



ASX ANNOUNCEMENT

31 OCTOBER 2025

QUARTERLY ACTIVITIES REPORT

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') provides this summary of activities for the quarter ended 30 September 2025 (*all in USD unless stated otherwise*).

HIGHLIGHTS

- **First Vertical Well drilled In Oklahoma following the acquisition of 1,400 acres**
 - Hydraulic Fracture Stimulation completed and waiting on flowback
- **A\$2.7 million raised through two-tranche placement to fund exploration and development**
 - Tranche 1 **A\$1,671,170** (before costs) received 19 August 2025
 - Tranche 2 **A\$1,028,930** (before costs) received 13 October 2025
- Gross production for the quarter was 2,332 barrels of oil (previous quarter: 2,791 barrels) and 9,865 Mcf of gas (previous quarter: 11,603 Mcf)
- Oil inventory held at end of quarter was 1,038 barrels.
- Cash and cash equivalents at quarter end were \$238,735 (previous quarter: \$424,752).
- Subsequent to the quarter end, the Company received proceeds of A\$1,028,930 (before costs) from the issue of shares to sophisticated and professional investors, a state tax refund of \$60,657 (including interest), a bond deposit refund of \$55,458 (including interest) and oil receipts of \$44,422.

PRODUCTION & OPERATIONS OVERVIEW

Colorado

Gross oil production for the September quarter was 2,332 barrels down 16% on the previous quarter of 2,791 barrels. Gross gas production for the September quarter was 9,865 Mcf down 15% on the previous quarter of 11,603 Mcf. Production was down due to extreme hot weather conditions and equipment shutdowns during the quarter.

Gas to Power operations were impacted resulting in a decline of payments received under the JVA with Blackhart Technologies Inc. Without the ability to source additional gas from the Pathfinder Lease in the short term, the Company made a decision to focus on Oklahoma and planning to scale operations over the company months. This decision was directly influenced by the delays in approvals from deepening and drilling wells in the State of Colorado.

Oklahoma

The Company incorporated a new subsidiary, AXP Energy Oklahoma LLC, and on 12 August 2025 announced the acquisition of 1,400 acres of oil and gas leases in Noble and Kay County, Oklahoma. With a 100% Working Interest and an 81.25% Net Revenue Interest the leases are under a primary term of 4 yrs from date of acquisition and were acquired under favourable commercial terms. These leases overlay a proven geological setting along the Nemaha Ridge with multiple stacked payzones in an area long-established for oil and gas production. The region benefits from a strong, experienced contractor network, well-developed oil and gas infrastructure and are in close proximity to the Phillips 66 Oil Refinery at Ponca City.

Following a review of historical well data and geological information the Company permitted the Charlie #1 well in Section 2, Township 24N Range 1E in Noble County, Oklahoma. The well was spudded on Tuesday 16 September 2025 and reached TD of 4725 feet on Monday 22 September 2025. During drilling operations oil and gas shows were recorded in multiple formations. Well logs were completed and the well was cased and cemented. Hydraulic Stimulation of the Mississippi Lime formation across the interval between 4,417 ft and 4,588 feet was completed on 21 October 2025 and the well was shut in pending flowback and evaluation.

Table 1: Oil and Gas Shows were confirmed by samples and logs in the Intervals listed below:-

Formation Name	Thickness
Oswego Lime	3,776 ft to 3,806 ft
Mississippi Chat	4,293 ft to 4,317 ft
Mississippi Lime	4,403 ft to 4,623 ft
Woodford Shale	4,623 ft and 4,662 ft
Wilcox Sands	4,684 ft to 4,725 ft

The Company plans to drill additional wells over the coming months and the site location of the next well has been selected and the permitting process is underway.

FINANCIAL & CORPORATE OVERVIEW

During August, the Company entered into an agreement with Alpine Capital and undertook a successful capital raising, resulting in \$A2,700,000 (before costs) being raised in a two-tranche placement. The initial funds of **A\$1,671,170** (before costs) were received on 19 August 2025. Following shareholder approval at a General Meeting on 8 October 2025, the second tranche of **A\$1,028,930** (before costs) was received on 13 October 2025.

This resulted in a total of \$1,601,157 of additional funds available to the Company after costs of the offer.

Revenue from continuing operations for the September quarter was 31% below the June quarter at \$132,061 (prior quarter: \$191,719).

The September quarter resulted in an operating cash outflow of \$840,178, comprising oil receipts of \$115,470 and gas to power receipts of \$35,292, offset by development, production, staff, corporate and interest payments, compared to an operating cash inflow of \$188,402 in the previous quarter. The previous quarter included a federal tax refund of \$311,244 and a refund of legal expenses of \$198,684 held in Escrow by Mountain V Oil and Gas Inc.

Net cash outflow from investing activities was \$185,091, comprising the \$140,000 payment of 1400 acres of oil and gas leases located in Oklahoma, bond deposit payments and ongoing legacy payment plan disbursements.

Net cash inflow from financing activities was \$850,844, comprising a share placement of 1,671,170,169 fully paid ordinary shares at an issue price of A\$0.001 per share, with the sophisticated and professional investors contributing \$1,082,751, offset by repayment of borrowings and share issue payments.

Cash and cash equivalents at quarter end amounted to \$238,735, with no debt obligations.

EXPLORATION AND FIELD DEVELOPMENT ACTIVITIES

Exploration & Evaluation expenses of \$1,500 paid during the quarter. Development expenses of \$264,964 paid during the quarter.

HEALTH, SAFETY & ENVIRONMENT

No Recordable Injuries or environmental concerns were recorded during the quarter.

TENEMENT SCHEDULE

The following table summarises the Group's tenements as at 30 September 2025.

OPERATING SEGMENT	Quarter ended 30-Jun-25		Quarter ended 30-Sep-25		Percentage change in holding during quarter
	NRI [%]	NET ACREAGE	NRI [%]	NET ACREAGE	
Colorado	76	12,902	76	5,835	-55%
Oklahoma	-	-	81.25	1,400	-
TOTAL		12,902		7,235	-44%

PAYMENTS TO RELATED PARTIES

Director's fees of \$79,763 and contractor fees of \$25,000 were paid in the quarter.

RECEIPTS IN FY26

Subsequent to the quarter end, the Company received proceeds of A\$1,028,930 (before costs) from the issue of shares to sophisticated and professional investors, a state tax refund of \$60,657 (including interest), a bond deposit refund of \$55,458 (including interest) and oil receipts of \$44,422. The Company expects to receive a further refund of approximately \$57,000 in the next quarter following the finalisation of lease transfers to Mountain V.

This announcement has been authorised by the Board of AXP Energy Limited.

-ENDS-

FURTHER INFORMATION

Dan Lanskey, Managing Director: 0451 558 018

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ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP, OTC: AUNXF) is an oil & gas production and development company with core operations in Colorado and Oklahoma. AXP is focused on repurposing stranded gas at its 100%-owned Pathfinder Field for power generation and plans to sell this power to data centre operators and owners focused on High Performance Computing (HPC) including AI, rendering and other high processor intensive operations such as Bitcoin Mining. It has secured its first customer with Blackhart Technologies LLC. AXP has 24 operating oil & gas wells at its Pathfinder Field. The Company is also pursuing oil production opportunities in Oklahoma through recently acquired leases.

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 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AXP Energy Limited

ABN

98 114 198 471

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	151	151
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(265)	(265)
	(c) production	(147)	(147)
	(d) staff costs	(171)	(171)
	(e) administration and corporate costs	(386)	(386)
1.3	Dividends received	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(22)	(22)
1.6	Income tax refund	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(840)	(840)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(140)	(140)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(1)	(1)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other – bond payment	(44)	(44)
2.6	Net cash from / (used in) investing activities	(185)	(185)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,083	1,083
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(100)	(100)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(132)	(132)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	851	851

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	425	425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(840)	(840)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(185)	(185)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	851	851

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(12)	(12)
4.6	Cash and cash equivalents at end of period	239	239

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	239	425
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	239	425

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	105
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	n/a		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(840)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(841)
8.4	Cash and cash equivalents at quarter end (item 4.6)	239
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	239
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.28
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Subsequent to the quarter end, the Company received proceeds of A\$1,029k (before costs) from the issue shares to sophisticated and professional investors, state tax refund of \$61k (including interest), bond deposit refund of \$55k (including interest) and oil receipts of \$44k. The Company expects to receive a further refund of \$57k in the next quarter following the finalisation of lease transfers to Mountain V. These cash receipts are expected to contribute to improved cash flows in the 2nd quarter.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: See 8.8.1.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the entity expects to continue its operations and to achieve its business objectives. Subsequent to the quarter end, the Company received proceeds of A\$1,029k (before costs) from the issue of shares to sophisticated and professional investors, state tax refund of \$61k (including interest), bond deposit refund of \$55k (including interest) and oil receipts of \$44k. The Company expects to receive a further refund of \$57k in the next quarter following the finalisation of lease transfers to Mountain V.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.