



ASX ANNOUNCEMENT

20 SEPTEMBER 2024

RESERVES & CONTINGENT 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 2024 (the 'Evaluation Date'). The Reserves and Contingent Resources ('R&R') are *net* to AXP and its subsidiaries. The Company last reported on its R&R estimate for evaluation as at 1 July 2023 in an announcement dated 29 September 2023. 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.

Reserves

Consistent with the sale of the Appalachian and Illinois Basins to Mountain V Oil & Gas, Inc, Proved Reserves (1P) and Proved + Probable Reserves (2P) relate to the remaining 100%-owned oil and gas assets located in the Colorado DJ Basin.

Proved Developed oil reserves in the **DJ Basin have increased to 64 thousand barrels of oil, up from 48 thousand barrels of oil in 2023**, due to the combination of improved well performance, with slightly higher forecast oil prices and lower operating costs resulting in delayed economic limit and extended producing life.

Proved Developed gas reserves in the DJ Basin have technically decreased to zero (2023: 105 MMCF) because the gas market is currently interpreted to be uncertain whilst under development, therefore it is not possible to quantify these gas quantities as reserves at this time. Notwithstanding, all gas volumes are now included in **Contingent Resources (2C) of ~744 BCF Together with ~78 million barrels of oil (MMBBL), with total Contingent Resources (2C) equating to 202 million barrels of oil equivalent (MMboe).**

The differences in both gas and oil 2C Resources are due to the technical variation in interpretation of average expected production within undeveloped locations, as well as the sale of non-Colorado oil and gas assets. The following table summarises AXP's reserve and contingent resources ('R&R') estimate as at 1 July 2024. The percentage changes noted in the first table have been calculated from 1 July 2023 (following table).

RESERVE & RESOURCE CATEGORY AS AT 1 JULY 2024	OIL [MMBBL]	GAS [MMCF]	NGL [MMBBL]	TOTAL [MMBOE]	% CHANGE
Proved Developed (PDP & PDNP)	64	-	-	64	- 99%
Proved Undeveloped (PUD)	-	-	-	-	-
Proved Reserves (1P)	64	-	-	64	- 99%
Probable Reserves	-	-	-	-	- 100%
Proved + Probable Reserves (2P)	64	-	-	64	- 99%
Contingent Resource (2C)	78,018	743,764	-	201,937	-5%

The above totals represent an aggregation of the assessed Reserves for the Company's producing area.

Contingent Resources

The following table provides a further breakdown of the Company's Contingent Resources, assessed at 1 July 2024, and categorised by risk (refer Section entitled 'Notes on Calculation of Reserves & Contingent Resources', below).

CONTINGENT RESOURCE CATEGORY	OIL [MMBBL]	GAS [Bcf]	NGL [MMbbbl]	TOTAL [MMboe]
Low Estimate (1C)	57.56	591.63	-	156.16
Mid Estimate (2C)	78.02	743.76	-	201.94
High Estimate (3C)	106.12	883.18	-	253.32

Comment

Chairman Sam Jarvis said: "The Contingent Resources of our Colorado gas assets are significant at almost 744 BCF, and they underpin our current works program to establish a scalable gas-to-power operation which is now advancing. Securing a sustainable gas sales channel is our immediate priority and our team is making good progress here. Growing oil production is also a priority which will occur as gas sales materialise. I look forward to reporting on progress with our gas-to-power operations very soon."

AXP's total reserves and contingent resources as at 1 July 2023, including the disposed Appalachian and Illinois Basins and the retention of the DJ Basin, were as follows:

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

Qualified Petroleum Reserves and Resources Evaluator Statement

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the above R&R assessment is based on and fairly represents information and supporting documentation prepared by Ms. Letha Lencioni, Consulting Engineer at Double L Engineering, LLC.

Ms. Lencioni is a registered professional engineer in the states of Colorado (#29506) and Wyoming (#8493) and a member of the Society of Petroleum Evaluation Engineers. Ms. Lencioni holds a Bachelor of Science Degree in Petroleum Engineering from the University of Tulsa and has over 40 years' experience in the conduct of evaluation and engineering studies relating to oil and gas fields, including estimating quantities of reserves and resources.

Other than the information provided above, the Company confirms that it is not aware of any new information or data that materially affects the R&R assessment provided above. All material assumptions and technical parameters utilised in carrying out the assessment continue to apply and have not materially changed.

Notes on Calculation of Reserves & Contingent Resources

The information presented above 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.

END

FURTHER INFORMATION

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ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP OTC US: AUNXF) is an oil & gas production and development company with core operations in Colorado. The Company's focus is on repurposing stranded gas at the 100%-owned Pathfinder Field into power generation and selling this power to end-users. AXP has a portfolio of 24 oil & gas wells held by production at Pathfinder.

DISCLAIMER

This announcement contains or may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 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
bbbl	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
Mcf	Thousand standard cubic feet of gas
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.