ASX ANNOUNCEMENT **2 September 2026**

Gas to Power Operations Underway Enabling Successful Charlie #1 Oil Flow Test

Highlights

- **Initial 320 kW natural gas-powered genset and third party data mining infrastructure installed and operational. Uptime of 99% has been recorded,**
- **The genset provides an additional outlet for gas previously constrained by gas sales-line capacity, while increased produced-water handling capacity has enabled flow testing of the Charlie #1 well.**
- **The well flowed 11 barrels of oil an hour during an initial test while choked back to maintain approximately 100 psi pressure. Encouragingly, wellhead pressure recovered to 200 psi within five minutes after the casing was shut in.**
- **A 10-day oil flow testing program commencing this week will seek to optimise oil flow while maintaining adequate gas supply for the genset and pump jack engine.**

AXP Energy Limited (ASX: AXP) ("AXP" or "the Company") is pleased to confirm that installation of an initial 320 kW natural gas-powered generator and associated digital mining equipment at its Oklahoma operations was completed on 31 August 2026. Following commissioning of the equipment and establishment of a Starlink satellite internet connection, data mining operations have commenced.

The installation converts natural gas produced at the Company's Oklahoma operations into electricity at the well site, providing a productive use for the gas while establishing a new potential revenue stream for AXP. The initial 320 kW installation provides a scalable platform that may be expanded as additional gas becomes available, subject to operating performance, equipment availability and commercial considerations.

Figures 1 & 2: Initial Gas to Power installations at Charlie #1 Well

The Company was also able to conduct flow testing of the Charlie #1 well following the removal of constraints that had previously limited its ability to flow under sustained operating conditions since the well was completed. These constraints included the capacity to manage produced water and restrictions on the volume of gas that could be delivered through the existing gas sales line.
Gas that would otherwise be restricted by the capacity of the sales line can now be used to generate electricity at the well site.

During an initial one-hour test, the Charlie #1 well flowed 11 barrels of oil an hour while choked back to maintain approximately 100 psi pressure at the wellhead and within the gas line. Encouragingly, after the test was concluded and the casing was shut in, wellhead pressure recovered to approximately 200 psi within five minutes.

These results are from a short-duration test and should not be interpreted as an indication of a stabilised or sustained daily production rate. AXP will now undertake an extended flow test over the coming 10 days to optimise oil flow while maintaining sufficient gas production to operate both the 320 kW genset and the pump jack engine. This flow test will assist the Company in determining the appropriate operating balance between oil production and the on-site use of natural gas.

AXP Energy Managing Director and CEO, Daniel Lanskey, said: *"The commencement of gas to power operations to deliver in situ power to third party data mining operations is an important milestone for AXP in Oklahoma. We are now using gas produced at the well site to power an initial 320 kW genset and operate third party ASIC miners, with connectivity provided through Starlink.*

"The genset provides an additional outlet for gas that was previously restricted by downstream damage to the existing sales line. Together with the expanded capacity to manage produced water, this has enabled AXP to flow test the Charlie #1 well under controlled operating conditions.

"The initial one-hour test, during which the well flowed 11 barrels of oil while choked to maintain approximately 100 psi pressure, is very encouraging. The well's initial flow and pressure characteristics are comparable to those I observed in nearby wells during my time as Managing Director of Austex Oil Limited. The Edwards Lease has multiple additional well development sites that we can consider once Charlie #1 delivers stable production. Other low cost opportunities are being reviewed that could deliver enhanced oil production in relatively short order.

"Over the coming 10 days, we will work to optimise oil flow and production while preserving sufficient gas production to operate both the genset and the pump jack engine. The 320 kW installation provides a foundation that can be scaled as additional gas becomes available across the Company's Oklahoma operations."

AXP will update shareholders following completion and assessment of the 10-day testing program. This program will commence this week.

AXP holds a 100% Working Interest and an 81.25% Net Revenue Interest in the Edwards Lease, located in Noble County, Oklahoma

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

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.

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