1,100
DPI-1662		5	9	1	2,000
KayJay Pipeline	IN PROGRESS	200	N/A	6	25,000
TOTAL		436	161	57	129,514

- 33 wells brought back online from workovers and pipeline repairs
- 129 wells identified to be brought back into production; workovers underway
- Some wells earmarked for abandonment now being assessed for in-situ power generation
- Daily oil production of 260 barrels/day is sub-optimal; seeking to more rapidly capture upside from under-utilized wells
- Gas production up modestly quarter-on-quarter; downstream reliability has improved by greater consistency needed

In-situ power generation from stranded gas

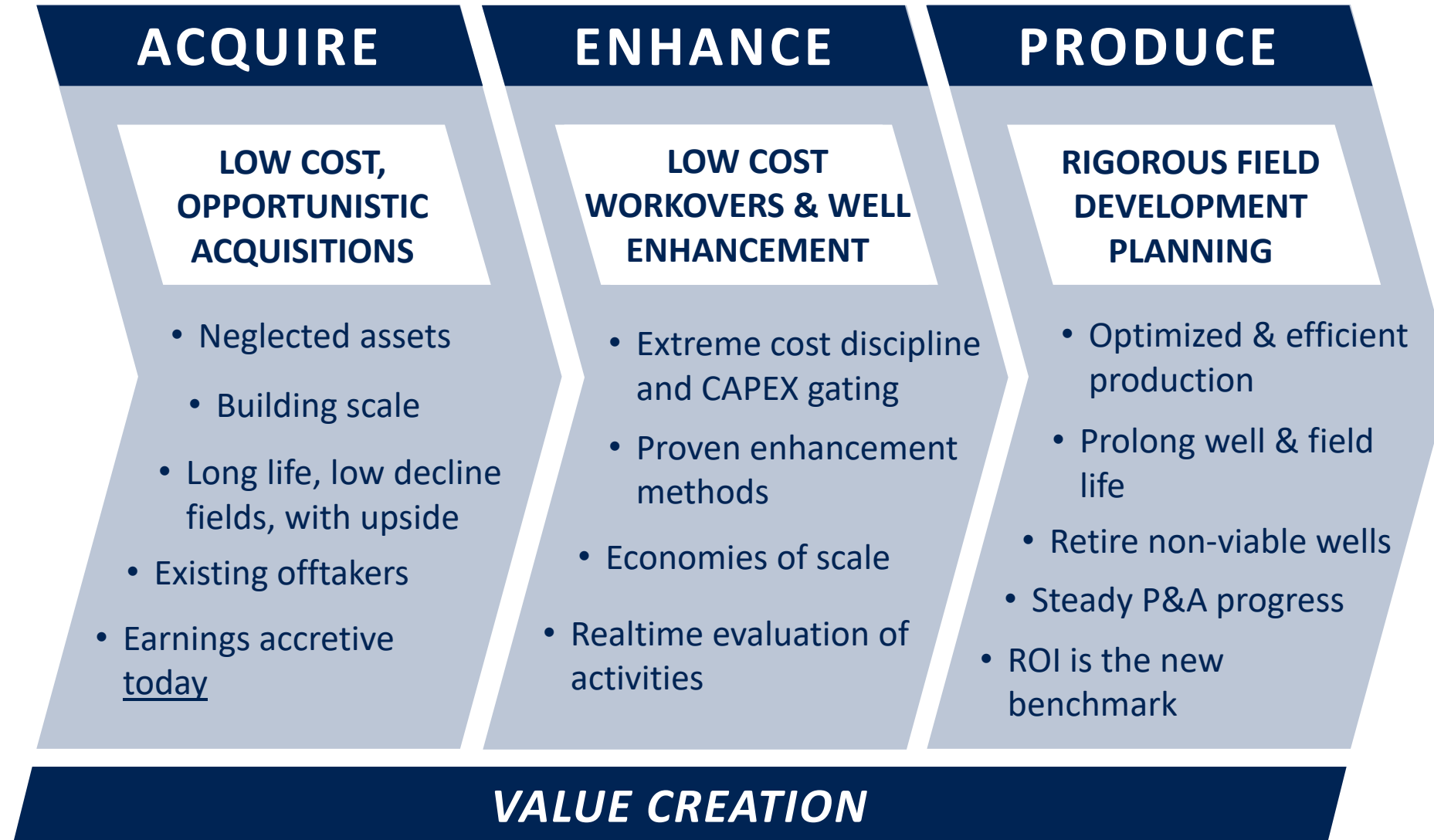


- Elite Mobile Units, generators and cooling units on now site
- Site works underway; operations to commence next month
- Scale up planned across Pathfinder Field to monetize greater volumes of stranded gas
- Similar opportunities being assessed in Kentucky, Virginia, Tennessee, Indiana and Illinois
- Over 220 wells identified across AXP's leases that can be utilized for in-situ power generation
- Kentucky is a priority given potential tax concessions by providing energy for cryptocurrency mining

Near-term value drivers and other initiatives



PRODUCTION GROWTH OPPORTUNITIES	<ul style="list-style-type: none">• Ramp-up of workovers in Kentucky; Complete pipeline repairs and commence 129-well workover program• Trey Exploration operations integrated under Kentucky operations; oil production growth not yet realized• Assessing formation of internal drilling function to better utilize the internal skills and fast-track production• Examining Natural Gas Liquids (NGL) production in Colorado using/transferring surplus equipment in Kentucky
IN-SITU POWER GENERATION	<ul style="list-style-type: none">• Immediate focus is the successful commencement of first Elite Mining Units in Colorado• Stranded portfolio of wells in Kentucky earmarked for future in-situ power generation• AXP's sole focus is being the energy partner for cryptocurrency mining
RESERVES & RESOURCES	<ul style="list-style-type: none">• Reports to be published shortly• Previously delayed due to inclusion of new leases (Trey Inc.) and the use of two independent firms
OTHER	<ul style="list-style-type: none">• Assessing opportunities to swap production bonds for insurance cover thus increasing surplus cash• Examining opportunities to improve downstream reliability with gas processor



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