

Reserves And Resources Update

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NEW YORK, Nov. 26, 2021 - [AXP Energy Ltd.](#) (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') announces its assessed Reserves and Contingent Resources as at 1 October 2021. The Reserves and Resources below are net to AXP unless otherwise. They include, for the first time, the Reserves and Resources gained with the acquisitions of Appalachian Basin (MHP) and the new Illinois Basin asset (Trey Exploration).

- 2P Reserves of 6.37 million barrels of oil equivalent (MMboe) comprised of 1.06 million barrels of oil (MMbbl), 24.70 million cubic feet (Bcf) of gas and 1.17 million barrels NGL; substantially up from 0.124 MMboe;
- 2C Contingent Resources of 211.95 million barrels of oil equivalent, up from 192.93 million barrels of oil equivalent

Reserves

AXP's 2P Reserves at 1 October 2021 are assessed to be 6.371 million barrels of oil equivalent (MMboe) compared with the previously reported figure of 0.124 MMboe (which included only the previous Denver-Julesburg Basin asset in Colorado and a portion of the Illinois Basin asset, being the Kentucky Exploration asset). Therefore, the main contribution to the significant movement in 2P was the acquisition of the Appalachian Basin asset, which closed on 26 February 2021, and the acquisition of the Illinois Basin asset, which closed 1 October, 2021.

RESERVE CATEGORY	OIL [MMbbl ¹]	GAS [Bcf ²]	NGL [MMbbl ¹]	TOTAL ³ [MMboe ⁴]
Proved (1P)	0.71	22.58	1.04	5.52
Probable	0.35	2.12	0.13	0.86
Proved + Probable (2P)	1.06	24.70	1.17	6.37
Possible	0.50	10.81	0.39	2.69
Proved + Probable + Possible (3P)	1.56	35.51	1.56	9.06

1. MMbbl means one million barrels;
2. Bcf means one billion standard cubic feet;
3. Totals may not exactly reflect arithmetic addition due to rounding;
4. MMboe means one million barrels of oil equivalent. Gas is converted at 6 Mcf to 1 boe and at 5 Mcf to 1 boe in the Denver-Julesburg Basin (due to the high calorific value of this gas).

The above totals represent an aggregation of the assessed Reserves for the Company's 3 producing areas. A more detailed breakdown of the above by producing area is provided in Appendix 1.

Contingent Resources

AXP's 2C Contingent Resources at 1 October 2021 are assessed to be 211.95 million barrels of oil equivalent (MMboe) compared with the previously reported figure of 192.93 MMboe. Again, the main contribution to the significant increase was the acquisition of the Appalachian Basin asset (MHP), which closed on 26 February 2021, and the acquisition of the Illinois Basin asset (Trey Exploration), which closed 1 October, 2021.

CONTINGENT RESOURCE CATEGORY	OIL [MMbbl ¹]	GAS [Bcf ²]	NGL [MMbbl ¹]	TOTAL ³ [MMboe ⁴]
Low Estimate (1C)	46.82	507.16	2.28	149.02
Mid Estimate (2C)	68.32	713.99	3.70	211.95
High Estimate (3C)	96.55	1,041.92	9.25	306.27

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The above totals represent an aggregation of the assessed Contingent Resources for the AXP's 3 producing areas. A detailed breakdown by producing area is provided in Appendix 2.

AXP Commentary

The Company is encouraged by the Reserves and Contingent Resources brought in under the 2 recent acquisitions, as they substantially underpin the Company's value. As AXP has only owned the Appalachian Basin and the majority of the Illinois Basin's acreage for a short period of time, the Reserves are based on production and plans in respect of current productive formations only.

Planned drilling, well production enhancements by workovers and stimulation, and the implementation of a comprehensive field development plan (incorporating evaluations of certain Contingent Resources based on the results of the drilling and production enhancements) may see Contingent Resources moved to Reserves in time.

The Company will be hosting a Webinar on Wednesday, 1 December at 10:30am AEDT to provide further details on the latest reserves and resources assessment. Please use the following link to sign up:

<https://attendee.gotowebinar.com/register/6361063313588632331>

Qualified Petroleum Reserves and Resources Evaluator Statement

The above petroleum reserve and resource information has been 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 (for Appalachian Basin and Illinois Basin) and Gustavson Associates, LLC, Boulder, Colorado (for Denver-Julesburg Basin and the contribution to Illinois Basin of AXP's Kentucky Exploration asset). 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.

Notes on Calculation of Reserves & Contingent Resources

As required by The VALMIN Code, 2015 Edition (VALMIN), the independent expert's reports were prepared in accordance with the definitions and guidelines of the Petroleum Resources Management System, revised June 2018 ("PRMS"), issued by the Society of Petroleum Engineers (SPE) and sponsored (among others) by the Society of Petroleum Engineers (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 PRMS and the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised 2019) - in accordance with VALMIN 2015. The independent experts also reviewed certain properties that may have contingent or prospective resources as defined in the PRMS.

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 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.

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 therefore 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 Ltd.](#)

ABOUT AXP ENERGY LIMITED

[AXP Energy Ltd.](#) (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 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

RESERVE CATEGORY	OIL [MMbbl ¹]	GAS [Bcf ²]	NGL [MMbbl ¹]	TOTAL ³ [MMboe ⁴]
Proved				
Appalachian Basin	0.478	22.581	1.041	5.282
Illinois Basin	0.181	-	-	0.181
Denver-Julesburg Basin	0.053	-	-	0.053
Total Proved (1P)	0.711	22.581	1.041	5.516
Probable				
Appalachian Basin	0.110	1.390	0.050	0.392
Illinois Basin	0.196	-	-	0.196
Denver-Julesburg Basin	0.042	0.730	0.079	0.268
Proved + Probable (2P)	1.060	24.700	1.171	6.371
Possible				
Appalachian Basin	0.252	10.806	0.386	2.439
Illinois Basin	0.246	-	-	0.246
Denver-Julesburg Basin	-	-	-	-
Proved + Probable + Possible (3P)	1.558	35.507	1.556	9.056

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APPENDIX 2

CONTINGENT RESOURCE CATEGORY	OIL [MMbbl ¹]	GAS [Bcf ²]	NGL [MMbbl ¹]	TOTAL ³ [MMboe ⁴]
Low Estimate				
Appalachian Basin	0.118	45.488	2.283	9.982
Illinois Basin	0.200	-	-	0.200
Denver-Julesburg Basin	46.500	461.670	-	138.834
Total 1C	46.818	507.158	2.283	149.016
Mid Estimate				
Appalachian Basin	0.627	86.055	3.699	18.668
Illinois Basin	0.355	-	-	0.355
Denver-Julesburg Basin	67.340	627.930	-	192.926
Total 2C	68.322	713.985	3.699	211.949
High Estimate				
Appalachian Basin	1.284	237.359	9.247	50.091
Illinois Basin	0.457	-	-	0.457
Denver-Julesburg Basin	94.810	804.560	-	255.722
Total 3C	96.551	1,041.919	9.247	306.270

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