



**AXP ENERGY**

**INVESTOR UPDATE WEBINAR**

**6 OCTOBER 2022**

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### FY22 vs FY21 Comparison (US\$ '000)

		FY 2022	FY 2021	% Δ
Production - gross (mboe)	Mboe	807.2	256.8	214%
Sales - post royalties (mboe)	Mboe	559.4	171.0	227%
Average realised price (US\$/boe)	\$/boe	37.1	24.8	50%
Average realised oil price (US\$/bbl)	\$/bbl	84.3	57.1	48%
Average realised gas price (US\$/mcf)	\$/Mcf	4.2	3.2	32%
Unit (produced) operating cost	\$/boe	22.1	18.0	-22%
Sales revenue		20,752	4,240	389%
NPAT		607	4,065	-85%
Operating cash inflow/(outflow)		3,234	(580)	
End of year cash balance		3,386	1,043	225%
Net assets		16,678	13,766	21%
Working capital surplus/(deficit)		310	(594)	
Ending gross inventory	bbl	16,558	19,840	-17%

- Gross production & net sales up **214%** and **227%** (respectively, on a per boe basis) due to the inclusion of a full 12 months of the Appalachian Basin asset and 9 months of the Trey asset:
  - Gas: **2,083,961 Mcf** (FY21 711,787 Mcf)
  - Oil: **77,682 BBL** (FY21 22,017 BBL)
  - NGL: **5,643,705 US Gallons** (FY21 1,276,155 USG)
- Average realised price for FY22 **\$37.1/boe** vs **\$24.9/boe** in FY21
- Ended the year with an NPAT of **\$607K**;
- Cash generated in operating activities substantially improved (\$3.234M vs \$580K used in FY21)
- The Group ended the year with a solid cash balance, negligible debt and strong oil inventory

Mboe means thousand barrels of oil equivalent, boe means barrels of oil equivalent, Mcf means thousand standard cubic feet of gas and bbl means barrels of oil.

### FY22 vs FY21 NPAT Comparison (US\$ '000)

	FY 2022	FY 2021	% Δ
Sales revenue	20,752	4,240	389%
Operating costs	(13,256)	(3,399)	-290%
Discount on acquisition	-	6,185	
G&A	(4,178)	(1,820)	-130%
<b>EBITDAX<sup>(1)</sup></b>	<b>3,318</b>	<b>5,206</b>	<b>-36%</b>
Depreciation, depletion and amortisation	(1,916)	(712)	-169%
Impairment losses	(147)	(207)	29%
<b>EBIT<sup>(1)</sup></b>	<b>1,256</b>	<b>4,287</b>	<b>-71%</b>
Net finance costs	(738)	(396)	-86%
<b>NPBT</b>	<b>518</b>	<b>3,892</b>	<b>-87%</b>
Income tax benefit/(expense)	89	173	-49%
<b>NPAT</b>	<b>607</b>	<b>4,065</b>	<b>-85%</b>

- Sales revenue up **389%** due to the new inclusions noted and favourable energy prices
- Operating expenses were up substantially, and proportionately more than gross production and unit sales
- G&A also significantly up but proportionately less than the increase in gross production and unit sales
- Ended the year with an NPAT of **\$607K**; underlying NPAT position significantly improved (FY21 NPAT included a **\$6.19M** gain on acquisition)

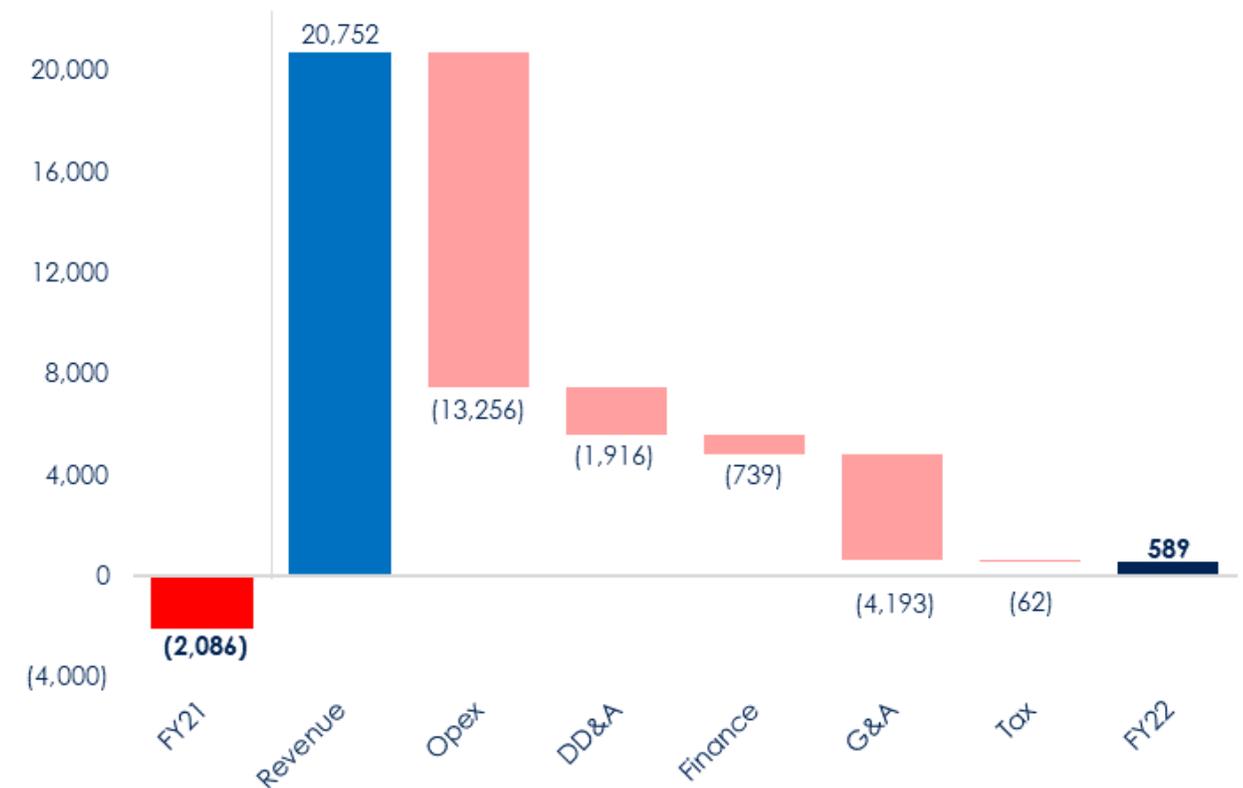
(1) EBITDAX and EBIT are non-IFRS measures.

### Underlying NPAT Performance

Reconciliation of NPAT to Underlying NPAT (U\$ '000)

	FY 2022	FY 2021	Δ
<b>NPAT</b>	<b>607</b>	<b>4,065</b>	<b>-85%</b>
Impairment losses	147	207	29%
Discount on acquisition	-	(6,185)	
Gain on disposal of assets	(15)	-	
Income tax (deferred tax)	(151)	(173)	-13%
<b>Underlying NPAT</b>	<b>589</b>	<b>(2,086)</b>	<b>+2,674</b>

FY21 vs FY22 Underlying NPAT (U\$ '000)



(1) Underlying NPAT is a non-IFRS measure

## Material Increase in Reserves

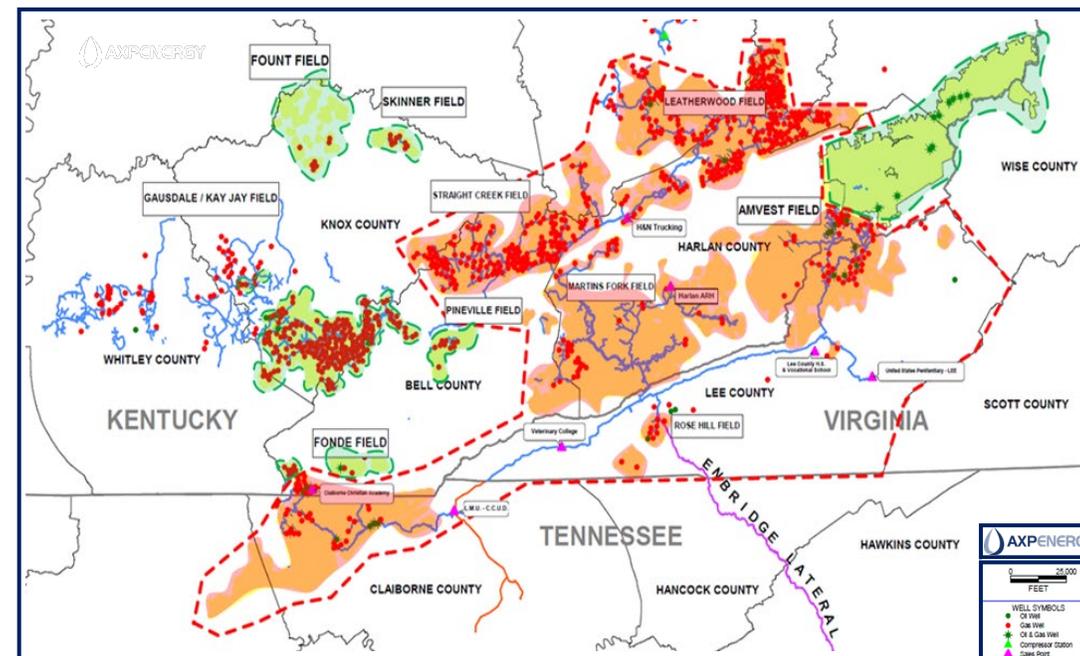
RESERVES CATEGORY	OIL	GAS	NGL	TOTAL
1 July 2022	MMbbl	Bcf	MMbbl	MMboe
Proved Developed Producing (PDP)	0.87	20.41	1.09	5.36
Proved Developed Non-Producing (PDNP)	0.07	0.84	0.04	0.25
Proved Undeveloped (PUD)	0.02	0.14	-	0.04
<b>Proved (1P)</b>	<b>0.96</b>	<b>21.38</b>	<b>1.13</b>	<b>5.65</b>
Probable	0.18	8.33	0.06	1.62
<b>Proved + Probable (2P)</b>	<b>1.14</b>	<b>29.71</b>	<b>1.19</b>	<b>7.27</b>
Possible	0.88	10.36	0.53	3.14
<b>Proved + Probable + Possible (3P)</b>	<b>2.02</b>	<b>40.07</b>	<b>1.72</b>	<b>10.41</b>

- 2P Reserves increased 14% in the 9 months since the last reserves audit (1 October 2021)
- Comprised of 29.71 billion cubic feet of natural gas, 1.14 million barrels of oil and 1.19 million barrels of NGLs
- Importantly, the vast majority of AXP's Proved reserves are in the Producing and Developed category
- Maturation of AXP's Field Development Plan ('FDP') since the last evaluation has contributed significantly to 2P Reserves growth
- Further enhancing and refining the FDP to optimize AXP's significant well inventory and gas behind pipe is now a key focus

(1) Refer announcement 30 September 2022. MMbbl means million barrels of oil, Bcf means billion standard cubic feet of gas and MMboe means million barrels of oil equivalent.

## Dominant Acreage Position in the Appalachian Basin

CONTINGENT RESOURCE CATEGORY 1 July 2022	OIL MMbbl	GAS Bcf	NGL MMbbl	TOTAL MMboe
<b>Low Estimate (1C)</b>				
Appalachian Basin	0.12	45.49	2.28	9.98
Illinois Basin	0.20	-	-	0.20
Denver-Julesburg Basin	46.50	461.67	-	138.83
<b>Total 1C</b>	<b>46.82</b>	<b>507.16</b>	<b>2.28</b>	<b>149.02</b>
<b>Mid Estimate (2C)</b>				
Appalachian Basin	0.63	86.06	3.70	18.67
Illinois Basin	0.36	-	-	0.36
Denver-Julesburg Basin	67.34	627.93	-	192.93
<b>Total 2C</b>	<b>68.32</b>	<b>713.99</b>	<b>3.70</b>	<b>211.95</b>
<b>High Estimate (3C)</b>				
Appalachian Basin	1.28	237.36	9.25	50.09
Illinois Basin	0.46	-	-	0.46
Denver-Julesburg Basin	94.81	804.56	-	255.72
<b>Total 3C</b>	<b>96.55</b>	<b>1,041.92</b>	<b>9.25</b>	<b>306.27</b>



- AXP holds ~91,000 net acres – a dominant position with multiple opportunities to expand
- Still in the very early stages of assessing our Contingent Resources base

(1) Refer announcement 30 September 2022. MMbbl means million barrels of oil, Bcf means billion standard cubic feet of gas and MMboe means million barrels of oil equivalent.

## CONSOLIDATE CRITICAL BUSINESS FUNCTIONS INTO SINGLE ENTITY

- Finance function now substantially in-house
- Operations departments also now underway

## CONTINUE TO IDENTIFY AND BRING ONLINE EXISTING LOW-COST PRODUCTION

- Majority of production that has been brought online is outside of AMI
- Continued KayJay field enhancements
- Tie-in of DPI-2605 well to gas sales channel

## INCREASE RELIABILITY AND CAPACITY OF DELIVERY SYSTEMS

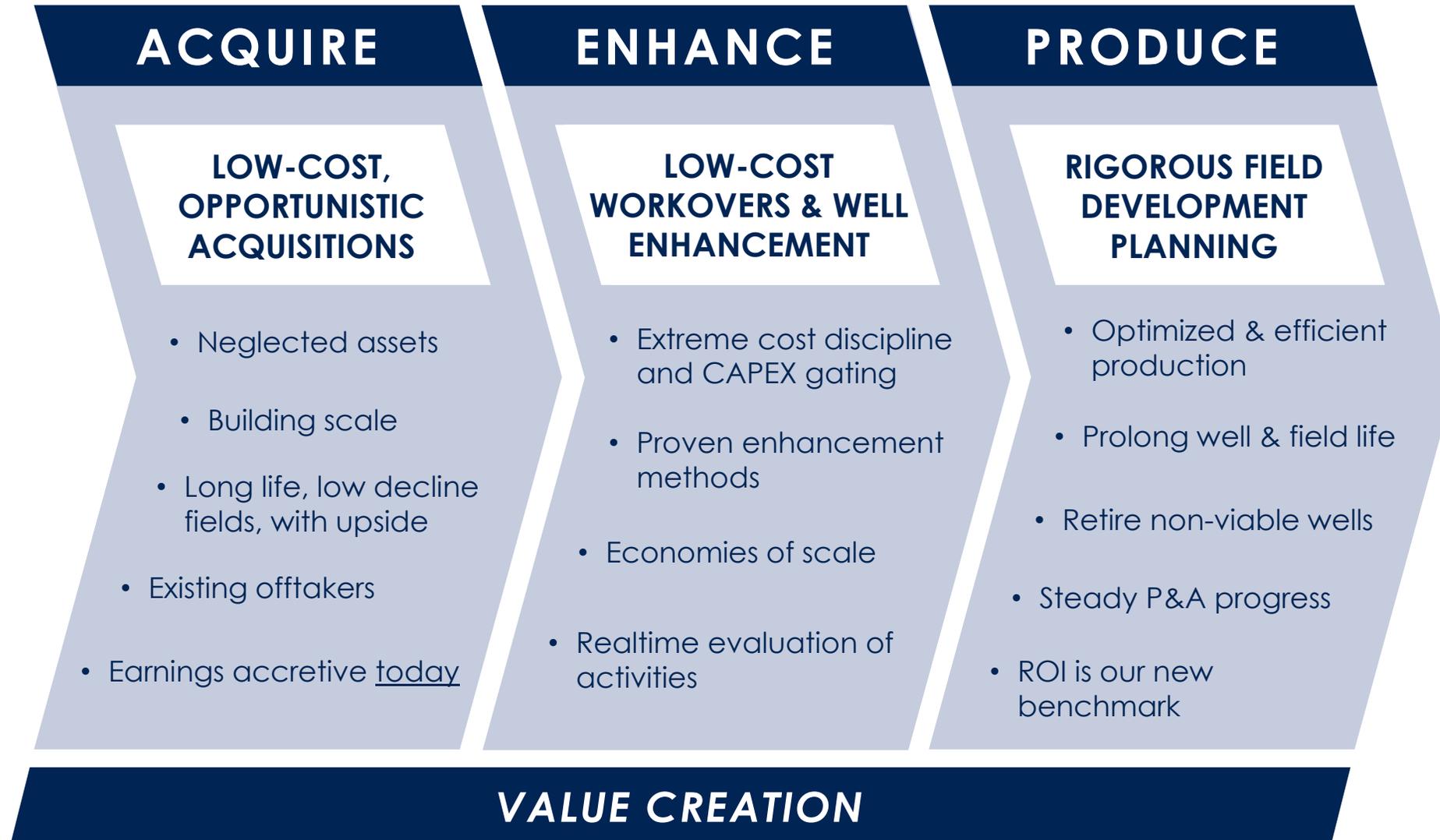
- Improved communications and relations with midstream partners
- Offtake redundancy

## INCREASE MARGINS

- Midstream reliability
- Solutions to NGL blending requirement
- 5 further wells scheduled to be completed in this fiscal year

## DEVELOP OUR RESERVES

- Ongoing field development planning and FDP execution
- 32 wells or projects outside of AMI pending start
- 300+ wells or projects identified
- ARO obligations continue to be fulfilled (calendar 22 obligations already complete)



## AXP ENERGY LIMITED

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**THANK YOU**