ASX ANNOUNCEMENT **31 JULY 2026**

QUARTERLY ACTIVITIES REPORT

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('*AXP*', '*Company*') provides this summary of activities for the quarter ended 30 June 2026 (*all in USD unless stated otherwise*).

HIGHLIGHTS

- ***Block 9, Syria – Right to Farm-in***
  - ***Secured right to earn a 25% participating interest in the 10,039 km² Block 9 Production Sharing Contract in Syria's prolific Palmyride Basin***
  - ***Established an early-mover position in Syria's re-emerging petroleum sector through a strategic partnership with Block 9 operator Simpora Latakia Limited***
  - ***Block 9 includes two drill-ready prospects supported by extensive historical seismic and drilling, with a planned exploration programme targeting drilling in 2027***
- ***Edwards Lease, Oklahoma***
  - ***Initial Oil sales were delivered to nearby Ponca City Refinery***
  - ***Saltwater Disposal facility commissioned at Edwards Lease***
  - ***Work underway to enhance production from the Charlie #1 Well***
  - ***Planning continues for additional development drilling***
- ***Gross production for the quarter was 2,203 barrels of oil (previous quarter: 1,981 barrels) and 2,531 Mcf of gas (previous quarter: 2,020 Mcf).***
- ***Oil inventory held at end of quarter was 804 barrels.***
- ***Cash and cash equivalents at quarter end were $60,596 (previous quarter: $399,969).***

PRODUCTION & OPERATIONS OVERVIEW

Syrian Block 9 Farm-in – Transformational Entry into Middle East Exploration

During the quarter, AXP executed a Farm-in Agreement and a Joint Operating Agreement with Simpora Latakia Limited, securing the right to earn a 25% participating interest in the 10,039 km² Block 9 Production Sharing Contract (PSC) located in Syria's prolific Palmyride Basin. The transaction represents a significant strategic milestone for the Company, providing AXP with exposure to a large-scale exploration opportunity in a proven hydrocarbon province at a time when Syria's petroleum sector is reopening to international investment following the easing of sanctions.

Block 9 has benefited from approximately US$25 million of historical exploration expenditure, including extensive 2D and 3D seismic acquisition and the drilling of the Itheria-1 exploration well, providing AXP with a de-risked entry platform. Historical independent evaluations commissioned by previous interest holders identified two drill-ready prospects, Itheria and Bashaer, with previously reported best-estimate prospective resources on a 100% Block basis of 225 MMboe and 101 MMboe respectively. These estimates were prepared for former interest holders, not by AXP, and have not been independently validated by the Company. They should not be regarded as being reported by AXP under Chapter 5 of the ASX Listing Rules.

The planned work programme includes reprocessing and reinterpretation of existing seismic data during 2026–27, followed by drilling activities to satisfy the farm-in commitments during 2027. The Company believes the transaction provides shareholders with exposure to a highly prospective frontier exploration opportunity while maintaining its strategy of advancing production growth from its Oklahoma assets.

Final assignment of the Non-Operating Interest is subject to a number of conditions including the payment of $US1million as a forward contribution towards the proposed work program and approval of the Syrian Government.

Oklahoma

Edwards Lease, Kay and Noble County, Oklahoma

During the quarter AXP continued progressing development activities on its 100%-owned Edwards Lease in Oklahoma. Following the successful installation of a tubing pump, the Charlie #1 well and associated saltwater disposal facility became fully operational, with lease operations powered by produced formation gas. The well initially produced approximately 35 barrels of oil per day and 60 Mcf of natural gas (approximately 45 BOE per day) and subsequently entered its clean-up and stabilisation phase while producing approximately 700 barrels of fluid per day.

The Company also achieved an important commercial milestone during the quarter with the commencement of first oil sales from the Edwards Lease. Sales for the lease were 303 barrels of oil which was delivered to the Ponca City refinery, marking the transition from development activities to revenue generation. AXP retains a 100% working interest and an 81.25% net revenue interest in the Edwards Lease.

At the time of this report work is underway to enhance production from the well. Additional pay within the Mississippi Lime is being reviewed with a view to perforating additional areas within the zone for comingling with existing production.

Colorado

Oil Production at the Company's leases near Florence, Colorado, remained steady at approx. 22 barrels of oil per day. Net sales volumes for the quarter were 1,498 barrels. The average sales price for the quarter was $84.64 per barrel.

Oil and Gas Production

Gross oil production for the June quarter was 2,203 barrels, an increase of 11% from 1,981 barrels in the previous quarter. Gross gas production for the June quarter was 2,531 Mcf, an increase of 25% from 2,020 Mcf in the previous quarter.

FINANCIAL & CORPORATE OVERVIEW

Revenue from continuing operations for the June quarter increased to $149,347 (prior quarter: $143,642). Sales increased due to higher realised oil prices and first oil sales from Oklahoma.

The June quarter resulted in an operating cash outflow of $171,715, comprising oil receipts of $200,813, offset by development, production, staff, corporate and interest payments.

Net cash outflow from investing activities was $36,730, comprising exploration costs of $183,450 (including $100,000 Syria deposit) offset by proceeds of $146,720 from the sale of casing and equipment.

Net cash outflow from financing activities was $134,664, comprising share issue costs and borrowings repayments.

Cash and cash equivalents at quarter end amounted to $60,596.

EXPLORATION AND FIELD DEVELOPMENT ACTIVITIES

Exploration & Evaluation expenses of $183,450 were paid during the quarter.

Development expenses of $nil were 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 June 2026.

OPERATING SEGMENT	Quarter ended 31-Mar-26		Quarter ended 30-Jun-26		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

Directors' fees of $25,047 were paid in the quarter.

SUBSEQUENT RECEIPTS AND PAYMENTS IN FY26

Subsequent to the quarter end, oil receipts were $49,265 with the Company benefiting from higher oil prices and production in Oklahoma. The Company expects to receive proceeds of A$60,000 from the placement of shares to a Director, subject to shareholder approval.

EVENTS SUBSEQUENT TO QUARTER END

The Company is actively progressing with further 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, quantum or outcomes.

The Company continues to assess opportunities in Oklahoma and other markets, including acquisitions, farm-in as well as planning for new drilling locations on the Edwards Lease.

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

-ENDS-

FURTHER INFORMATION

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ABOUT AXP ENERGY LIMITED

AXP Energy Limited (ASX: AXP, OTC: AUNXF) is an oil & gas production and development company with operations in Colorado and Oklahoma. AXP Energy has also secured the right to earn a 25% participating interest in Block 9 (10,039 km²) onshore Syria's prolific Palmyride Basin via a farm-in with Simpora Latakia Limited (operator, 75%). AXP has entered Syria because Block 9 sits in the prolific Palmyride Basin with proven hydrocarbon systems, significant remaining prospectivity and improving commercial access following recent re-engagement by major E&P companies — making the jurisdiction commercially attractive for high-impact, relatively low-cost exploration.

DISCLAIMER

Appendix 5B

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

Name of entity

AXP Energy Limited

ABN	Quarter ended ("current quarter")
98 114 198 471	30 June 2026

	Consolidated statement of cash flows	Current quarter $US'000	Year to date (12 months) $US'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	201	538
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	(197)
	(c) production	(68)	(280)
	(d) staff costs	(124)	(642)
	(e) administration and corporate costs	(179)	(933)
1.3	Dividends received	-	-
1.4	Interest received	-	9
1.5	Interest and other costs of finance paid	(2)	(37)
1.6	Income tax refund	-	59
1.7	Government grants and tax incentives	-	-
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**(172)**	**(1,483)**

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	(183)	(915)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $US'000	Year to date (12 months) $US'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	147	322
	(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)	-	64
2.6	**Net cash from / (used in) investing activities**	**(36)**	**(669)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		2,375
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	(20)	(194)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(115)	(380)
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**	**(135)**	**1,801**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	400	425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(172)	(1,483)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(669)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(135)	1,801

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (12 months) $US'000**
4.5	Effect of movement in exchange rates on cash held	4	(13)
4.6	**Cash and cash equivalents at end of period**	**61**	**61**

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	61	400
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)**	**61**	**400**

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	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
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)	(172)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(183)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(355)
8.4	Cash and cash equivalents at quarter end (item 4.6)	61
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	61
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**0.17**

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.

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, the timing of oil and gas sales, and movements in commodity prices. The Company continues to actively manage operating costs and working capital to preserve cash while it progresses its funding initiatives. Subsequent to quarter end, the Company received oil receipts of $49k. The Company also expects to receive proceeds of A$60k from the placement of shares to a Director, subject to shareholder approval. These cash receipts are expected to support cash flows in the September 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: The Company is actively progressing with further 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, quantum or outcomes. The Company continues to assess opportunities in Oklahoma and other markets, including acquisitions, farm-in as well as planning for new drilling locations on the Edwards Lease.

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;
- 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: 31 July 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.