



ASX ANNOUNCEMENT

30 JANUARY 2026

QUARTERLY ACTIVITIES REPORT

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') provides this summary of activities for the quarter ended 31 December 2025 (all in USD unless stated otherwise).

HIGHLIGHTS

- **First Vertical Well drilled In Oklahoma following the acquisition of 1400 acres**
 - Charlie #1 well completed, stimulated and commissioned with permanent production facilities installed and initial gas sales commenced.
 - Early production operations progressed under conservative pumping rates as the first producing well on the new Edwards Lease.
 - Upgraded, higher capacity pumping equipment installed subsequent to quarter end to support stabilisation of production rates.
 - The well is expected to re-enter production once weather conditions in Oklahoma return to normal after seasonally unusual snow storms
- Gas to Power operations to focus on development of Oklahoma assets.
- A\$1,028,930 million raised before costs through placement to fund exploration and development
- Gross production for the quarter was 2,317 barrels of oil (previous quarter: 2,332 barrels) and 4,857 Mcf of gas (previous quarter: 9,865 Mcf)
- Oil inventory held at end of quarter was 1,203 barrels.
- Cash and cash equivalents at quarter end were \$102,890 (previous quarter: \$238,735).
- The Company is actively progressing funding initiatives to support ongoing operations.

PRODUCTION & OPERATIONS OVERVIEW

Gross oil production for the December quarter was 2,317 barrels down 1% on the previous quarter of 2,332 barrels. Gross gas production for the December quarter was 4,857 Mcf down 51% on the previous quarter of 9,865 Mcf.

Oklahoma gross oil production for the December quarter was 58 barrels and Oklahoma gross gas production for the December quarter was 1,120 Mcf. The pumpjack is running on gas from the Charlie #1 well.

Oklahoma

Edwards Lease, Kay and Noble County, Oklahoma

During the quarter, the Company conducted development and early-stage production activities at the Charlie #1 well located on the Edwards Lease in Noble County, Oklahoma, USA.

The Charlie #1 well was completed in the Mississippi Lime Formation following drilling to a total depth of approximately 4,725 feet. A multi-stage hydraulic fracture stimulation program was completed prior to the commencement of controlled flowback operations. Flowback operations recovered fracture stimulation fluids and indicated the presence of oil and gas.

Permanent surface production facilities, including separation, storage, metering and connection to an existing gas sales line, were installed during the quarter. Initial natural gas sales commenced following commissioning of this infrastructure.

Early production operations were undertaken at conservative pumping rates as the first producing well on the lease. Intermittent oil production and consistent gas production were observed during this period, with fluid levels in the wellbore remaining stable. Produced water was transported to off-site commercial disposal facilities.

Subsequent to the end of the quarter, upgraded pumping equipment was installed to increase fluid handling capacity. The Company is now actively monitoring production performance as operating conditions continue to stabilise.

The Company holds a 100% working interest and an 81.25% net revenue interest in the Charlie #1 well and the surrounding 1,000-acre Edwards Lease. Planning activities associated with further development of the lease will continue, subject to production performance, operational outcomes and regulatory approvals.

Colorado

During calendar year 2025, AXP successfully completed a gas-to-power trial at the Pathfinder lease in Colorado with its joint venture partners, Blackhart Technology and BitFuFu. The trial confirmed that approximately 230 Mcf per day of gas can generate 1.5 MW of electricity, sufficient to power around 520 Bitcoin miners and capable of producing approximately 1 Bitcoin per month using 110 TH/s units.

Whilst gas production subsequently declined below levels required to sustain full operations, reducing uptime and Bitcoin output, the trial provided valuable validation of the technical viability of the gas-to-power model.

Following consultation with joint venture partners during the December Quarter, it was agreed to cease Pathfinder operations and redirect focus toward similar opportunities in Oklahoma, where gas production is expected to scale more effectively to support Bitcoin mining.

The Pathfinder wells have been temporarily shut in due to Colorado's regulatory environment, while production from the Company's Pierre wells remained stable at an average of

approximately 25 barrels of oil per day. The Company continues to evaluate strategic options for Colorado with a focus on scalable growth and capital efficiency.

FINANCIAL & CORPORATE OVERVIEW

Following shareholder approval at a General Meeting on 8 October 2025, a placement of **A\$1,028,930** (before costs) was received on 13 October 2025. A share consolidation of 25:1 was also approved at the General Meeting.

Revenue from continuing operations for the December quarter was below the September quarter at \$96,939 (prior quarter: \$132,061). Sales were down due to weather-related & haulage issues and the shut in of BTC operations in the quarter.

The December quarter resulted in an operating cash outflow of \$275,182, comprising oil receipts of \$104,215, gas to power receipts of \$18,324 and a state tax refund of \$59,000, offset by development, production, staff, corporate and interest payments.

Net cash outflow from investing activities was \$377,515, comprising exploration well costs offset by bond refunds of \$107,901.

Net cash inflow from financing activities was \$518,670, comprising a share placement of 41,153,193 fully paid ordinary shares at an issue price of A\$0.025 per share, with the sophisticated and professional investors contributing \$671,209, offset by repayment of borrowings and share issue payments.

Cash and cash equivalents at quarter end amounted to \$102,890, with no debt obligations.

EXPLORATION AND FIELD DEVELOPMENT ACTIVITIES

Exploration & Evaluation expenses of \$485,416 paid during the quarter. Development expenses of \$3,688 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 31 December 2025.

OPERATING SEGMENT	Quarter ended 30-Sep-25		Quarter ended 31-Dec-25		Percentage change in holding during quarter
	NRI [%]	NET ACREAGE	NRI [%]	NET ACREAGE	
Colorado	76	5,835	76	5,835	-
Oklahoma	81.25	1,400	81.25	1,400	-
TOTAL	7,235			7,235	-

PAYMENTS TO RELATED PARTIES

Director's fees of \$74,091 and contractor fees of \$15,000 were paid in the quarter.

RECEIPTS IN FY26

Subsequent to the quarter end, the Company received \$26,735 in cash receipts for December oil sales.

EVENTS SUBSEQUENT TO QUARTER END

As communicated above, a larger pumpjack has been successfully installed at the Charlie #1 Well. The installation of the larger pumpjack has increased the pump rate to in excess of 500 barrels of fluid per day. The increased pumping capacity is intended to lower the fluid level in the wellbore, which is currently approximately 1,100 feet above the pump intake.

Reducing the fluid level is expected to improve reservoir inflow and support the stabilisation of oil and gas production rates from the Charlie #1 Well. The Company will continue to monitor well performance as fluid levels are drawn down. A further announcement will be made next week once production rates have stabilised with the well resuming operations now that inclement weather has passed.

The Company is actively progressing funding initiatives to support ongoing operations. These initiatives include a combination of potential equity raisings, debt or alternative financing arrangements, asset sales, farm-outs or joint venture opportunities, continued sell-down of oil inventory, and further cost and capital expenditure rationalisation.

The Company has a demonstrated history of accessing capital markets and alternative funding solutions and believes that one or more of these initiatives are reasonably likely to be successful, although there can be no certainty as to timing or outcomes.

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

-ENDS-

FURTHER INFORMATION

Dan Lanskey, Managing Director: 0451 558 018

Sam Jarvis, Non-Executive Chairman: 0418 165 686

Released through: Ben Jarvis, Six Degrees Investor Relations: 0413 150 448 ben.jarvis@sdir.com.au

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 increasing oil and gas production and repurposing produced gas 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.

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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	123	273
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(4)	(197)
(c) production	(58)	(204)
(d) staff costs	(175)	(346)
(e) administration and corporate costs	(220)	(606)
1.3 Dividends received	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	(8)	(30)
1.6 Income tax refund	59	59
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(275)	(1,043)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(140)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(485)	(559)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 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 receipts / (payments)	107	64
2.6 Net cash from / (used in) investing activities	(378)	(635)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	671	1,754
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	(53)	(153)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(99)	(232)
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	519	1,369
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	239	425
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(275)	(1,043)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(378)	(635)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	519	1,369

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
4.5 Effect of movement in exchange rates on cash held	(2)	(13)
4.6 Cash and cash equivalents at end of period	103	103

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	103	239
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)	103	239

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	74
6.2 Aggregate amount of payments to related parties and their associates included in item 2	15

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.

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)	(275)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(485)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(760)
8.4	Cash and cash equivalents at quarter end (item 4.6)	103
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	103
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.14
	<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: Net operating cash flows are expected to vary as a result of ongoing production optimisation activities, continued cost rationalisation initiatives, timing of oil and gas sales, and movements in commodity prices. The entity continues to actively manage operating costs and working capital to preserve cash while funding initiatives are progressed.	
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: The Company is actively progressing funding initiatives to support ongoing operations. These initiatives include a combination of potential equity raisings, debt or alternative financing arrangements, asset sales, farm-outs or joint venture opportunities, continued sell-down of oil inventory, and further cost and capital expenditure rationalisation. The Company has a demonstrated history of accessing capital markets and alternative funding solutions and believes that one or more of these initiatives are reasonably likely to be successful, although there can be no certainty as to timing or outcomes.	

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: The Company expects to be able to continue its operations and to meet its business objectives on the basis that it successfully implements one or more of its funding and cash management initiatives. These include:

- the ability to raise additional funds through debt, equity, asset sales, farm-outs or joint venture arrangements;
- continued workovers and optimisation of existing wells to enhance production;
- continued sell-down of oil inventory;
- ongoing rationalisation of the cost base and deferral of discretionary expenditure where required;
- continued support from major creditors in respect of restructured payables;
- the realisation of commodity prices broadly in line with current market expectations

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: 30 January 2026.....

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.