



ASX ANNOUNCEMENT

10 July 2024

COLORADO PRODUCTION AND OPERATIONS UPDATE

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') is pleased to provide this update on production and operations at its Pathfinder Field ('Pathfinder') in Colorado. The Company maintains its 100% working interest (76% Net Royalty Interest) in assets located in the Denver-Julesburg (DJ) Basin in Colorado with 3,850 acres currently held by production. AXP's portfolio comprises 24 producing oil & gas wells located in the historic Florence Oilfield.

HIGHLIGHTS

- **Pathfinder #2 well back on production – flow rate is restricted due to gas disposal restrictions which are being addressed**
- **Pathfinder Field oil production averaging ~40 barrels per day with growth anticipated as more wells are brought into production and gas-to-power operations scale up**
- **GenTech generator, connected to the Pathfinder #2 well, is consistently producing 750kWh of electricity per day from a modest ~100 mcf/d gas**
- **Discussions advancing with potential purchasers of the electricity**

Operations at the Pathfinder Field are continuing as planned with pumping on Pathfinder #2 commencing on 26 June. The overall field is now producing on average ~40 barrels of oil per day (see images 1&2 below of Pathfinder #2 on pump) with these rates likely to increase.

The connection of the GenTech generator to Pathfinder #2 well has allowed gas to be liberated from this well, thus delivering the increase in oil production. Production is likely to increase further from Pathfinder #2 once the generator is optimised and draws down more gas, noting that the 750kWh generator is only consuming ~100mcf/day of gas. We are targeting a wellhead pressure of less than 200psi to optimise oil production.

Following this, AXP will look to flow gas and produce oil from the Amerigo Vespucci well which is yet to be put back on production, similarly, we will look for avenues to bring back the JW Powell well which also remains shut in.

The Company is now seeking to scale up its gas-to-power operations by adding new generators and associated infrastructure. AXP's objective is to capitalise on the growing demand in the United States from end users seeking reliable power generation sourced independently from large, under-utilised natural gas fields. Given the Pathfinder Field is located near to major cities and regional towns, the Company has a distinct advantage in attracting end users. At the same time, the objective is to build greater scale into oil production and seek to establish a natural gas liquids ('NGL') sales channel given Pathfinder's gas is rich in liquids.

Director Andrew Bald commented: "Our Colorado team, Liz Harkins and Leroy Kessler, have worked tirelessly to restore production at the Pathfinder #2 well and this marks the first step in

establishing a number of revenue streams here. The circa 40 barrels a day is still modest but makes an important revenue contribution given we now have a much lower overall cost base. Demonstrating that we can reliably and consistently produce ~750kWh of electricity on a daily basis from modest gas flows means we can now start to market this power generation capability to end users. Discussions with a number of parties are at an early stage but advancing favourably. At the same time, we are taking steps to grow oil production by bringing shut in wells online and enhancing the performance of others."



Images 1&2: Pathfinder #2 well back on pump, collection tanks and GenTech generator connected in

-ENDS-

FURTHER INFORMATION:

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ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP) is an oil & gas production and development company with core operations in Colorado. 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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