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Charlie #1 Well Operations Update

AXP Energy Limited ("AXP" or "the Company") is pleased to provide this update on operations at the Charlie #1 well, located in Noble County, Oklahoma, following approximately 30 days of production.

Initial production performance prior to increasing Pumping rates

Since being brought on production, the Charlie #1 well has demonstrated intermittent oil production of up to **25 barrels of oil per day (bopd)** with consistent gas production now of approximately **60 thousand cubic feet per day (mcf/d), collectively 35 barrels of oil equivalent (boe).**

In the first 30 days, AXP's technical team have pumped at an initial conservative trial rate of 250 barrels of fluid per day. At this rate, fluid levels in the wellbore have remained stable and are not declining, indicating that the well can support higher production rates if additional fluid is moved each day. As a result, a 30-day Initial Production rate is yet to be reported.

AXP intentionally adopted this conservative initial production strategy given that the Charlie #1 is the first producing well on the lease. There is currently no on-lease saltwater disposal (SWD) facility and produced salt water is being trucked to off-site commercial disposal facilities. This cautious approach was designed to confirm reservoir behaviour and protect the drawdown profile, manage fluid handling logistics and minimise operational risk during early production.

The Company stresses that this in only an initial indication of the well's production potential given that oil & gas volumes are likely being impeded by usual levels of salt water being produced. Wells drilled in the Mississippian Limestone produce salt water along with oil and gas, as water is naturally present in the reservoir. Higher water production is normal in the early stages while pumping equipment is being adjusted. This is consistent with nearby producing wells. Prior to the availability of modern artificial lift equipment, the Miss Lime reservoir was left widely unproduced in this region, due to the need for efficient handling facilities for the produced water. Development of the area requires drilling Saltwater Disposal Wells (SWD), with each SWD able to service up to 10 vertical production wells.

AXP owns 100% Working Interest and 81.25% Net Revenue Interest in this well and the 1,000-acre Edwards Lease located near Ponca City, Oklahoma. The lease is within a well-known oil and gas region on the Kay and Noble County line. Development of the Mississippi Lime formation is available at 40-acre well spacing giving the company a clear runway of near-term development.

Current work program

Based on initial production data, offset well performance, and reservoir interpretation, the Company is now installing a larger pumpjack to increase daily fluid recovery from 250 barrels a day to 400-500 barrels a day. This aligns with nearby producing wells and objective is to unlock higher oil and gas production rates.

The larger pumpjack arrives on site mid-week and AXP expects to return the well to production late in the week or early the following after the installation is completed.

Based on production data to date, the Company considers that the increased pump capacity may allow future oil & gas production rates to better reflect offset Mississippian Limestone producers in the area.

Comparison to offset wells and geological setting

Offset wells in the immediate area, completed in the same interval of the Mississippian Limestone, are fitted with larger pumping units capable of moving approximately 600 barrels of fluid per day. These offset producers have achieved production rates of up to 125 bopd and 120 mcf/d of gas along with a consistent water cut during their first months of production.

The Charlie #1 well is completed in the Mississippian Limestone, a well-established oil and gas producing formation across north-central Oklahoma with production performance strongly influenced by pump capacity and fluid handling capability.

Log responses from Charlie #1 are consistent with nearby producing Mississippian wells aligning with regional production trends that identify the Mississippian Limestone as the primary producing interval in Noble County. The formation is laterally extensive and exhibits porosity and permeability characteristics consistent with established commercial production in the region.

Evaluation of the Charlie #1 well indicates the Mississippian Limestone interval exhibit log responses consistent with hydrocarbon saturation, including resistivity separation and permeability indicators observed on Dual Induction and Microlog data.

Comments

Managing Director, Dan Lanskey said: "*Having previously drilled over 50 successful wells in this region, I can confirm that the Charlie #1 well continues to demonstrate characteristics consistent with commercial Mississippian Limestone producers within offset leases nearby. Being the first well on this lease, our engineering team has taken a conservative approach to initial pump rates. We have shot fluid levels in the well*

regularly during the initial 30 days of production and have determined that the well is capable of producing at a higher daily fluid rate. This indicates successful connectivity further into the reservoir following the hydraulic fracture stimulation treatment.

The well logs of the Mississippi Lime interval in the Charlie #1 certainly match those of offset wells that have historically been large daily producers, and this gives me confidence that the installation of the larger pumpjack will increase both daily fluid level removal and potentially increase oil and gas production. The learnings from this well will provide the foundation to enhance the completion process for future wells across this lease and on the nearby Hawk Lease, which we also own 100%."

Further updates will be provided once the upgraded pumping equipment is installed and the well has returned to stable production.

FURTHER INFORMATION

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Figure 1Charlie #1 Well to be fitted with Larger Pump Jack

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.

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