



ASX ANNOUNCEMENT

9 October 2026

Strategic Acquisition of Oklahoma Seven-Well Oil & Gas Portfolio and Additional Leases

- Delivers to AXP an accelerated field development opportunity with seven existing wells proposed for a low-cost, back-to-back recompletion and fracture stimulation program.
- Acquisition includes existing production and processing infrastructure:
 - Seven previously producing wells, each equipped with a pump jack, production rods and tubing.
 - A saltwater disposal (SWD) well facility.
 - Tank battery, oil and gas gathering system, gas sales point and SWD lines.
 - 400 acres adjoining AXP's Oklahoma Edwards Lease with multiple potential new drilling locations.
- Low cost acquisition agreed, reflecting AXP's on-the-ground presence in Oklahoma: US\$225K purchase price plus assumption of plugging, abandonment and restoration obligations, subject to adjustments, due diligence and completion conditions. US\$22,500 deposit paid.
- The seven wells were completed in lower formations. Following completion, AXP proposes to undertake Mississippian Lime recompletions, estimated at US\$150K per well (US\$1.05 million for all seven wells) versus ~US\$650K to drill one new well.
- Delivers a key benefit to AXP's adjoining leases: planned connection of Charlie #1 to the acquired SWD facility is expected to support improved water management and potentially enhanced production.
- Successful recompletions could generate earlier cash flow to help fund drilling of new wells in 2027 across more than 20 potential drilling locations.
- Gas produced from successful recompletions could also support an expansion of AXP's gas-to-power operations.
- AXP's lease holdings in Oklahoma grow to approximately 1,800 acres with over 30 potential new drilling locations to support future field development.

AXP Energy Limited (ASX: AXP) ("AXP" or "the Company") is pleased to announce that it has entered into a conditional agreement to acquire seven previously producing wells and associated production and water disposal infrastructure located on approximately 400 acres adjoining the Company's Edwards Lease. On completion, AXP will acquire a 100% Working Interest and an approximate 80% Net Revenue Interest in the project located in Township 24 North Range 1 East within Sections 1, 2 and 11, Noble County, Oklahoma. The vendor is Vertical Petroleum Industries LLC.

Acquired wells and infrastructure

The seven acquisition wells were drilled within the last seven years and are fully equipped with pump jacks, production rods and tubing. The assets include a fully equipped tank battery and tank storage facilities, installed oil and gas separators, an oil and gas gathering system, a gas sales point, SWD

lines and the SWD well facility. This infrastructure provides a foundation for handling oil, gas and produced water from the acquisition wells, subject to operational checks.



Figure 1,2,3 Photos Taken by Management during field inspection of acquisition properties in Oklahoma

Proposed low-cost recompletion program

Following completion of the acquisition, AXP plans to recomplete the seven previously producing wells in the Mississippian Lime formation given the wells were previously completed in a lower, less productive formation. Each recompletion is estimated to cost US\$150,000, giving an estimated aggregate recompletion cost of US\$1.05 million.

The Company estimates that drilling and completing a new well currently costs approximately US\$650,000, compared with US\$150,000 to recomplete each acquisition well. This represents potential capital savings of US\$500,000 per well, or US\$3.5 million across seven wells, before acquisition and additional connection, infrastructure or remediation costs. Reusing existing wellbores and equipment offers an opportunity to expand Mississippian Lime production with substantially lower capital expenditure than drilling new wells.

AXP's expanded Oklahoma lease holdings of approximately 1,800 acres contain more than 30 potential new drilling locations. Successful recompletions of the acquired wells could provide earlier access to production cash flow to help fund further development drilling during 2027. The timing and level of any cash flow will depend on recompletion results, production performance, commodity prices and operating costs.

The Company also plans to connect Charlie #1 to the acquired SWD facility which is in close proximity. This connection is intended to provide an integrated disposal route for produced water from Charlie #1 and support ongoing production optimisation at the Edwards Lease.

Gas produced from successful recompletions could also support an expansion of AXP's gas-to-power operations. The installed oil and gas separators and gathering infrastructure provide a basis for recovering and handling gas for potential onsite power generation. Any expansion would depend on gas volumes, quality and pressure, equipment suitability, connection requirements and applicable approvals.

Programme timing is subject to technical assessment, funding, equipment condition, disposal capacity and applicable regulatory requirements. Recompletion cost estimates are subject to final work scopes and contractor pricing.

AXP Energy Managing Director and CEO, Daniel Lanskey, said: *"This acquisition offers a low-cost route to potentially increase oil and gas production with recompletions estimated at US\$150,000 per well compared with approximately US\$650,000 to drill and complete a new well. These wells have never produced from the Mississippian Lime formation and that is our opportunity. We consider it to be the most prolific formation in this area and we have been very fortunate to secure the leases given our strong local presence here. Successful recompletions could generate earlier cash flow to help fund further development drilling during 2027. Upon completion, our immediate focus will be undertaking back-to-back recompletions on the acquired wells. As well, with the current gas-to-power and compute operations running smoothly on the Charlie #1 well site, any additional gas production from the recompletions could be used to grow our gas to power operations in the near term."*

Transaction terms

The purchase price of US\$225,000 is subject to customary contractual adjustments and the US\$22,500 deposit paid will be credited against the purchase price at completion. The proposed transaction remains subject to satisfactory due diligence, title review and satisfaction or waiver of the agreed completion conditions.

The agreement provides for completion on or before 3 November 2026, being 28 days after the effective date of 6 October 2026, subject to extension by mutual written agreement. The acquisition includes the assumption of plugging, abandonment and surface restoration obligations for the acquired wells. [The Company estimates these obligations at approximately US\$[insert] in aggregate.]

AXP holds a 100% Working Interest and an 81.25% Net Revenue Interest in the Hawk and Edwards Leases, located in Kay and Noble Counties, Oklahoma, prior to this acquisition.

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.

DISCLAIMER

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