



ASX ANNOUNCEMENT

15 JUNE 2026

TRANSFORMATIONAL FARM-IN SECURED OVER TIER-1 HYDROCARBON SYSTEM IN SYRIA

- AXP has secured an early mover advantage in the re-emerging petroleum industry in Syria through a right to earn a **25% participating interest** in the **10,039 km² Block 9** (refer map overleaf) onshore Production Sharing Contract ('PSC') located in the prolific Palmyride Basin;
- Block 9 has a defined historical prospective resource of best-estimate prospective resources of **338 Million barrels of oil equivalent (MMboe)** ('Itheria-1 well' or 'Itheria') and **102 MMboe** ('Bashaer-1 well' or 'Bashaer') on a 100% Block 9 basis¹ (**high estimates: 765 MMboe (Itheria) and 178 MMboe (Bashaer)**), (RPS Energy report, effective date 31 December 2010), across two drill-ready prospects (the Itheria & Bashaer prospects) in the southeast corner of Block 9 - representing a fraction of the total acreage.

These prospective resource estimates were reported by the former Block 9 interest holders (the Block 9 consortium), not by AXP; they were prepared by RPS Energy (effective date 31 December 2010), under the 2007 SPE-PRMS and Canadian NI 51-101 and may not conform to the requirements of Chapter 5 of the ASX Listing Rules or the 2018 SPE-PRMS. A later RPS Energy evaluation (effective 31 December 2011), publicly reported in the former operator's Annual Information Form² on a 45% net interest basis, estimated low / best / high prospective resources of 23 / 101 / 275 MMboe (Itheria) and 24 / 46 / 80 MMboe (Bashaer) (total 57 / 152 / 340 MMboe).

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

- **Mature asset:** Block 9 benefits from prior investment of **~US\$25m (2007-2011)**: 1,800 km 2D, 420 km² 3D seismic and the Itheria-1 well (drilled to 2,072 m, suspended in good condition) due to sanctions being imposed.
- Block 9 is globally distinctive in its geological potential for hydrocarbons given three tectonic plates – the African, Arabian and Asian Plates – intersect across the acreage.
- **Recent lifting of sanctions** has delivered a narrow first-mover window for AXP alongside majors – reopening timeline and sanction removals (EU February 2025; UK March 2025; Australia November 2025; US Caesar Act repealed December 2025) plus 2025 foreign ownership reform has delivered considerable interest from US and Gulf State investors.
- An exceptional opportunity for a junior in Syria alongside major International Oil Companies and operators already engaging (US State Department, Chevron, ConocoPhillips, TotalEnergies, Eni, Gulf Keystone) and SPC prioritising field rehabilitation – supporting potential near-term production upside.

¹ The figures stated are gross (100% project) estimates. AXP has a right to earn a 25% participating interest. AXP's economic interest in any resources, determined in accordance with the Block 9 PSC and net of the applicable royalty, will be lower than 25% of the gross figures. The cautionary statements and AXP's economic-interest basis are set out below.

² <https://bit.ly/43rfgU>

- Currently planned work programme: immediate 3D and selected 2D reprocessing, with seismic re-interpretation H1 2027, fulfil 2-well drilling commitment in light of revised seismic interpretation, potentially re-entering Itheria-1 (~2,700 m), and drilling & Bashaer-1 in Q4 2027; AXP to update market at material milestones.
- The Palmyride Basin is a proven, prolific Middle East petroleum system, historically yielding >1 billion barrels of oil discoveries, 6+ Tcf of gas and 400+ MMbbl of NGL, with Syria holding ~2.5 billion barrels of proven reserves and pre-conflict production of 380–400 Kbpod, offering significant upside as infrastructure is rehabilitated and production is restored.
- Strategic partnership with Simpura Latakia Limited which holds 75% in Block 9 and considerable in-country expertise and relationships. Provides a platform to assess other opportunities emerging in Syria and surrounding regions.
- Capital-efficient de-risked entry model. AXP has paid a US\$100K deposit to secure the agreement and is required to make a further payment of US\$1m within 60 days of this announcement being an advanced farm-in contribution.
- Michael C. P. Rego, Managing Director of Septima Energy (the parent company of the Operator, Simpura Latakia Limited), to join AXP's Board. Brings considerable Middle East and African experience to AXP and will drive the Company's activities in Syria.
- AXP to continue focusing on field development opportunities in Oklahoma across its 1,400 acres of leases in Kay County.

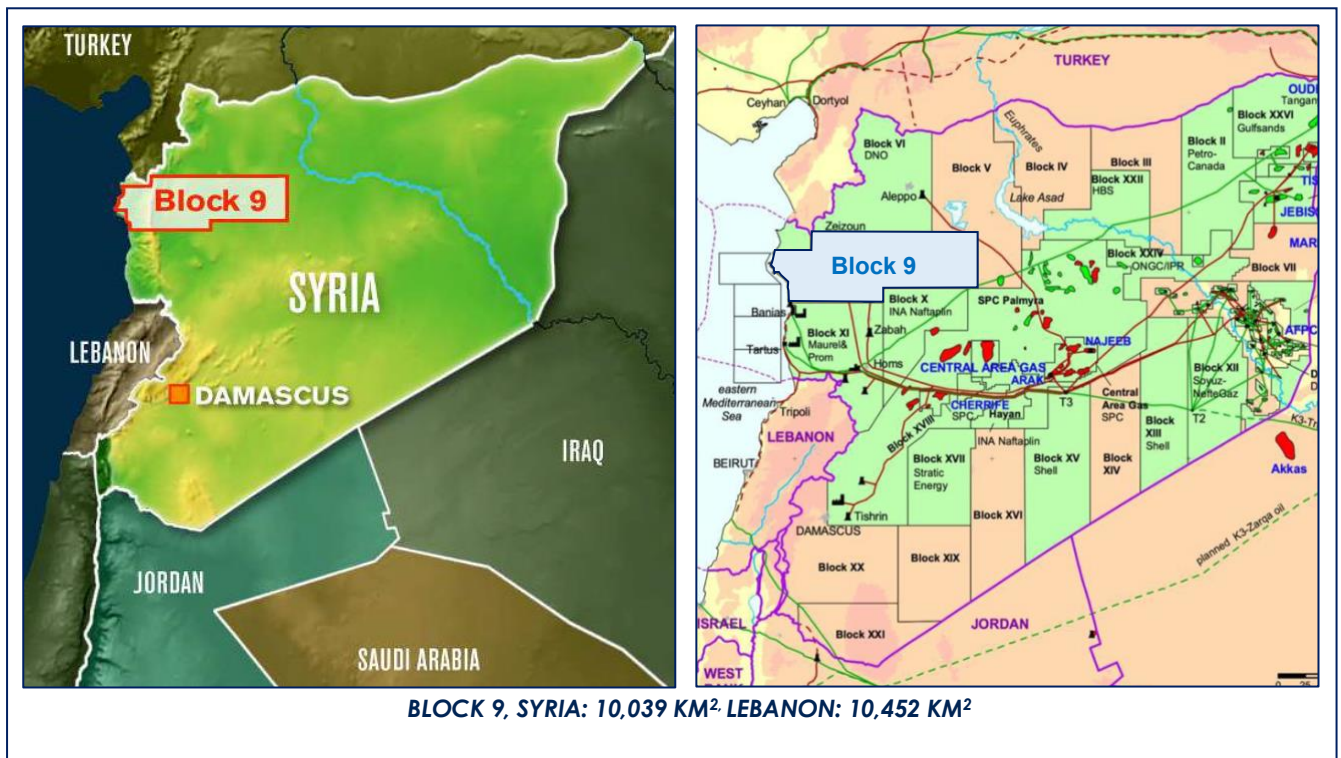
AXP Energy Limited (ASX: AXP, OTC: AUNXF) is pleased to announce the execution of a transformational farm-in agreement that fundamentally repositions the Company as a material player in Middle East exploration. AXP has secured the right to earn a 25% participating interest in the Block 9 Production Sharing Contract (**PSC**) in North-West Syria – an active onshore PSC positioned at the heart of the prolific Palmyride Basin.

This transaction with Simpura Latakia Limited, the Operator with a 75% interest in the Block 9 PSC, represents a significant opportunity for AXP to secure a foothold into a Tier 1 Hydrocarbon System in Syria which is now attracting investment from major US and Gulf State International oil Companies following the lifting of sanctions in 2025.

The Palmyride Basin is an established Middle East petroleum province with a history of oil and gas production. AXP's entry coincides with the re-opening of Syria's oil and gas sector to international investment following the lifting of sanctions in 2025. The figures referred to above and elsewhere in this announcement in relation to the Palmyride Basin and Syria as a whole are regional or country-level figures sourced from third parties; they do not relate to Block 9 and no part of them is attributed to, or reported by, AXP as petroleum reserves, contingent resources or prospective resources.

BLOCK 9: A DE-RISKED ENTRY INTO A TIER-1 HYDROCARBON SYSTEM

Block 9 comprises 10,039 km² of onshore acreage in North-West Syria, positioned squarely on the northern flank of the Palmyride Basin – the Arabian Plate's most active petroleum system. The PSC was originally awarded in September 2007 and held through continuous seismic and drilling programmes until sanctions forced suspension in 2011. During that four-year window, the operator invested US\$25 million in exploration work: 1,800 km of 2D seismic reprocessing, 420 km² of modern 3D seismic acquisition, and the Itheria-1 exploration well, drilled in 2011 to 2,072 m in good condition and suspended safely.



AXP Chairman Sam Jarvis said: "This is transformational for AXP. We have secured entry into a Tier-1 hydrocarbon basin at precisely the moment when geopolitical conditions have shifted from closed to open. We are entering alongside Chevron, ConocoPhillips, and other significant operators as first-movers into a market that will be crowded in 12–24 months. The combination of de-risked geological assets, supportive government policy, and first-mover advantage is rare in this industry. We are partnering with *Simpora Latakia Limited*, the Operator, whose parent *Septima Energy* is an exceptionally experienced Middle East operator with deep Syria market knowledge. Block 9 hosts two historical prospects for which the former interest holders previously reported best-estimate prospective resources of 338 MMboe (*Itheria*) and 102 MMboe (*Bashaer*) on a 100% basis, together with further potential across the Block, and a clear pathway to drilling. These estimates were reported by the former interest holders, not by AXP, and are subject to the cautionary statements and important information set out above. AXP is positioned for significant value inflection from today through to 2027–2028. Our investors should expect seismic reinterpretation milestones in 2027, well spud thereafter, and initial well results following. This is a value creation story with near-term catalysts and multiple risk-reward inflection points."

AXP Managing Director Dan Lanskey added: "We are pleased to be pursuing the opportunity in Syria while continuing to concentrate on establishing production from our large Oklahoma acreage. Having secured 1,400 acres to date — with access to more than 30 potential vertical drill locations and a pipeline to expand toward an initial 6,400 acres — these leases hold considerable unlocked value and production upside. A targeted field development program in Kay County, leveraging our proven track record and rapid permitting pathway, will deliver near-term value opportunities for shareholders."

AXP's entry point is exceptionally de-risked. The asset benefits from: (i) 3D and much 2D legacy seismic data available for reprocessing with modern algorithms; (ii) subsurface control from Itheria-1 and nearby regional wells; (iii) proximity to proven oil and gas discoveries in adjacent blocks (Hayan, Aphia, Harbaja) demonstrating regional charge and seal; and (iv) proximity to existing oil & gas infrastructure (pipelines within operational reach) and Mediterranean export routes via Baniyas and Tartous terminals. Beyond the two evaluated prospects and various leads identified from a combination of 3D and legacy 2D seismic data, the Block offers frontier upside in the underexplored Al Ghab Basin and El Kabir Graben – providing optionality for multi-stage value creation.

PROSPECTIVE RESOURCES PREVIOUSLY REPORTED BY THE FORMER BLOCK 9 INTEREST HOLDERS

The two evaluated prospects were evaluated for prospective resources by RPS Energy on two occasions, in each case for the former Block 9 interest holders (the Block 9 consortium) and not by AXP, under the 2007 SPE-PRMS, the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101. The figures previously reported by the former interest holders were:

- **ITHERIA: low/best/high of 90/338/765 MMboe** (100% Block 9 basis, RPS effective 31 December 2010); and, on the former operator's **45% net interest basis** (RPS effective 31 December 2011), **low/best/high of 23/101/275 MMboe** across the Ordovician Khanasser Sandstone (primary objective) and Cambrian Burj Carbonate (secondary objective);
- **BASHAER: best estimate 102 MMboe and high estimate 178 MMboe** (100% Block 9 basis, RPS effective 31 December 2010); and, on the former operator's **45% net interest basis** (RPS effective 31 December 2011), **low/best/high of 24/46/80 MMboe**, targeting Ordovician and Permo-Carboniferous sandstone objectives consistent with the regional Palmyride play.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

The prospective resource estimates set out below were reported by the former Block 9 interest holders, not by AXP. The 31 December 2010 figures are stated on a 100% Block 9 basis and the 31 December 2011 figures are stated on the former operator's 45% net interest basis, in each case as those figures were publicly reported. AXP has a right to earn a 25% participating interest; its economic interest in any resources, calculated in accordance with the Block 9 PSC and net of the applicable royalty, will be lower than 25% of any 100% figure.

In the Block 9 area, RPS estimated the quantity of undiscovered oil and solution gas resources that are likely to co-exist within the prospect locations of Itheria and Bashaer. The basis of the estimate is the interpreted 3D seismic survey and available well and field data from the area. Consequently, there is a wide range of uncertainty in the estimated volume.

PROSPECTIVE RESOURCES PREVIOUSLY REPORTED BY THE FORMER INTEREST HOLDERS (MMBOE - UNRISKED)

PROSPECT	BASIS (RPS EFFECTIVE DATE)	LOW	BEST	HIGH
Itheria-1	100% Block 9 (31 Dec 2010)	90	338	765
Bashaer-1	100% Block 9 (31 Dec 2010)	54	102	179
Total	100% Block 9 (31 Dec 2010)	144	350	944
Itheria-1	45% net (31 Dec 2011)	23	101	275
Bashaer-1	45% net (31 Dec 2011)	24	46	80
TOTAL	45% net (31 Dec 2011)	57	152	340

Note: 1 BOE = Barrel of Oil = 6 Mcf gas

CAUTIONARY STATEMENT (Prospective Resources)

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Method of aggregation: the "Total" figures in the table above represent prospective resources reported beyond the individual prospect level and have been aggregated by arithmetic summation by category in accordance with ASX Listing Rule 5.28.5. Because the estimates are probabilistic, the aggregate low estimate may be a very conservative estimate and the aggregate high estimate may be a very optimistic estimate as a result of the portfolio effects of arithmetic summation.

The above table summarises the prospective oil and solution gas resources in Block 9. RPS believes there is a chance (25%) that the Affendi and Khanasser sandstone formations, which are prospective intervals in both the Itheria and Bashaer prospects, will be gas bearing, and a 50% chance that the Burj Limestone formation, which is a prospective interval in the Itheria prospect, will be gas/condensate bearing rather than oil bearing. On a barrel of oil equivalent (boe) basis, the total resources increase in the gas/condensate sensitivity case due to the high reservoir pressure in the deep formations, and the higher recovery factor estimates for the gas/condensate reservoirs as compared to the oil reservoirs.

It should be noted that there is no certainty that any portion of these resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The prospective resource volumes quoted have *not* been discounted for risk.

IMPORTANT INFORMATION ABOUT THE PROSPECTIVE RESOURCE ESTIMATES

The prospective resource estimates set out above were prepared by RPS Energy Canada Ltd and were reported by the former interest holders in Block 9 (the Block 9 consortium), not by AXP. They were prepared and first disclosed under the 2007 edition of the SPE-PRMS and the Canadian Oil and Gas Evaluation Handbook / National Instrument 51-101, and have an effective date of 31 December 2011. They therefore may not conform to the requirements of Chapter 5 of the ASX Listing Rules or the 2018 edition of the SPE-PRMS. The estimates were included in various public releases by the Block 9 consortium, including the former Block 9 operator's Annual Information Form, available at: <https://bit.ly/43rofgU>. Further historical publications are detailed at the end of this announcement.

The estimates were prepared using probabilistic volumetric methods. They are based on the interpreted 2010 3D seismic survey over the Itheria-high together with the Itheria-1 well and offsetting well and field data. In AXP's view, the estimates remain a reasonable representation of the prospective resources of the two prospects; however, AXP has not independently validated them. The evaluation and/or exploration work that, in AXP's opinion, needs to be completed to enable the estimates to be reported in accordance with Chapter 5 of the ASX Listing Rules and the 2018 edition of the SPE-PRMS comprises reprocessing and re-interpretation of the existing 2D and 3D seismic and fulfilling the original two-well drilling obligation (or equivalent), of the drilling and testing of the Itheria-1 and Bashaer-1 prospects.

Subject to the results of the seismic re-interpretation with the benefit of additional data input from the partially drilled Itheria-1 well, the decision will be to either re-enter Itheria-1 and then drill Bashaer-1, or to drill Bashaer-1 and a subsequent exploration well at a new location defined from the newly reprocessed and re-interpreted seismic, subject to defined probability of success.

This information was prepared and first disclosed under the SPE-PRMS 2007. It has not been updated since to comply with the SPE-PRMS 2018 on the basis that the information has not materially changed since it was last reported. AXP confirms that it is not aware of any new information or data that materially affects the information included in the original report, and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

CAUTIONARY STATEMENT

The prospective resource estimates (**Estimates**) above were reported by the former interest holders under the 2007 edition of the SPE-PRMS. AXP has not independently validated those estimates and is not to be regarded as reporting, adopting or endorsing them. AXP has not done sufficient work to be able to disclose the estimates in accordance with Chapter 5 of the ASX Listing Rules and the 2018 edition of the SPE-PRMS. It is possible that, following further evaluation work by AXP, the confidence in, or classification of, the reported Estimates may be reduced when reported under Chapter 5 and the 2018 edition of the SPE-PRMS.

However, the Company confirms that, as of 10 June 2026, it is not aware of any new information or data that materially affects the Estimates disclosed in the independent reserves assessment prepared by RPS Energy Canada Ltd. The Company further confirms that all material assumptions and technical parameters (including geological, engineering, economic and commerciality criteria) underpinning those estimates continue to apply and have not materially changed since the date of that assessment, nor has any subsequent information come to the attention of AXP that causes it to question the accuracy or reliability of the former interest holders' Estimates.

SYRIA GEOLOGICAL CONTEXT

By way of regional context, a number of developments have occurred since the Itheria-1 well was drilled in 2011. AXP notes that none of the matters below constitutes new information or data that, in AXP's opinion, materially affects the prospective resource estimates reported above, and that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed. The matters below have not been taken into account in, and do not alter, the prospective resource estimates:

- The Kurrachine Dolomite (Triassic) is now recognised regionally as both a primary source rock and a self-sourcing petroleum system. In 2011, this play was not widely known. Today, INA has successfully commercialised the Kurrachine Dolomite at Mudawara (Beer As Sib complex, adjacent to Block 9), proving commercial volumetrics, trap integrity, and charge mechanisms.
- The Amanous Shale source has been validated across the Hayan and Aphia blocks (INA operations), demonstrating world-class source rock quality and regional petroleum system maturity.
- Multiple stacked exploration targets exist in both prospects with independent seal and charge mechanisms, multiplying the chance of at least one commercial discovery per well.

AXP considers that it is entering Block 9 at an early stage in the re-opening of the Syrian oil and gas sector. The prospects remain undrilled at their primary objectives and the prospective resources are undiscovered; the regional developments described above do not change that position or the estimates reported above.

SYRIA GEOSTRATEGIC AND OIL & GAS INFRASTRUCTURE CONTEXT

Syria is a jurisdiction whose oil and gas export infrastructure connects directly to the Eastern Mediterranean, independent of the Strait of Hormuz. With the Strait, through which roughly a quarter of the world's seaborne oil and a fifth of global LNG normally transits, now subject to ongoing disruption, security of export routing has become a central consideration for both

energy importers/off takers and investors in the middle east. Syria's established pipeline networks to Mediterranean terminals at Baniyas, Tartus and Latakia offer a westward export pathway that avoids the Gulf chokepoint and its land borders with Turkey, Iraq, Jordan and Lebanon position it as a potential regional transit corridor.

Block 9 benefits from proximity to substantial existing infrastructure, including the Kirkuk–Baniyas oil export pipeline and the Arab Gas Pipeline, together with refining and gas-processing facilities now holding spare capacity following years of sanctions. The Company sees scope for low-cost tie-ins of new discoveries to this infrastructure, supporting export access to European and regional markets as well as domestic gas-to-power demand as Syria's economy rebuilds.



SYRIA: AN UNPRECEDENTED FIRST-MOVER WINDOW NOW OPEN

Syria's geopolitical reset in December 2024 – following the fall of the Assad regime – has created a narrow but transformational window for international oil and gas investment. This is not speculative; it is already happening. The sanction environment has been systematically dismantled:

- February 2025: EU sanctions lifted/suspended
- March 2025: UK sanctions lifted/suspended
- November 2025: Australian sanctions lifted
- December 2025: US Caesar Act repealed – the critical sanction barrier for major US operators
- 2025: Syria amended foreign investment law to permit 100% foreign ownership (previously restricted to joint venture structures)

MAJOR INTERNATIONAL OIL AND GAS COMPANIES HAVE ALREADY COMMITTED. THIS IS VALIDATION OF THE OPPORTUNITY AND PROOF OF THE WINDOW'S CREDIBILITY³:

- **US State Department:** Actively facilitating foreign investment as part of Syria reconstruction strategy; estimated US\$5–10 billion FDI inflow targeted for energy sector by 2030.
- **Syrian Petroleum Company (SPC):** Has regained central control of approximately 70% of Syria's proved reserves following February 2026 ceasefire agreement (control of eastern fields from SDF).
- **Chevron:** Signed MoU with Syrian Petroleum Company for offshore exploration and development; leveraging deepwater Gulf of Mexico expertise directly applicable to Mediterranean conditions.
- **ConocoPhillips:** Signed MoU to restore the Conoco Gas Complex (450 MMcf/d processing capacity – Syria's largest gas plant, offline for years); targeting 4–5 MMm³/day production increase within 12 months; company views Syria as strategic Middle East presence.
- **TotalEnergies, Eni, Gulf Keystone:** In advanced negotiations for established onshore and offshore fields.
- **QatarEnergy (the Qatari state energy company):** signed a separate MoU with TotalEnergies and ConocoPhillips and the SPC to perform a technical review of Block 3 — an offshore block off Latakia in the Levantine Basin.

The broader context: Syria was producing 383,000 bopd pre-civil war; current production is 100,000–110,000 bopd. Production restoration programmes are already underway. The SPC has prioritised rapid rehabilitation of major fields. This is a market in early recovery phases, with significant upside as infrastructure is restored and new drilling commences.

PHASE 1 PROGRAMME: CLEAR NEAR-TERM VALUE CATALYSTS

The planned exploration schedule is:

- Immediate: Commencement of 3D seismic re-interpretation using modern algorithms (leveraging new Kurrachine Dolomite play insights and INA analogues from adjacent blocks)
- H1 2027: Seismic re-interpretation complete; detailed well planning and drilling logistics finalised
- Q4 2027: Re-enter Itheria-1 (target depth ~2,700 m) & Bashaer-1 (target depth ~2,600 m).

AXP will provide market updates at each material stage (seismic completion, well spud, well results). Through this agreement with Simpura, and with Block 9 providing an attractive entry point for AXP into the Middle East, the Company has an exceptional opportunity to pursue other opportunities in Syria and surrounding markets.

A Strengthened Board: As part of this transaction, AXP will welcome Michael C.P. Rego to the Board as a Non-Executive Director. Mr Rego is the Managing Director of Septima Energy Limited, the parent company of the Operator, Simpura Latakia Limited. He has over 40 years of experience in global oil & gas exploration and development, having led the 3.2 Tcf Ntorya gas discovery onshore Tanzania for Aminex PLC in 2012, held senior roles with BP, LASMO, and was instrumental in doubling production in the West Varyegan oilfield for the White Nights JV in West Siberia. Mr Rego has been Managing Director of Septima Energy since 2017.

³ Sources: US Energy Information Administration & US Department of State

Further operational updates will be provided as the seismic reprocessing programme progresses, well planning advances, and drilling preparations are finalised. AXP will provide guidance on spud timing and expected results release windows.

QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT

The information in this announcement that relates to prospective resources for the Block IX Production Sharing Contract ('PSC'), onshore Syria, is based on, and fairly represents, information and supporting documentation prepared by Michael C.P. Rego, a qualified petroleum reserves and resources evaluator. Michael C.P. Rego is a Fellow of The Geological Society of London (Membership # 15962 and has 45 years of relevant experience in the estimation, assessment and evaluation of petroleum prospective resources of the type and style under consideration. Michael C.P. Rego confirms that the information in this announcement is an accurate representation of the available data and studies for the Block IX PSC, onshore Syria.

Mr. Rego is a Director of REGO Exploration Limited and a Director of Septima Energy, (the parent company of Simpora Latakia Limited, the Operator of the Block IX PSC, onshore Syria). Mr. Rego has consented to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

SUMMARY OF MATERIAL TERMS OF FARM-IN AGREEMENT

TERM	SUMMARY
Parties	Farmor: Simpora Latakia Limited (SLL) (registration no. 10641681), with a registered office at 1201 North Market Street, Wilmington, Delaware, USA (Simpora). Farmee: AXP Energy Limited (AXP or the Company). Simpora is the 75% legal and beneficial owner of, and the operator under, the Lattakia Contract.
Project / interest acquired	AXP will earn a 25% participating interest (the Earned Interest) in the Block 9 onshore Production Sharing Contract (the Lattakia Contract) covering the Contract Area in the Palmyride Basin, north-west Syria. Simpora is the current 75% legal and beneficial owner of, and operator under, the Lattakia Contract.
Initial Payment	US\$100,000 good-faith deposit, payable within two business days after execution of the Farm-in Agreement. If AXP fails to make the Subsequent Payment or serves a notice of cessation, the Initial Payment is forfeited as liquidated damages.
Subsequent Payment	US\$1,000,000 advance contribution, payable within 60 days after the Initial Payment. If AXP elects not to proceed with its earn-in obligations (which election must be made within nine months after the date of the Farm-in Agreement), Simpora must reimburse the Subsequent Payment, without interest, within 90 days of receiving notice of cessation.
Earn-in obligations	AXP will fund 35% of all capital expenditure under the Lattakia Contract, including (i) any requisite bank guarantee or standby letter of credit acting as a performance bond and (ii) the drilling and completion of two wells in the Contract Area during calendar year 2027, contributed via cash-calls under the Joint Operating Agreement (JOA). AXP continues to contribute 35% of capital expenditure after the assignment of the Earned Interest, reducing to its 25% participating-interest share following the declaration of the Second Commercial Discovery in the Contract Area. The first cash-call (other than any call for the performance-bond component) is credited with the aggregate of the Initial Payment and the Subsequent Payment.
Historical (sunk) costs	AXP is not required to reimburse or contribute to Simpora's historical sunk costs (estimated at approximately US\$25,500,000); the Past Expenditure Amount & Entitlement is NIL. AXP's disproportionate (promoted) capital-expenditure contributions are the consideration for such relief from reimbursement and exclusion from historical sunk cost recovery.
Resulting interests	On completion of the earn-in, the participating interests under the JOA will be Simpora 50% and AXP 25%.
Conditions precedent	Five conditions precedent: (i) Simpora's receipt of the Initial Payment; (ii) Simpora's receipt of the Subsequent Payment; (iii) AXP not having given notice of cessation; (iv) execution of the JOA; and (v) AXP having fulfilled its earn-in obligations. If the conditions

	<p>precedent are not satisfied or waived within three months of the date of the Farm-in Agreement (or a longer period agreed in writing), either party may terminate, in which case each party is released from further obligations with no claim against the other.</p>
Completion	<p>Completion occurs when the Government records the assignment of the Earned Interest to AXP. Simpورا must deliver the assignment within 15 business days after the two wells are completed. If SPC and/or Government approval is not obtained within six months after AXP satisfies its earn-in obligations, Simpورا must hold the Earned Interest on trust for AXP pending approval; and if approval remains impaired after a further six months, Simpورا must buy back the Earned Interest at fair market value determined by an Independent Expert.</p>
Long-stop date	<p>The Farm-in Agreement does not fix a long-stop date for recording of the assignment. If the conditions precedent are not met within three months of the date of the Agreement, either party may terminate (see Conditions precedent above). If SPC and/or Government approval of the assignment is delayed or impaired after AXP has satisfied its earn-in obligations, AXP is protected by the trust and Independent Expert buy-back arrangements described under Completion above.</p>
Key Farmor warranties	<p>Simpورا warrants, among other things, good and marketable title to the Earned Interest free of encumbrances, authority to assign, that the Lattakia Contract is in full force and good standing, no undisclosed trailing consideration (with an indemnity), and compliance with applicable laws. The warranties survive completion for 24 months.</p>
Termination	<p>Either party may terminate if the conditions precedent are not satisfied or waived within three months of the date of the Farm-in Agreement, with each party then released from further obligations and no claim against the other. Separately, AXP may give notice of cessation within nine months of the date of the Agreement, on which Simpورا must refund the Subsequent Payment without interest (the Initial Payment being forfeited as liquidated damages). A force majeure event suspends the affected obligations for its duration; lack of funds is not force majeure.</p>
Governing law and disputes	<p>The Farm-in Agreement is governed by Swiss law (Syrian law governing the grant and scope of the rights under the Lattakia Contract). After a negotiation period, disputes are finally resolved by arbitration under the UNCITRAL Arbitration Rules, seat Geneva, in English, before three arbitrators, with the Permanent Court of Arbitration as appointing authority.</p>

Authorised for release by the Board of AXP Energy Limited.

FURTHER INFORMATION

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ABOUT AXP ENERGY LIMITED

AXP Energy Limited (ASX: AXP, OTC: AUNXF) is an oil & gas production and development company with operations in Colorado and Oklahoma.

DISCLAIMER

This announcement contains forward-looking statements, including statements regarding the proposed farm-in, the planned work programme, exploration timing and the potential of Block 9. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond AXP's control, that may cause actual results to differ materially from those expressed or implied. Forward-looking statements are based on AXP's expectations and beliefs as at the date of this announcement. Subject to its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001 (Cth), AXP does not undertake any obligation to update any forward-looking statement. To the maximum extent permitted by law, AXP and its officers, employees and advisers make no representation or warranty as to the accuracy, completeness or reliability of the information in this announcement and disclaim all liability for any loss arising from reliance on it. This announcement is for information purposes only, is not financial product or investment advice or a recommendation to acquire, hold or dispose of securities in AXP, and does not take into account any person's investment objectives, financial situation or needs. The prospective resource estimates referred to in this announcement are estimates only and are subject to the cautionary statements and the "Important information about the prospective resource estimates" section above. Prospective resources are undiscovered and have both an associated risk of discovery and a risk of development; there is no certainty that any part of them will be discovered or, if discovered, commercially produced.

HISTORICAL PROSPECTIVE RESOURCE INFORMATION

DATE	EFFECTIVE DATE / BASIS	LINK OR LOCATION
23 Mar 2011	31 Dec 2010	https://www.rigzone.com/news/kulczyk_oil_notes_prospective_resources_in_syria-21-mar-2011-105306-article/
8 Jun 2011	31 Dec 2010	https://www.stockopedia.com/content/kulczyk-oil-ventures-why-look-at-warsaw-51154/?page=2
22 Jul 2011	31 Dec 2010	https://www.globenewswire.com/news-release/2011/07/22/1409739/0/en/KOV-Spuds-Itheria-1-Exploration-Well-in-Block-9-Syria.html
22 Jul 2011	31 Dec 2010	http://www.marketwired.com/press-release/mena-hydrocarbons-inc-announces-spud-itheria-1-exploration-well-block-9-syria-tsx-venture-mnh-1541219.htm
17 Oct 2011	n/a	https://www.globenewswire.com/news-release/2011/10/17/1409782/0/en/Kulczyk-Oil-Ventures-Suspends-Operations-In-Syria.html
24 Nov 2011	n/a	https://www.globenewswire.com/news-release/2011/11/24/1409818/0/en/Kulczyk-Oil-Ventures-Inc-Syria-Block-9-Term-Extended.html
20 Mar 2012	n/a	https://www.globenewswire.com/news-release/2012/03/20/1409855/0/en/Kulczyk-Oil-Announces-Year-End-Financial-Operating-Results.html
29 Mar 2012	31 Dec 2011	https://www.sedarplus.ca/csa-party/records/document.html?id=8e01214f9e592112bf021ad51c18c57673f6b1744ae22f2a1f3921f02d0c981e

TABLE OF OIL & GAS QUANTITY ABBREVIATIONS

ABBREVIATION	DEFINITION
BOE	Barrel of Oil Equivalent
MMboe	Million Barrels of Oil Equivalent
bopd	Barrels of Oil Per Day
Kbopd	Thousand Barrels of Oil Per Day
Tcf	Trillion Cubic Feet
MMcf/d	Million Cubic Feet Per Day
Mcf	Thousand Cubic Feet
MMm³/d	Million Cubic Meters Per Day
NGL	Natural Gas Liquids

ENDS