

Dear Shareholder,

### **SHAREHOLDERS GENERAL MEETING ON 6 FEBRUARY 2024**

A General Meeting (“**GM**”) of shareholders of AXP Energy Limited (“**AXP**” or the “**Company**”) will be held at 10:00 AM (Sydney Time) on Tuesday, 6 February 2024 (“**Meeting**”) at **Level 4, 8 Spring Street Sydney NSW 2000**.

The General Meeting will be held as a physical meeting, whereby shareholders can attend in person. Registration opens from 9:30am AEDT on the day of the meeting. Shareholders who are not able to attend the meeting in person are directed to lodge their votes by proxy as soon as possible. Shareholders who wish to ask questions of the Company can do so by submitting their questions via email to [robert@coysec.net.au](mailto:robert@coysec.net.au) no later than 10:00am AEDT on Sunday, 4 January 2024.

Instructions on how to submit votes by proxy are contained within the “**Proxies**” section on page 2 of the Notice.

The **Notice of Meeting** is available at:

<https://www.reportsonline.net.au/?documentid=2EA9D022F80A49E1A864D2D6951B315E>

You will be able to access the Notice of Meeting and explanatory memorandum using the links provided above or via the Australian Stock Exchange (ASX) website using code “**AXP**”.

**VOTING IS NOW OPEN.** To vote online, please follow the instructions below:

- **STEP 1:** Visit <https://www.votingonline.com.au/axpgm2024>
- **STEP 2:** Enter your Postcode (if within Australia) OR Country of Residence (if otherwise);
- **STEP 3:** Enter your Voting Access Code (VAC) – as contained in the attached proxy form;
- **STEP 4:** Follow the prompts to vote on each resolution.

**Important Note:** For your voting instructions to be valid and counted towards this meeting please ensure that your online lodgement is received no later than 10:00am AEDT on Sunday, 4 February 2024. Voting instructions received after this time will not be valid for the scheduled meeting. If you have any queries regarding your shareholding or the upcoming AXP Energy Limited General Meeting, please contact Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (International).

Yours faithfully,



Robert Lees  
Company Secretary

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**AXP ENERGY LIMITED**

**ACN 114 198 471**

**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am (Sydney time)

**DATE:** Tuesday, 6 February 2024

**PLACE:** Level 4, 8 Spring Street, Sydney NSW 2000

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on 4 February 2024.***

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# BUSINESS OF THE MEETING

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## AGENDA

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### 1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, under and for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the sale by the Company of 100% of the Illinois & Appalachian Basins projects to Mountain V Oil & Gas, Inc, on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

#### Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Disposal of Main Undertaking</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mountain V Oil & Gas, Inc (or any of its associates) or any other person who will obtain a material benefit as a result of the Disposal (except a benefit solely by reason of being a Shareholder) (each, an <b>Excluded Party</b> ). However, this does not apply to a vote cast in favour of the Resolution by: <ul style="list-style-type: none"><li>(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or</li><li>(b) the chair of the meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or</li><li>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none"><li>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of an Excluded Party excluded from voting, on the Resolution; and</li><li>(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</li></ul></li></ul>
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### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9299 9580.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

ASX takes no responsibility for the contents of this Notice.

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### 1. BACKGROUND TO DISPOSAL OF THE MAIN UNDERTAKING

#### 1.1 Transaction

The Company has entered into an asset sale agreement (**Asset Sale Agreement**) with Mountain V Oil & Gas, Inc. (**Mountain V**) pursuant to which Mountain V has agreed to purchase, and the Company has agreed to sell its 100% interest in the Illinois & Appalachian Basins projects (together the **Disposal Projects**) to Mountain V for USD \$4,000,000 (**Disposal**) (previously announced on 29 September 2023).

The disposal of the Disposal Projects, constitutes a disposal of the Company's main undertaking (the subject of Resolution 1).

Additionally, a summary of the material terms and condition precedents of the Asset Sale Agreement is set out in Schedule 1 to this Notice.

The purpose of Resolution 1 is to seek Shareholder approval for the Disposal in terms of Listing Rule 11.2 and, more generally, to provide Shareholders with an opportunity to vote in favour or against the Disposal.

Shareholders should refer to Section 2.2 for a summary of Listing Rule 11.2 and the implications for the Company if Shareholder approval for the Disposal is not obtained.

#### 1.2 Background on the Company and the reasons for the Disposal

The Company is an Australia public company, which was incorporated on 11 May 2005 and listed on the ASX on 19 July 2006 (as Austin Exploration Limited). The Company is an oil and gas company with two main projects:

- (a) Illinois & Appalachian Basins projects (together the **Disposal Projects**); and
- (b) Colorado Project.

Following completion of the acquisition of the Disposal Projects in 2021, the Company's main focus has been on operating and optimising the approximately 1,400 wells of the Disposal Projects. However, the cost requirements of Disposal Projects have been so high that the Company considers it is not in the Company's best interests to continue operating the Disposal Projects.

For further information with respect to the Company's assets, please refer to the Company's ASX platform (ASX:AXP), including the Company's quarterly activities reports released to ASX on 31 October 2023 and 31 July 2023, and the Company's last annual report released to ASX on 29 September 2023.

The Company notes that the cash consideration of US \$4 million to be received for the Disposal is a significant premium to the purchase price the Company paid for the Disposal Projects in 2021 (US \$2.425 Million). As such the Company considers the Disposal as an attractive opportunity for the Company to receive a compelling sale price for the Disposal Projects.

The Company notes that the US east coast gas market, where gas from the Disposal Projects flow, is a complex market involving significant gas processing cost in order to market the gas into this market. As such the Disposal Projects have incurred substantial operating costs, which have lead to the Company considering their disposal.

The Company notes that it has recompleted 2 wells in the Illinois Basin, 3 wells in the Appalachian Basin and brought 32 wells online in the KayJay field (all part of the Disposal Projects) as well as substantial dealings with our midstream gas processing partner in an attempt to improve the financial viability of the Disposal Projects.

However, despite this work, the Disposal Projects are not profitable at current gas prices without the Company having control of the midstream. The Company does not foresee gas prices rising to a level where the Disposal Projects are profitable in the short term and does not have any viable options to take control of the midstream operations.

The Company notes that the following disclosure was included in the Company's latest quarterly report (released on 31 July 2023) the following at section 8.8.3:

"should the depression in gas prices remain, or as circumstances dictate, the Company may consider an asset sale or raising capital (or both)."

As such the Company considers that the market has been aware that the Company may consider an asset sale such as the Disposal.

The decision to sell the Project was thoroughly considered by the Board and the basis for the decision is explained further in Section 1.3 of the Notice.

The Company confirms that it is not aware of any new information or data other than as set out in this Notice that materially affects the information included in its previous announcement with respect to the Project and its assets.

### **1.3 Advantages**

The Directors consider that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Company notes that the cash consideration of US\$4 million to be received for the Disposal is a significant premium to the purchase price the Company paid for the Disposal Projects in 2021 (US\$2.425 Million). As such the Company considers the Disposal as an attractive opportunity for the Company to receive a compelling sale price for the Disposal Projects;
- (b) the Disposal maximises the available cash position of the Company, which can then be used on the Colorado project and suitable investment opportunities after completion of the Disposal; and
- (c) the sale of Disposal Projects will also alleviate the Company of the significant costs associated with the Disposal Projects, thus resulting in a significantly higher effective cash reserves when compared to an alternative strategy.

### **1.4 Disadvantages**

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the consequence of the Disposal is that the Company will sell its main producing asset being the Disposal Projects, which may not be consistent with the investment objectives of all Shareholders;
- (b) notwithstanding the unanimous recommendation by the Board that, in the absence of a superior proposal, the Disposal is in the best interests of Shareholders, you may believe that the Disposal is not in your best interests or believe that the consideration for the Disposal is inadequate; and
- (c) there is a risk that the Company may not be able to locate and acquire suitable investment opportunities after completion of the Disposal.

### **1.5 Risk factors associated with Shareholders not approving Resolution 1**

If Resolution 1 is not approved by Shareholders, it is likely that the Asset Sale Agreement will terminate and those benefits of the Disposal of the Project, as described in Section 1.3 above, will not eventuate.

As discussed in this Notice, in circumstances where Shareholders do not approve Resolution 1, the financial implications for the Company will be material and the Company will continue to incur costs associated with the Disposal Projects.

### **1.6 Risk Factors associated with Shareholders approving Resolution 1**

The key risk factors of the Disposal are:

#### **(a) Completion and re-compliance risk**

The Disposal constitutes a sale of the Company's main undertaking. Following completion of the Disposal, it may be necessary for the Company to satisfy ASX that it has sufficient operations to continue quotation of its securities or, if not, re-comply with the Listing Rules. The Company may be suspended six months after the date of the announcement of the Disposal if ASX is not satisfied that it has sufficient operations to continue quotation of its securities or, if required, whilst it undertakes a re-compliance.

There is a risk that the conditions for settlement of the Disposal cannot be fulfilled. If the Disposal is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

#### **(b) Additional requirements for capital**

The Company may require additional funding together with the Company's existing cash reserves to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

#### **(c) New projects and acquisitions**

Upon completion of the Disposal, the Company will actively pursue and assess other new business opportunities in the oil and gas sector. These new business opportunities may take the form of direct project

acquisitions, joint ventures, farm-ins, acquisition of licences/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to new projects, which may result in the Company raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

## **1.7 MOUNTAIN V OIL & GAS, INC.**

Mountain V Oil & Gas, Inc. is a privately held US oil and gas exploration and production company operating in the Appalachian Basin since 1994. Since inception, Mountain V has operated in three US states, acquired and divested over 2,000 wells, and drilled almost 600 wells.

Currently headquartered in Buckhannon, West Virginia, Mountain V continues to operate assets in Pennsylvania and West Virginia. At present, Mountain V collectively owns and/or operates approximately 409,000 held-by-production acres (including farmins). Producing mainly from the Upper Devonian, Oriskany, and Marcellus formations, Mountain V's production tops 25 MMcfe/d from 1,807 owned and/or operated wells located in western Pennsylvania and throughout West Virginia.

The 360+ miles of Mountain V operated gathering and pipeline systems helps transport a significant portion of the Company's gas to market. Mountain V is able to efficiently and economically maintain its properties by utilizing its own oilfield services including service and swab rigs, water trucks, roustabout services, and other oilfield equipment.

Other than the contractual relationship with Mountain V, neither the Company nor any of its Directors, have a business or personal relationship with Mountain V or any of its affiliates. Additionally, as far as the Company is aware, Mountain V holds no equity interest in the Company.

## **1.8 Financial effect of the Disposal**

In consideration for the sale of the Disposal Projects, the Company will receive US \$4 million to be paid as follows:

- (a) Upon execution of the binding letter agreement – Prepayment of Five Hundred Thousand Dollars (US \$500,000);
- (b) Upon execution of a full form purchase and sale – Prepayment of Five Hundred Thousand Dollars (US \$500,000);
- (c) Upon approval of the transaction by a vote of AXP shareholders – Prepayment of One Million Dollars (US \$1,000,000); and
- (d) At closing – remaining Two Million Dollars (US \$2,000,000) subject to Closing Adjustments (which will be defined in definitive Purchase and Sale Agreement),

AXP will also receive at closing - Eight Hundred Seventy-Six Thousand Four Hundred Forty-Seven Dollars and fifty-seven cents (US\$876,447.57) for oil in the tanks as at the effective date of the Sale of the Disposal Projects,

(together, the **Consideration**).

The impact of the Disposal on the Company is set out in the pro forma balance sheet contained in Schedule 2.

The proceeds received from the Disposal will be applied to its Colorado project and additional acquisitions in the oil and gas sector that will be complimentary to the current operations and focus.

### **1.9 The Company's intentions on completion of the Disposal**

Post completion of the Proposed Transaction the Company will remain an oil and gas company with a focus on:

- (a) its Colorado project; and
- (b) additional acquisitions in the oil and gas sector that will be complimentary to the current operations and focus.

The consideration received from the Proposed Transaction will be used to fund the above.

Specifically, the Company notes that following completion of the Proposed Transaction, the Company will effectively be returning to the assets held by the Company prior to the acquisition of the Disposal Projects in 2021.

### **1.10 Listing Rule matters**

The Company notes that Listing Rule 12.3 provides:

*"If half or more of an entity's total assets is cash or in a form readily convertible into cash, ASX may suspend quotation of the entity's securities until it invests those assets or uses them in the entity's business. The entity must give holders of ordinary securities in writing details of the investment or use..."*

Notwithstanding Listing Rule 12.3, ASX will generally continue quotation of a listed entity's securities for six months from the date of the agreement to complete the Disposal. Following completion of the Disposal, it may be necessary for the Company to satisfy ASX that it has sufficient operations to continue quotation of its securities or, if not, re-comply with the Listing Rules.

The Company may be suspended six months after the date of the agreement to complete the Disposal if ASX is not satisfied that it has sufficient operations to continue quotation of its securities or, if required, whilst it undertakes a re-compliance.

### **1.11 Group structure**

Upon completion of the Disposal, the corporate structure of the Company will not change.

### **1.12 Proposed changes to the Company's board and management**

There will be no changes to the Company's Board or management as a result of the Disposal.

### 1.13 Effect on capital structure

The Disposal will have no effect on the capital structure of the Company.

### 1.14 Indicative timetable

Subject to the Listing Rules and Corporations Act requirements, the Company anticipates completion of the Disposal will be in accordance with the following timetable:

Event	Date*
ASX announcement of Disposal	29 September 2023
Notice of Meeting for the Disposal sent to Shareholders	5 January 2024
Shareholder Meeting to approve the Disposal	6 February 2024
Closing of Asset Sale Agreement	8 February 2024

\*Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required

### 1.15 Recommendation from the Board

None of the Directors have a material interest in the outcome of Resolution 1, other than as a result of their interest, if any, arising solely in their capacity as Shareholders.

The Directors unanimously recommend Shareholders vote **IN FAVOUR OF** Resolution 1 in the absence of a superior proposal.

The Directors' reasons are as follows, consistent with the advantages of the transaction:

- (a) the Company notes that the cash consideration of US\$4 million to be received for the Disposal is a significant premium to the purchase price the Company paid for the Disposal Projects in 2021 (US\$2.425 Million). As such the Company considers the Disposal as an attractive opportunity for the Company to receive a compelling sale price for the Disposal Projects;
- (b) the Disposal maximises the available cash position of the Company, which can then be used on the Colorado project and suitable investment opportunities after completion of the Disposal; and
- (c) the sale of Disposal Projects will also alleviate the Company of the significant costs associated with the Disposal Projects, thus resulting in a significantly higher effective cash reserves when compared to an alternative strategy.

Notwithstanding the recommendation of your Directors, the ultimate decision whether to sell the Disposal Projects is one for Shareholders to make based on the information set out in this Notice.

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## **2. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING**

### **2.1 General**

This Notice of Meeting has been prepared to seek Shareholder approval for the matters required to complete the Disposal for the purposes of ASX Listing Rule 11.2. The ASX takes no responsibility for the contents of the Notice.

### **2.2 Listing Rule 11.2**

Subject to Resolution 1 passing, the Company is proposing to proceed with the Disposal.

ASX Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to a disposal of its main undertaking. The Disposal is a disposal of the Company's main undertaking for these purposes.

Resolution 1 seeks the required Shareholder approval to the Disposal on the terms of the Asset Sale Agreement under, and for the purposes of, ASX Listing Rule 11.2.

If Resolution 1 is passed, the Company will be able to proceed with the Disposal, resulting in the Company being in a position to progress its Colorado project and assess additional acquisitions in the oil and gas sector that will be complimentary to the current operations and focus.

If Resolution 1 is not passed, the Company will not be able to proceed with the Disposal which may result in the Company being unable to address the capital requirements of the Company going forward and may result in the Company being unable to sustain the costs of the Disposal Projects.

All items required to be disclosed to Shareholders to obtain approval under ASX Listing Rule 11.2 are set out in this Notice. The Directors are not aware of any other commercial information that is material to the question of whether Shareholders should approve the Resolution.

The Buyer is not a related party of the Company, and Shareholder approval for the Disposal is not required for the purposes of ASX Listing Rule 10.1.

### **2.3 Listing Rule 10.1**

The Company confirms that:

- (a) none of the shareholders, directors or officers of the Buyer are parties to whom Listing Rule 10.1 applies; and
- (b) the Disposal has been negotiated on an arms' length basis.

### **2.4 Directors' interests and recommendations**

None of the Directors have a material interest in the outcome of Resolution 1, other than as a result of their interest, if any, arising solely in their capacity as Shareholders.

The Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Performance Rights	Options	Percentage (%)
Simon Johnson	Nil	-	-	-
Samuel Jarvis	187,806,855	-	-	3.22%
Stuart Middleton	31,808,507	-	-	0.55%

The Directors have approved the proposal to put Resolution 1 to Shareholders.

Having regard to the advantages and disadvantages of the Disposal above, each Director intends to vote all of their Shares in favour of Resolution 1.

Based on the information available, the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 1 in the absence of a superior proposal.

## 2.5 Other Material Information

There is no information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 1 (being information that is known to any of the Directors, and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Statement and the Schedules.

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## GLOSSARY

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**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means AXP Energy Limited (ACN 114 198 471).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Disposal** means the Company's sale of the Disposal Projects.

**Disposal Projects** means the Illinois & Appalachian Basins projects.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Asset Sale Agreement** has the meaning given in Section 1.3.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – MATERIAL TERMS OF THE ASSET SALE AGREEMENT

The material terms of the Asset Sale Agreement are as follows:

<b>Project</b>	Illinois & Appalachian Basins Projects
<b>Name of Agreement</b>	Asset Sale Agreement
<b>Parties</b>	(a) Mountain V Oil & Gas, Inc. ( <b>Buyer</b> ); (b) AXP Energy Ltd ( <b>AXP Ltd</b> ); (c) AXP Energy, Inc ( <b>AXP Inc</b> ); (together, the <b>Parties</b> ).
<b>Date of Agreement</b>	19 December 2023
<b>Summary of the Agreement</b>	(a) AXP Inc is a 100% owned subsidiary of AXP Ltd and holds the Illinois & Appalachian Basins Projects, which comprises the Disposal Projects. (b) The Buyer has agreed to acquire the Disposal Projects ( <b>Disposal</b> ).
<b>Consideration</b>	In consideration for the Disposal, the Buyer has agreed to pay AXP Inc USD \$4,000,000, comprising: (a) Upon execution of the binding letter agreement – Prepayment of Five Hundred Thousand Dollars (US \$500,000); (b) Upon execution of a full form purchase and sale agreement – Prepayment of Five Hundred Thousand Dollars (US \$500,000); (c) Upon approval of the transaction by a vote of AXP shareholders – Prepayment of One Million Dollars (US \$1,000,000); and (d) At closing – Two Million Dollars (US \$2,000,000) subject to closing adjustments;  AXP will also receive at closing - Eight Hundred Seventy-Six Thousand Four Hundred Forty-Seven Dollars and fifty-seven cents (US \$876,447.57) for oil in the tanks as at the Effective Date.
<b>Conditions Precedent</b>	The Disposal is conditional upon AXP Ltd receiving all necessary shareholder approvals required to lawfully complete the Disposal as required by the ASX Listing Rules by 31 January 2024 (with the parties agreeing to a 14 day extension to this period if required) (the <b>Condition</b> ).
<b>Consideration Repayment</b>	If the Disposal doesn't complete the prepaid consideration paid by Mountain V will become repayable by AXP Inc in full.
<b>Effective Date</b>	The effective date will be 1 October 2023.
<b>Governing Law</b>	The Disposal shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Kentucky.

## SCHEDULE 2 – PRO FORMA BALANCE SHEET

Balance Sheet	30 June 2023	Disposal Adjustments	Adjusted 30 June 2023
	\$	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	521,788	2,389,582	2,911,370
Trade and other receivables	2,312,853	-	2,312,853
Oil in tank inventory	344,961	(337,280)	7,681
Other assets - current	743,875	(120,840)	623,035
<b>Total Current Assets</b>	<b>3,923,477</b>	<b>1,931,462</b>	<b>5,854,939</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	888,651	(418,231)	470,420
Development and producing assets	9,155,067	(7,778,843)	1,376,224
Exploration and evaluation assets	3,889,701	-	3,889,701
Right of use assets	1,022,867	(955,918)	66,949
Deferred tax asset	670,355	-	670,355
Other assets - non-current	561,060	(561,060)	-
<b>Total Non-Current Assets</b>	<b>16,187,701</b>	<b>(9,714,052)</b>	<b>6,473,649</b>
<b>Total Assets</b>	<b>20,111,187</b>	<b>(7,782,590)</b>	<b>12,328,588</b>
<b>Current Liabilities</b>			
Trade and other payables	4,280,580	(2,125,692)	2,154,888
Lease liability - current	411,201	(337,345)	73,856
Asset retirement obligation - current	274,875	(274,875)	-
Financial liabilities - current	191,831	(80,206)	111,625
Deferred revenue - current	-	-	-
<b>Total Current Liabilities</b>	<b>5,158,487</b>	<b>(2,818,118)</b>	<b>2,340,369</b>
<b>Non-Current Liabilities</b>			
Other long-term liabilities	4,454	-	4,454
Financial liabilities - non-current	670,536	(317,331)	353,205
Lease Liability - non-current	647,410	(647,410)	-
Asset retirement obligation - non-current	3,109,601	(2,037,038)	1,072,563
<b>Total Non-Current Liabilities</b>	<b>4,432,001</b>	<b>(3,001,779)</b>	<b>1,430,222</b>
<b>Total Liabilities</b>	<b>9,590,488</b>	<b>(5,819,897)</b>	<b>3,770,591</b>
<b>Net Assets</b>	<b>10,520,690</b>	<b>(1,962,693)</b>	<b>8,557,997</b>
<b>Equity</b>			
Issued capital	90,431,638	-	90,431,638
Reserves	196,199	-	196,199
Accumulated losses	(80,107,147)	(1,962,693)	(82,069,840)
<b>Total Equity</b>	<b>10,520,690</b>	<b>(1,962,693)</b>	<b>8,557,997</b>

**All Correspondence to:**

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am on Sunday, 4 February 2024.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/axpgm2024>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am on Sunday, 4 February 2024.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/axpgm2024>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 8, 210 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **AXP Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Level 4, 8 Spring Street Sydney NSW 2000 on Tuesday, 6 February 2024 at 10:00am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**STEP 2 VOTING DIRECTIONS**  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 1 Disposal of Main Undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / /