



ASX ANNOUNCEMENT

18 March 2026

ASX: AXP | OTC: AUNXF

Operations Update

- **Works underway to install saltwater disposal well ('SWD') onsite to unlock higher oil output on Charlie #1 well in Oklahoma (see map below of SWD well location near to Charlie #1)**
- **SWD replaces water hauling to a Commercial offsite Disposal Facility**
- **Further production gains expected as upgrades progress – installation works and connection of SWD to Charlie #1 expected by the end of next week**
- **Current oil inventory in Colorado and Oklahoma exceeds 1,000 barrels of oil ready for sale. Colorado production remains steady with further production gains to materialise once works in Oklahoma are completed**

AXP Energy Limited (ASX: AXP, OTC: AUNXF) ("AXP" or "the Company") is pleased to provide this operations update on its producing assets in the United States.

Oklahoma: Charlie #1 well works underway to enhance production

Following the successful installation of a larger pumpjack, the well has demonstrated strong fluid production capacity, with intermittent oil production reaching 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).

Saltwater, which is produced with the associated oil and gas and typical across leases in this area, remains elevated, and ongoing monitoring indicates further optimization and fluid removal is required to accelerate drawdown and enhance reservoir inflow of oil & gas.

To address this, a larger capacity tubing pump is now being installed at Charlie #1. This enhancement is expected to further increase fluid production rates and drive higher sustained oil output as the well continues to unload.

In parallel, work is underway on a shallow offset well adjacent to Charlie #1 which is being converted into a saltwater disposal well. Work crews have successfully re-entered the well, confirmed wellbore integrity, and are preparing it to manage produced saltwater from Charlie #1 to be injected into this well. This will significantly improve operational efficiency and support increased production rates.

Enhancement works are underway and expected to be completed in the next two weeks. Market conditions remain highly supportive, with oil prices now above US\$90 per barrel and natural gas prices remaining strong. This pricing environment enhances the revenue potential from the Charlie #1 Well as production increases.

AXP Energy holds a 100% working interest and an 81.25% Net Revenue Interest in the 1,000-acre Edwards Lease located in Kay and Noble Counties, Oklahoma.

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Colorado production remains steady and oil inventory build

As of 1 March 2026, oil inventory in stock tanks across Oklahoma and Colorado exceeded 1,000 barrels of oil. Oil production from Colorado operations has remained steady at approximately 20 barrels of oil per day. The Company is currently coordinating tanker pickups during March to capitalise on the strengthening WTI price environment and optimise revenue realisation.

Managing Director, Daniel Lanskey, commented: “Based on my local operating experience in the Mississippian Lime, once stabilised, wells of this type have consistently delivered oil cuts above an initial 10%, along with meaningful associated gas production. Historically, to achieve initial production rates more than 100 barrels of oil per day, we have moved more than 800 barrels of fluid per day from each well. This is our objective for the Charlie #1 well.

Encouragingly, Charlie #1 is demonstrating the reservoir response consistent with this profile. The well is showing clear signs of successful connectivity to the broader reservoir following hydraulic stimulation, which underpins our confidence in achieving higher sustained oil and gas production rates as we increase the overall fluid pumped each day. The commissioning of the SWD facility onsite will enable us to create better overall efficiency.”

A further update will be provided as production stabilizes and the full impact of these initiatives becomes clearer.



Figure 1: Edwards Lease Outline showing location of Charlie #1 well and SWD 'legacy well'



Authorised for release 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 and gas production and development company focused on growing production and unlocking value from its portfolio of energy assets in the United States.

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