AXP ENERGY

2025 ANNUAL REPORT



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CHAIRMAN'S REPORT

On behalf of the Board of AXP Energy, I am pleased to present our report for the year ended 30 June 2025. Following our exit from Kentucky, the Company's sole focus has been to monetise its stranded gas for off-grid power generation and to use this energy to power small-scale bitcoin mining operations, owned by third parties, located at our well sites across the Pathfinder Field in Colorado.

To date, AXP had not monetised its gas from these leases, and flaring restrictions meant that oil production could not be fully realised without a solution for the associated gas. As shareholders are aware, we have established a pilot-scale gas-to-power bitcoin operation drawing on gas from three wells: the Vespucci, Pathfinder #1, and Pathfinder #2.

Over the past 18 months, AXP Energy has accelerated its gas-to-power strategy, converting identified gas resources into dispatchable electricity while building the commercial and technical foundations for scaled-up growth. Crucially, AXP formalised strategic associations with Blackhart Technologies and NASDAQ-listed BitFuFu Inc., a provider of digital asset mining and cloud-mining services, to underpin project delivery and market access.

While we have successfully proven our ability to operate the first two modular bitcoin mining operations in Colorado, we determined that achieving sufficient scale with our counterparties required us to be in a market in the United States that would help us accelerate the roll-out of gas-to-power bitcoin mining operations, and where we are supported by critical oil & gas infrastructure, a simple permitting process, and an abundance of skilled labour and contractors.

To facilitate this, we were fortunate to secure the services of Dan Lanskey as Chief Executive Officer and Managing Director. Dan brings extensive onshore U.S. oil & gas experience, having led operations, development, and commercial teams across Oklahoma's active basins. His track record includes overseeing lease acquisitions, drilling programs with high success rates, reservoir optimisation and midstream integration, and delivering operational efficiencies and value from mature assets. Dan's deep relationships with local operators, service providers, and regulators, together with his hands-on leadership in Oklahoma's regulatory and commercial environment, position AXP to accelerate its U.S. growth strategy and optimise our onshore portfolio.

Subsequent to the balance date, the Company announced its intention to focus on Oklahoma, where we have secured 1,400 acres across two oil & gas leases in Kay County, providing in excess of 30 potential vertical well drilling locations. The leases provide access to established infrastructure, proven reservoirs, and advantaged gas and liquids markets, enabling near-term production opportunities and efficient tie-ins to local midstream assets. Our rationale for entering Oklahoma is threefold: to capitalise on attractive drilling economics and short development lead times; to leverage experienced local operating partners and service networks to rapidly unlock value; and to diversify and strengthen AXP's asset base with high-quality, cash-generative onshore production. These positions complement our gas-to-power agenda by supplying feedstock for planned domestic power projects and create multiple near-term pathways to cash flow and scale.

We are confident that development drilling success in Oklahoma, and the establishment of our gas-to-power bitcoin mining operations here, together with building a profitable and predictable liquids business, will be the key catalysts we need to re-rate our Company and deliver much-needed value to shareholders.

We are now operating in a favourable oil & gas jurisdiction in the USA, with committed leadership, also complemented by experienced businessman James Dack joining our Board during the year, and successful counterparties as end users of our gas and power. I would like to extend my thanks to shareholders for their continued support, and we look forward to realising the potential of our assets in Oklahoma and transforming our fortunes.

Yours faithfully,



Samuel Jarvis
Non-executive Chairman

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CORPORATE GOVERNANCE STATEMENT

AXP, through its Board of Directors ('*Board*') is responsible for the overall corporate governance of AXP and has adopted as a guiding principle that it acts honestly, conscientiously and fairly in accordance with the law and in the interests of the shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders in the Company.

The Board has adopted a suite of governance materials, which are available in the Corporate Governance section of the Company's website. The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value and help to engender the confidence of the investment market.

ASX Corporate Governance Principles and Recommendations

This statement sets out the material governance principles and processes adopted by the Board. The Board supports the Corporate Governance Principles and Recommendations, 4th edition as released by the ASX Corporate Governance Council ('*ASX Principles*' or '*ASXCGC*'). The Board considers and applies these recommendations to the extent that there is a sound reason to do so, given the circumstances of the Company. The Corporate Governance Statements were reviewed and approved by the Board on 30 September 2025 and are available on the Company's website, www.axpenergy.com.

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DIRECTORS REPORT

The Directors of AXP Energy Limited ('*AXP*' or '*Company*'), present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2025.

All amounts in this report are in US Dollars, unless stated otherwise.

Directors

Directors in office during the full financial year and to the date of this report, unless otherwise stated, are:

Mr Samuel Jarvis – Non-Executive Chairman. Member of the Audit Committee. Chairman of Remuneration and Nominations Committee.

Mr Samuel Jarvis has extensive experience in commercial management and development drilling as well as knowledge of the upstream oil and gas value chain. For the past 18 years, he has held senior executive roles with leading global oil and gas drilling companies in SE Asia.

Mr Jarvis graduated with Honours in Engineering in 1995 and also holds a degree in Economics with a Finance Major.

Other current or former listed directorships in the last 3 years: Nil

Relevant interest: 267,806,855 fully paid ordinary shares.

Mr Daniel Lanskey – Managing Director and Chief Executive Officer (appointed 1 March 2025). Previously Non-Executive Director (appointed 5 December 2024)

Mr Lanskey is an experienced executive who has held Senior Management positions and Director roles with public companies on the ASX, NASDAQ, TSXV and OTCQX exchanges. He has over 20 years' experience in equity capital markets across a diverse range of sectors including oil & gas, resources, information technology and life science, where he has overseen multiple Initial Public Offerings (IPOs) and capital raisings.

In the oil & gas sector, Mr Lanskey was a founder and Managing Director/CEO of Austex Oil Limited (previously ASX: AOK), from 2007 until June 2014. During his tenure, the Company drilled over 50 successful oil and gas wells in Oklahoma and Kansas between 2009 and June 2014. Austex was a licensed oil and gas operator in Oklahoma and Mr Lanskey was an integral driver of the business from startup to successfully operating a number of oil fields in Kansas and Oklahoma. During this period, he also oversaw consistent revenue growth, which rose to more than $US30M per annum by FY2014. He has had continued involvement in the USA onshore oil and gas industry through a private operating company, Turntable Energy Limited, an Australian unlisted Public Company.

He co-founded and served as Managing Director of Qmines Limited (ASX: QML) from 2020-2021, overseeing its successful IPO in 2021, and was also a Non-Executive Director of Macarthur Minerals Limited (ASX: MIO, TSXV: MMC) from September 2019 to September 2021.

He holds a postgraduate business degree in Entrepreneurship and Venture Development from Griffith University, Brisbane, Australia.

Other current or former listed directorships in the last 3 years: Mr Lanskey currently serves as a Non-Executive Director of TSXV listed Timeless Capital Inc. (TSXV: TLC), appointed 2 August 2018, and NASDAQ listed Innovation Beverage Group (NASDAQ: IBG), appointed February 2024.

Relevant interest: 1,400,000 fully paid ordinary shares.

Mr Stuart Middleton – Non-Executive Director. Chairman of the Audit Committee. Member of Remuneration and Nominations Committee.

Mr Middleton has extensive international resources experience as the Group Executive for TDS, Banpu Plc, Asian Energy Company (coal, oil, gas and power) with assignments assessing, managing and developing resources assets in China, Mongolia, Indonesia, Australia and Thailand, also previously having managed and developed major operations in Australia, the USA, Indonesia and Colombia.

A 40+ year veteran of the energy & mining industry, Stuart has a strong business development base combining both Mining Engineering (Hons.) and a Masters in Commerce (majoring in Finance & Management) degrees (The University of Sydney) with operational, commercial and technical foundations, having held various C-suite/VP executive positions and statutory management roles across multiple mining ventures.

During his engagements with major mining houses, Stuart has served as a Director and CEO (GM) of numerous companies and subsidiary or affiliated companies and held statutory positions as Registered Mine Manager.

Other current or former listed directorships in the last 3 years: Nil.

Relevant interest: 61,808,507 fully paid ordinary shares.

Mr James Dack OAM – Non-Executive Director (appointed 24 March 2025)

Mr Dack has held senior management roles in both the private sector and the NSW government and is a recognised community leader. As founding partner of one of Australia's largest and most successful real estate firms, Mr Dack had a highly successful +25-year career in the residential property sector before establishing his own private investment company.

Prior to this, Mr Dack was a senior public servant where ultimately assumed responsibility for the NSW Public Hospital Payroll System in the Department of Health, after starting his career as a porter at St Vincent's Hospital.

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As a sophisticated private investor since 2014, Mr Dack has made strategic investments across a diversified group of industries including technology, consumer goods and resources & energy.

Outside of his business interests, he has a 40+ year association with the Police Citizens Youth Clubs NSW (PCYC), where he continues to sit on the Board of Directors. PCYC NSW is a registered charity which operates 66 clubs across the state with over 70,000 youth members to support young people at at-risk youth through direct engagement and community partnerships.

In recognition of his achievements and service to the Australian community, Mr Dack was awarded the Medal of the Order of Australia (OAM) in 2023.

Other current or former listed directorships in the last 3 years: Mr Dack resigned as a director of The Calmer Co. International Limited (ASX: CCO) on 5 November 2024. Mr Dack was appointed as a Director on 29 September 2022.

Relevant interest: 83,166,666 fully paid ordinary shares.

Mr Robert Edward Lees – Non-Executive Director (appointed 16 September 2024, resigned 28 February 2025) and Company Secretary (appointed 30 June 2015)

Mr. Lees is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia. He is a graduate of the University of Technology, Sydney, holding a Bachelor of Business (Accounting) and a Graduate Diploma in Data Processing. He also holds a Graduate Diploma in Corporate Governance. In the past 21 years he has provided company secretarial services to small ASX-listed companies. Mr Lees is the Chief Financial Officer of Lithium Plus Minterals Ltd (ASX: LPM).

Other current or former listed directorships in the last 3 years: Nil

Mr Andrew Bald – Non-executive Director (resigned 16 September 2024)

Mr Bald has over 35 years of experience in financial markets and has advised and listed a number of oil & gas and mineral exploration companies. Mr Bald is the founder and executive director of Panthea Capital, a boutique corporate advisory firm with significant expertise in the energy sector that provides strategic advice and services to ASX listed companies.

Mr. Bald holds a B. Ec. (Hons).

Other current or former listed directorships in the last 3 years: Mr Bald is a director of copper, gold & lithium explorer, ActivEx Limited (ASX: AIV) since 1 February 2022 and XState Resources Limited (ASX: XST) since 6 June 2022, which has interests in various oil and gas projects in Canada, Austria and USA.

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Director Meetings

The number of Director and audit committee meetings held, and the number of meetings attended by each of the Directors of the Group during the financial year were:

DIRECTOR	DIRECTORS MEETINGS Attended / Held[1]	AUDIT COMMITTEE MEETINGS Attended / Held[1]
Samuel Jarvis	5 / 5	2 / 2
Daniel Lanskey (appointed 5/12/2024)	2 / 2	
Stuart Middleton	5 / 5	2 / 2
James Dack (appointed 24/3/2025)	2 / 2	
Robert Lees (appointed 16/9/2024, resigned 28/2/2025)	2 / 2	
Andrew Bald (resigned 16/9/2024)	1 / 1	

(1) Held whilst the director was in office

The Group notes that a Remuneration and Nominations Committee existed however it did not formally meet during the year, with the full Board acting in the role.

Principal Activities

The principal activities of the Group continued to be oil and gas exploration, development and production in the United States of America.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the year. No recommendation for the payments of dividends has been made.

Financial Review

The Group incurred a loss for the year after tax of $3,913,642 (2024: $4,458,917 loss). Of this, a $4,777 gain (2024: $3,429,150 loss) related to discontinued operations.

a) Profit or Loss (from continued operations)

- Gross production from Colorado operations increased 35% to 15,238 barrels of oil equivalent (BOE) (FY24: from 11,246 BOE). Gas-to-power operations commenced in January 2025.
- Oil sales revenue declined to $495,965 (FY24: $643,222), impacted by weaker pricing, weather disruptions and well workovers.
- Gas-to-power operations contributed $91,829 in incremental revenues.

- Lease and field operating costs rose to $590,646 (FY24: $347,526), driven by higher equipment rentals, labour and regulatory costs.
- Depreciation, depletion and amortisation increased to $516,313 (FY24: $222,333) following additions to property, plant and equipment, development and producing assets, and right-of-use assets.
- Other expenses increased to $1,791,870 (FY24: $1,509,223), reflecting higher travel, compliance and director fees.
- The DJ Basin assets' recoverable amount reduced to less than the carrying value as at 30 June 2025 as a result of the impact of adverse commodity prices and higher costs, leading to an impairment of $1,718,000.
- A change in estimated asset retirement obligations resulted in a gain of $174,574 (FY24: $nil).
- Other gains reduced to $32,226 (FY24: $569,213), with FY24 benefitting from a one-off vendor settlement.

b) Financial Position

- The Group's net assets/equity decreased 52% to $2,932,664 (FY24: $6,051,218).
- The Group had a net working capital deficit of $661,318.
- During the year, the Company raised A$1,290,000 (before costs) through the placement of 860,000,002 shares at A$0.0015 per share.
- Subsequent to the year-end end the Company raised A$1,671,170 (before costs) via the placement of 1,671,170,169 shares at A$0.001 per share. A further placement of 1,028,829,831 shares at A$0.001 per share is subject to shareholder approval at the General Meeting to be held in October 2025.

c) Cash flows

- The Group ended the year with cash and cash equivalents of $424,752 (FY24: $1,464,487).
- Net cash outflow in operating activities of $1,256,901, reflecting operating payments exceeding receipts.
- Net cash outflow in investing activities of $240,453, relating to payments of oil and gas assets, property, plant and equipment, offset by proceeds from security deposits and bonds.
- Net cash inflow in financing activities of $458,331, driven by share issue proceeds and recovery of post-closing costs from Mountain V Oil & Gas, Inc. offset by repayments of borrowings and lease liabilities.

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Operations Review

AXP Energy Limited's strategic focus on gas-to-power initiatives at its Pathfinder Field was its primary operational focus. During the period, the company concentrated on enhancing efficiencies at the Pathfinder site, integrating gas-to-power operations with bitcoin mining activities. Revenue was generated from both oil sales and power generation, aligning with AXP's strategy of repurposing stranded gas assets for high-efficiency power generation targeted at digital infrastructure clients.

Three wells have delivered ~260 mcf/day of natural gas to two generators powering ~530 ASIC bitcoin miners supplied by BitFuFu, Inc. The added gas from the Pathfinder #1 enhanced the reliability of this bitcoin mining operation. The site can produce 0.8 BTC per month, in line with the Joint Development Agreement (JDA) with NASDAQ-listed BitFuFu Inc.

The Company is now pursuing opportunities and new jurisdictions in the USA, most notably Oklahoma, to accelerate access to gas, with the goal of increasing power generation from 1.5 MW/hour to 25 MW/hour. New sites are under review in Oklahoma, due to long lead times for drilling permits in Colorado, with the first well being drilled there at the time of this writing.

During the period, the Pathfinder #1 well was put on pump and producing hydrocarbons from the Greenhorn Formation. This marks the first time this formation has yielded production across the Florence leases. The well has been connected to the on-site generators, and production data is being monitored. The Greenhorn Limestone formation represents the third producing formation on the Pathfinder leases, alongside the shallower Pierre Shale and the Niobrara Shale. AXP has initiated discussions with other operators in the area regarding potential Greenhorn Formation development opportunities.

AXP operates 24 oil & gas wells in Colorado and much of the focus throughout the year, apart from developing the gas-to-power/bitcoin mining operation, was undertaking ongoing fieldwork to maximise oil production and sales.

In addition to its Colorado operations, after the end of the quarter, AXP secured 1,400 acres across two oil and gas leases in Kay County, Oklahoma. These leases provide over 30 potential vertical well drilling locations targeting the Mississippian Lime and shallower multiple stacked Pennsylvanian-aged formations. AXP's Managing Director, leveraging his proven track record and expertise in Kay County, aims to expedite field development. Drilling of the first well, the Charlie #1 has commenced and is targeting multiple stacked pays with zones of interest including the Oswego Lime at 3,700 feet, the Mississippi Chat at 4,270 feet, the Mississippi Lime at 4,300 feet and the Wilcox Formation at 4,700 feet. AXP Energy owns a 100% Working Interest and an 81.25% Net Revenue Interest in the well which is located approximately 8 miles southwest of Ponca City and a large oil refinery.

Strategy & Future Developments

AXP Energy Limited is pursuing a strategy of innovation and diversification that positions the company to benefit from both traditional oil and gas markets and the rapidly evolving energy transition. While our conventional upstream assets provide a strong foundation of reliable cash flow, our focus is on leveraging these resources into higher-value opportunities that diversify revenue streams and extend the life of our asset base.

At the heart of this strategy is the monetisation of our natural gas reserves. We are advancing initiatives to convert produced gas into power generation, creating a platform for on-site energy-intensive applications such as high-performance computing and cryptocurrency mining. These projects enhance our margin profile by reducing reliance on volatile commodity pricing while capturing value from stranded or underutilised resources.

Over the next 12 months, the Company will advance development at its Colorado leases, with regulatory approvals for permitting expected to be secured within 8 to 12 months. This work underpins AXP's strategy to unlock additional reserves.

To accelerate the roll-out of its gas-to-power strategy, the Company strengthened its asset base with the acquisition of oil and gas leases in Oklahoma, announced in August 2025. Preparations for the first well on this acreage were underway at the time of this report, marking the beginning of a development program designed to deliver near-term production and cash flow growth. These activities are expected to create a strong platform for scaling operations and enhancing shareholder value in the year ahead.

By converting natural gas resources into reliable, lower-cost power, these activities support the broader energy transition while providing AXP with a scalable platform to enhance shareholder returns and deliver cleaner energy solutions.

Key Business Risks

AXP Energy Limited operates in a dynamic environment that presents a range of risks that may impact its operational and financial performance. The Board and management actively monitor these risks and implement mitigation strategies where possible. Key risks include:

1. Commodity Price and Market Risk

The Company's revenues and profitability are directly linked to oil and natural gas prices, which are subject to significant volatility due to global supply and demand dynamics, geopolitical events, and macroeconomic conditions. Prolonged periods of low prices could adversely impact cash flow, asset values, and shareholder returns.

2. Regulatory and Permitting Risk

The Company is required to obtain and maintain permits, licences, and approvals from multiple regulatory bodies in the United States. Delays or denials in permitting, or changes to environmental or operating regulations, could materially affect the timing and cost of planned development activities, particularly in Colorado.

3. Legal and Regulatory Risk

The Company is subject to extensive federal, state, and local laws in the United States, including those related to environmental protection, health and safety, taxation, royalties, and corporate governance. Non-compliance, changes in law, or adverse regulatory action could result in fines, penalties, restrictions, or litigation, which may have a material impact on operations, costs, and reputation.

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4. Operational and Development Risk

Exploration, drilling, and production activities are subject to technical and operational risks, including drilling results, equipment failures, well performance variability, and supply chain constraints. These risks may lead to cost overruns, delays, or lower-than-expected production outcomes.

5. Gas-to-Power Strategy Execution Risk

The Company's growth strategy includes the development of gas-to-power projects, which requires the integration of upstream gas production with power generation assets. Risks include capital availability, project execution challenges, regulatory approvals, and power market fluctuations. Any delays or cost increases could impact anticipated returns.

6. Environmental, Climate and ESG Risk

AXP operates in an industry subject to increasing scrutiny regarding carbon emissions, climate change, and sustainability practices. Changes in policy, investor sentiment, or community expectations may result in higher compliance costs or restrictions on operations. The Company is committed to managing its environmental footprint and aligning development with the energy transition.

7. Financial and Liquidity Risk

The Company's ability to fund operations and growth initiatives depends on access to sufficient capital and operating cash flow. Fluctuations in commodity prices, interest rates, or investor appetite for energy assets may restrict financing options and impact liquidity.

8. Counterparty and Joint Venture Risk

AXP conducts operations with partners, contractors, and service providers. Failure by counterparties to meet their obligations, or misalignment of joint venture objectives, could adversely affect project execution and financial performance.

9. Health and Safety Risk

The oil and gas industry involves inherent health and safety risks, including exposure to hazardous environments, equipment failures, and potential accidents. A significant health or safety incident could result in serious injury, regulatory penalties, reputational damage, or operational shutdowns. Ensuring a strong safety culture and compliance with occupational health and safety regulations is critical to sustaining operations and protecting both personnel and the community.

10. Workforce and Retention of Key Personnel Risk

AXP's success is highly dependent on the expertise and leadership of its Board, senior management, and technical personnel. The loss of key individuals, or the inability to attract and retain experienced staff, could hinder the execution of strategic initiatives, delay operational progress, and impact investor confidence. In addition, competition for skilled labour in key US basins may increase costs or limit the Company's ability to scale operations effectively.

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11. Weather and Natural Disaster Risk

AXP's operations are exposed to adverse weather conditions and natural events such as tornadoes, flooding, extreme cold, and heatwaves, which are prevalent in certain US operating regions. Severe weather can disrupt drilling, production, and logistics, cause damage to infrastructure, and increase operating costs. Depending on the frequency and severity of such events could impact reliability of operations and financial performance.

AXP Energy Limited has adopted a risk management framework designed to identify, assess, and manage material risks. The Board oversees this framework through regular reporting and governance processes, supported by management's operational controls. The Company employs a range of mitigation measures, including commodity price monitoring and hedging strategies, comprehensive insurance coverage, strict compliance with regulatory obligations, and adherence to best-practice health, safety, and environmental standards. Investment in workforce development, succession planning, and community engagement further supports the resilience of the business.

While not all risks can be eliminated, the Company is committed to actively managing these exposures to safeguard operations and enhance long-term shareholder value.

Significant Changes in the State of Affairs

Other than noted in this director's report, there have been no significant changes in the Group's state of affairs during the financial year.

Environmental Regulations

The Group is subject to a regulatory enforcement matter relating to historical operational compliance with certain environmental regulations. A partial monetary penalty of $41,000 has been agreed and recognised in the accounts.

In addition, the Group may be liabile for a suspended penalty component conditional on future compliance with specific regulatory requirements over a defined two-year period. The Group has engaged an external compliance consultant to monitor and support ongoing adherence to these requirements. Based on legal advice and the implementation of these compliance measures, the possibility of the suspended penalty becoming payable is considered unlikely.

Accordingly, no provision has been recognised for the suspended penalty component due to its contingent nature and the Group's expectation of current and continued compliance.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

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Events Arising Since the end of the Reporting Period

The following matters or circumstances have arisen since the end of the financial year:

- On 11 August 2025, the Company announced it had received firm commitments to raise A$2,700,000 by way of a two-tranche placement to sophisticated and professional investors at an issue price of A$0.001 per share.
- On 12 August 2025, the Company announced it had secured 1,400 acres across two oil and gas leases in Oklahoma. The leases provide more than 30 potential vertical drilling locations targeting multiple stacked formations in a proven production area with established infrastructure and proximity to a local refinery. The Group intends to commence drilling permit applications immediately and deploy available funding to drill two initial wells within 60–90 days. These leases also create a platform to expand joint venture gas-to-power-bitcoin mining operations in Oklahoma, alongside traditional oil and gas production.
- On 20 August 2025, the Company announced it had placed 1,671,170,169 fully paid ordinary shares at an issue price of A$0.001 per share, raising A$1,671,170 (before costs). In addition, the placement of 1,028,829,831 fully paid ordinary shares at an issue price of A$0.001 per share is subject to shareholder approval at a General Meeting to be held in October 2025.
- On 11 September 2025, the Company announced the commencement of drilling operations on its Charlie #1 Well, the first of two planned vertical wells, located on recently secured lease holdings in Kay & Noble Counties, Oklahoma.
- On 18 September 2025, the Company announced that the Charlie #1 Vertical Well was spudded.
- On 24 September 2025, the Company announced that drilling on the Charlie #1 Well had reached the Target Depth of 4,725 feet, with multiple oil and gas shows recorded across the Mississippi Lime and Chat formations over a 290 foot interval.

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REMUNERATION REPORT (AUDITED)

This report details the nature and amount of emoluments for each key management person of the Group, and for the executives receiving the highest remuneration.

Remuneration Policy

The Group's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives, by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for senior executives, was developed and approved by the Board;
- All senior executives may receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives;
- The Board regularly reviews executive packages by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of executives is measured against criteria agreed annually with each executive and is based on a basket of measures including financial results, share price, production targets, safety and environmental issues. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Australian directors do not receive retirement benefits other than superannuation guarantee contributions.

All remuneration paid to directors and executives is valued at the cost to the Group and is expensed. Shares and options given to directors and executives are valued with reference to services provided, or if this cannot be measured reliably, the fair value of the shares or options granted. Shares are recognised as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology. Performance rights are valued using the share price at the date of grant.

The Board's intention is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration regularly, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum

aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and currently stands at A$750,000 in total. Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group (but not trade in them) and have in the past been granted options.

Performance of Shareholder's Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

MEASURE	2025	2024	2023	2022	2021 Restated*
Basic EPS (US$)	(0.06) cents	(0.08) cents	(0.11) cents	0.01 cents	0.10 cents
Net (loss) / profit (US$)	(3,913,642)	(4,458,917)	(6,126,214)	606,945	4,064,607
Share Price	A0.10 cents	A0.10 cents	A0.20 cents	A0.40 cents	A0.30 cents

** Amounts have been restated into US$ from A$ as a result of the Group changing its presentational currency as previously reported in 2022 annual report.*

Remuneration Details

Details of the remuneration of the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) including directors and executives of the Group are set out in the following table:

	POSITION HELD AT 30 JUNE 2025 AND CHANGES DURING PERIOD	DETAILS (DURATION & TERMINATION)
DIRECTORS		
Mr Samuel Jarvis	Non-executive Chairman	No change
Mr Daniel Lanskey	Non-executive Director Managing Director and CEO	Appointed 5/12/2024 Appointed 1/3/2025
Mr Stuart Middleton	Non-executive Director	No change
Mr James Dack OAM	Non-executive Director	Appointed 24/3/2025
Mr Robert Lees	Non-executive Director	Appointed 16/9/2024 Resigned 28/2/2025
Mr Andrew Bald	Non-executive Director	Resigned 16/9/2024
GROUP KEY EXECUTIVES		
Mr Bradley Mervis	CFO	No change
Mr Tim Hart	CEO	Resigned 1/3/2025

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2025	SHORT TERM BENEFITS		POST EMPLOYMENT	SHARE-BASED PAYMENTS			TOTAL [$]	%*
	A [$]	B [$]	C [$]	D [$]	E [$]	F [$]		
DIRECTORS								
Mr Samuel Jarvis	46,673	-	5,367	-	-	-	52,040	-
Mr Daniel Lanskey[1]	78,622	-	-	-	-	-	78,622	
Mr Stuart Middleton	38,894	-	4,473	-	-	-	43,367	-
Mr James Dack[2]	4,544		1,221			6,077	11,842	
Mr Robert Lees[3]	17,826		2,050				19,876	
Mr Andrew Bald[4]	8,103	-	932	-	-	-	9,035	-
GROUP KEY EXECUTIVES								
Mr Bradley Mervis	162,058	-	18,637	-	-	-	180,695	-
Mr Tim Hart[5]	100,000	-	-	-	-	-	100,000	-
TOTAL	**456,720**	**-**	**32,680**	**-**	**-**	**6,077**	**495,477**	**-**

2024	SHORT TERM BENEFITS		POST EMPLOYMENT	SHARE-BASED PAYMENTS			TOTAL [$]	%*
	A [$]	B [$]	C [$]	D [$]	E [$]	F [$]		
DIRECTORS								
Mr Samuel Jarvis	44,835	-	4,932	-	-	-	49,767	-
Mr Stuart Middleton	39,336	-	4,327	-	-	-	43,663	-
Mr Andrew Bald[4]	17,449	-	1,920	-	-	-	19,369	-
Mr Simon Johnson[6]	24,469	-	2,691	-	-	-	27,160	-
GROUP KEY EXECUTIVES								
Mr Tim Hart[5]	150,000	-	-	-	-	-	150,000	-
Mr Greg Grotke[7]	51,837	-	-	-	-	-	51,837	-
Mr Bradley Mervis	163,900	-	18,029	-	-	-	181,929	-
Mr Russel Hamilton[8]	61,346	-	-	-	-	-	61,346	-
TOTAL	**553,172**	**-**	**31,899**	**-**	**-**	**-**	**585,071**	**-**

* *Percentage of performance-based remuneration*

A: Salary & Fees

B: Other

C: Superannuation contribution

D: Performance Rights

E: Options

F: Shares to be issued

1 Mr Lanskey was appointed non-executive Director on 5 December 2024. Mr Lanksey was subsequently appointed Managing Director and CEO on 1 March 2025. Mr Lanskey is the sole Director of DK Round Investments Pty Ltd ("DKR"). The Company paid Director fees (inclusive of super) of $78,622 plus paid Director Fees in advance of $13,530 (recorded as a prepayment at 30 June 2025) to DKR for the year ended 30 June 2025. In addition to the above, the Company engaged DKR for consulting services totalling $16,669 for the year ended 30 June 2025.

2 Mr Dack was appointed on 24 March 2025. Mr Dack will receive A$37,500 per annum of his fixed cash remuneration paid via the issue of 25,000,000 shares at A$0.0015, with the remainder paid in cash. At 30 June 2025, Mr Dack is owed 6,250,000 shares to be issued at A$0.0015. These shares will be issued in September 2025.

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3 Mr Lees was appointed on 16 September 2024. Mr Lees resigned on 28 February 2025. Mr Lees is the sole Director of CoySec Services Pty Ltd ("CoySec"). The Company paid Coysec for company secretarial services totalling $14,432 for the period 16 September 2024 to 28 February 2025.

4 Mr Bald was appointed on 23 January 2024. Mr Bald resigned on 16 September 2024. Mr Bald is the sole Director of Panthea Captial Partners ("Panthea"). In addition to the above, the Company engaged Panthea for consulting services totalling $6,806 for the year ended 30 June 2025 (30 June 2024: $12,783).

5 Mr Hart resigned on 1 March 2025

6 Mr Johnson resigned on 23 January 2024

7 Mr Grotke resigned on 30 June 2024

8 Mr Hamilton resigned on 1 December 2023

All non-executive Directors enter into a service agreement with the company in the form of a letter of appointment. The non-executive Directors hold office subject to a shareholder vote. The maximum term of office for non-executive Directors is three years and one-third of the non-executive Directors are required to resign each year. The chairman receives an annual director fee of A$72,000. The other non-executive Directors receive an annual director fee of A$60,000.

The Managing Director's term is a 24-month contract and will receive $200,000 per annum (inclusive of superannuation) or its equivalent in Australian dollars. The Managing Director has a 90-days notice period and no specific termination payments aside from those specified by law.

Share-based Compensation

No performance rights or options were issued as remuneration to Directors or KMPs for the year ended 30 June 2025 (30 June 2024: nil).

Shares Provided on Exercise of Remuneration Options

No options were exercised by Directors or KMP during the year ended 30 June 2025, nor during the year ended 30 June 2024.

No performance rights were exercised by Directors or KMP during the year ended 30 June 2025.

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Director and KMP Shareholdings

The number of ordinary shares in AXP held by each KMP of the Group during the financial year is as follows:

2025	BALANCE 1 Jul 2024	EXERCISE OF RIGHTS	PURCHASED	OTHER	BALANCE 30 Jun 2025
DIRECTORS					
Mr S Jarvis	187,806,855	-	80,000,000	-	267,806,855
Mr D Lanskey[1]	-			1,400,000	1,400,000
Mr S Middleton	31,808,507	-	30,000,000	-	61,808,507
Mr J Dack[2]	-	-	-	83,166,166	83,166,166
Mr R Lees[3]	-	-	-	-	-
Mr A Bald[4]	17,986,574	-	-	(17,986,574)	-
SUB-TOTAL	**237,601,936**	**-**	**110,000,000**	**66,579,592**	**414,181,528**
GROUP KEY EXECUTIVES					
Mr B Mervis	12,500,000	-	-	-	12,500,000
Mr T Hart[5]	81,749,365	-	-	(81,749,365)	-
SUB-TOTAL	**94,249,365**	**-**	**-**	**(81,749,365)**	**12,500,000**
TOTAL	**331,851,301**	**-**	**110,000,000**	**(15,169,773)**	**426,681,528**

1 Mr Lanksey was appointed on 5 December 2024. At the date of his appointment, Mr Lanksey held 1,400,000 shares in the Company.

2 Mr Dack was appointed on 24 March 2025. At the date of his appointment, Mr Dack held 83,166,166 shares in the Company.

3 Mr Lees was appointed on 16 September 2024, and at the date of his appointment, Mr Lees held 2,000,000 shares in the Company. Mr Lees resigned on 28 February 2025, and at the date of his resignation, Mr Lees held 2,000,000 shares in the Company.

4 Mr Bald resigned on 16 September 2024. At the date of his resignation, Mr Bald held 17,986,574 shares in the Company.

5 Mr Hart resigned on 28 February 2025. At the date of his resignation, Mr Hart held 81,749,365 shares in the Company.

KMP Option Holdings

Directors and Key Management Personnel have no listed or unlisted options during the year ended 30 June 2025, nor during the year ended 30 June 2024.

KMP Performance Rights Holdings

There are no performance rights on issue during the reporting period (2024: nil).

The Group's Performance Rights Plan ('Plan') was approved by shareholders at the General Meeting held on 22 November 2024.

END OF REMUNERATION REPORT (AUDITED)

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Retirement, Election and Continuation in Office of Directors

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No director other than the Managing Director may remain on the Board for more than three years without re-election. Where a director is appointed during the year, the director will hold office until the next Annual General Meeting and then be eligible for election.

Indemnifying Officers

The Group has entered into Deeds of Indemnity with each of the Directors and Company Secretary and has taken out Directors and Officers Insurance (D&O) on behalf of each of the Directors and Company Secretary.

No liability has arisen under this indemnity as at the date of this report.

Shares Under Option and exercised during the year

45,000,000 Unlisted Broker options issued 28 May 2025 at A$0.003 per option expiring 27 May 2028 (36 months after issue) have been issued in settlement of a fee for services. The options have been valued at $29,078, being the fair value of the services received.

As of 30 June 2025 and the date of this report, there were 45,000,000 shares under option on issue (2024: Nil).

See Note 24 and Note 32 for further information.

Shares under Performance Rights

There were no performance rights on issue as at 30 June 2025 or the date of this report (2024: Nil)

Non-Audit Services

Only audit and review services were performed by the auditors during the fiscal year ended 30 June 2025 (2024: Nil).

Rounding

The company is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest dollar unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, has been included overleaf.

Signed in accordance with a resolution of the Board of Directors,



Samuel Jarvis
Non-executive Chairman

Dated this 30th day of September 2025

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AUDITOR'S INDEPENDENCE DECLARATION

(overleaf)

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PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AXP ENERGY LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of AXP Energy Limited and it's controlled entities for the year ended 30 June 2025, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 30 September 2025

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CONSOLIDATED PROFIT OR LOSS AND OTHER CONSOLIDATED INCOME

CONSOLIDATED GROUP	Note	2025	2024
Continuing operations		**$**	**$**
Revenue	5	587,794	643,222
Lease and field operating expenses		(590,646)	(347,526)
Depreciation, depletion, and amortisation	6	(516,313)	(222,333)
Other expenses	6	(1,791,870)	(1,509,223)
Impairment expenses	6	(1,718,000)	-
Change in estimate of asset retirement obligation	21	174,574	-
Finance costs	6	(96,184)	(162,770)
Other gains	6	32,226	569,213
Loss before income tax		**(3,918,419)**	**(1,029,417)**
Income tax benefit	7	-	(350)
Loss for the year from continued operations		**(3,918,419)**	**(1,029,767)**
Discontinued operations			
Gain/(loss) from discontinued operations	28	4,777	(3,429,150)
Loss for the year		**(3,913,642)**	**(4,458,917)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translation of foreign operations		(5,841)	(10,555)
Other comprehensive loss for the year net of tax		**(5,841)**	**(10,555)**
Total comprehensive loss for the year		**(3,919,483)**	**(4,469,472)**
Loss for the year attributable to:			
Members of the parent entity		(3,913,642)	(4,458,917)
		(3,913,642)	**(4,458,917)**
Total comprehensive loss attributed to:			
Members of the parent entity		(3,919,483)	(4,469,472)
		(3,919,483)	**(4,469,472)**
Earnings per share from continuing operations:			
Basic and diluted loss per share (in cents)	10	(0.06)	(0.02)
Earnings per share from discontinued operations:			
Basic and diluted loss per share (in cents)	10	0.00	(0.06)
Earnings per share attributable to the equity holders of AXP Energy Limited:			
Basic and diluted loss per share (in cents)	10	(0.06)	(0.08)

This statement should be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED GROUP	Note	30 June 2025 $	30 June 2024 $
Current assets			
Cash and cash equivalents	11	424,752	1,464,487
Trade and other receivables	12	134,318	446,502
Oil in tank inventory	13	35,247	9,001
Other current assets	14	694,648	1,289,163
Non-current assets classified as held-for-sale	28	-	210,329
Total current assets		**1,288,965**	**3,419,482**
Non-current assets			
Property, plant and equipment	15	225,946	48,296
Development and producing assets	16	862,871	1,213,595
Exploration and evaluation assets	17	2,243,490	3,889,701
Right of use assets	18	628,496	-
Total non-current assets		**3,960,803**	**5,151,592**
Total assets		**5,249,768**	**8,571,074**
Current liabilities			
Trade and other payables	20	1,298,578	882,454
Lease liability	18	490,552	-
Asset retirement obligation	21	106,076	-
Other financial liabilities	22	55,077	329,662
Liabilities associated with non-current assets classified as held-for-sale	28	-	181,456
Total current liabilities		**1,950,283**	**1,393,572**
Non-current liabilities			
Other financial liabilities	22	127,669	-
Lease Liability	18	142,581	-
Asset retirement obligation	21	96,571	1,126,284
Total non-current liabilities		**366,821**	**1,126,284**
Total liabilities		**2,317,104**	**2,519,856**
Net assets		**2,932,664**	**6,051,218**
Equity			
Issued capital	23	91,197,419	90,431,638
Reserves	24	214,951	185,644
Accumulated losses		(88,479,706)	(84,566,064)
Total equity		**2,932,664**	**6,051,218**

This statement should be read in conjunction with the notes to the financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED GROUP	Issued capital	Share-based payment reserve	Foreign currency reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 30 June 2023	**90,431,638**	**51,221**	**144,978**	**(80,107,147)**	**10,520,690**
Loss for the year	-	-	-	(4,458,917)	(4,458,917)
Movement in FX reserve	-	-	(10,555)	-	(10,555)
Total comprehensive loss	-	-	**(10,555)**	**(4,458,917)**	**(4,469,472)**
Share issue costs	-	-	-	-	-
Conversion of performance rights	-	-	-	-	-
Balance at 30 June 2024	**90,431,638**	**51,221**	**134,423**	**(84,566,064)**	**6,051,218**
Loss for the year	-	-	-	(3,913,642)	(3,913,642)
Movement in FX reserve	-	-	(5,841)	-	(5,841)
Total comprehensive loss	-	-	**(5,841)**	**(3,913,642)**	**(3,919,483)**
Shares issued during the year	817,307	-	-	-	817,307
Share issue costs	(51,526)	-	-	-	(51,526)
Shares to be issued	-	6,063	-	-	6,063
Options issued during the year	-	29,085	-	-	29,085
Balance at 30 June 2025	**91,197,419**	**86,369**	**128,582**	**(88,479,706)**	**2,932,664**

This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED GROUP	Note	2025 $	2024 $
Cash flow from operating activities			
Receipts from customers		576,161	6,993,550
Payments to suppliers and employees		(2,153,553)	(9,093,863)
Interest received		18,765	3,660
Interest paid		(25,072)	(68,770)
Income tax refund/(paid)		326,798	(385,000)
Net cash used in operating activities	27	**(1,256,901)**	**(2,550,423)**
Cash flow from investing activities			
Payments for exploration and evaluation activities		(483,489)	(159,009)
Payments for development and producing activities		(69,491)	-
Payments for property, plant and equipment		(55,000)	-
Proceeds from disposal of property, plant and equipment		-	595,273
Proceeds from disposal of oil and gas assets		-	3,643,642
Proceeds from security deposits and bonds		367,527	170,000
Net cash (used in)/provided by investing activities		**(240,453)**	**4,249,906**
Cash flow from financing activities			
Proceeds from issue of shares		817,307	-
Share issue costs		(51,526)	-
Repayment of borrowings		(375,621)	(188,848)
Principal payment for lease liabilities		(199,343)	(269,729)
Net payments made on behalf of Mountain V Oil & Gas, Inc		-	(297,952)
Post closing costs recovered from Mountain V Oil & Gas, Inc as part of final closing settlement		267,514	-
Net cash provided by/(used in) financing activities		**458,331**	**(756,529)**
Net (decrease)/increase in cash held		(1,039,023)	942,954
Cash at the beginning of the year		1,464,487	521,788
Effects of exchange rate changes on cash & cash equivalents		(712)	(255)
Cash at the end of the year	11	**424,752**	**1,464,487**

This statement should be read in conjunction with the notes to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

The financial report includes the consolidated financial statements and notes of AXP Energy Limited ('*Parent Entity*' or '*Company*') and its controlled entities ('*Group*') of AXP Energy Limited ('*AXP*') which is a listed public Company, incorporated and domiciled in Australia.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('*AASB*') and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report of AXP for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 30 September 2025.

AXP is a for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs.

The presentation currency of the Group is the United States Dollar ('USD' or 'US$')

The following is a summary of material accounting policy information.

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b) Principles of Consolidation

A controlled entity is any entity over which AXP, is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 26 to the financial statements. All controlled entities have a 30 June financial year end.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the Group during the year, their operating results have been included/(excluded) from the date control was gained/(ceased).

All inter-Group balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

c) Revenue

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation by transferring control of goods or services to the customer. Revenue is measured at the transaction price, which is the amount of consideration the Group expects to be entitled to in exchange for those goods or services, net of taxes and royalty interests.

Revenue from the sale of oil and gas is recognised at the point in time when control of the product passes to the customer. This generally occurs when the product is delivered in accordance with contractual terms, title has transferred, and the customer has accepted the product.

Revenue from the sale of electricity is recognised over time as power is delivered to the customer in accordance with the terms of the contract. The amount recognised reflects the electricity supplied during the reporting period.

Certain contracts include performance bonuses based on the operational uptime of power generation equipment. This variable consideration is calculated monthly and recognised when performance conditions for the month are met and it is highly probable that no significant reversal will occur.

d) Income Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted or are substantially enacted as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authorities.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

State and county severance taxes, ad valorem taxes and production taxes are accounted for as an expense and not an income tax.

e) Trade and Other Receivables

Trade receivables and other receivables are carried at amounts due less any allowance for expected credit losses.

f) Impairment of Non-Financial Assets

i) Property, Plant and Equipment & Development and Producing Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ii) Exploration and Evaluation Assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

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Each area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each area of interest to which the exploration and evaluation expenditure is attributed.

This assessment requires management to make certain estimates and apply judgement in determining assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of profit or loss.

g) Exploration, Evaluation and Development Expenditure and Restoration Provisions

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Development and producing assets are accounted for under AASB 116 Property, Plant and Equipment.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

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h) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Items of plant, and equipment, are depreciated over their estimated useful lives ranging from 3 to 40 years to write off the net cost of each asset during its expected useful life to the Group. The straight line method of depreciation is used.

The assets residual values and useful lives are reviewed and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately from its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses are determined by comparing proceeds received with the asset's carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

i) Leases

(i) Right-of-use Assets

The Group's right of use assets comprises various plant and equipment under lease.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(ii) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

j) Foreign Currency Transactions and Balances

(i) Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The parent entity's functional currency is A$, while its subsidiaries have a US functional currency. The consolidated financial statements are presented in US$.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. The average foreign exchange rate for 12 months ended 30 June 2025 was 1.5427 (2024: 1.5253) Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end exchange rate. The closing exchange rate as at 30 June 2025 was 1.5267 (2024: 1.5010).

Exchange differences arising on the translation of monetary items are recognised in statement of profit or loss and other comprehensive income.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

(iii) Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of the Group's US$ functional subsidiaries are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

Exchange differences arising on the translation of intercompany loans, on the basis that the repayment is not recoverable in the future, are taken to equity as a hedge of the net investment in the subsidiary.

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k) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be payable later than one year are measured as the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity which match the expected timing of cash flows.

Contributions made by the Group to employee superannuation funds are charged to expenses as incurred.

l) Equity-Settled Compensation

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model. Performance rights are valued by reference to the value of the Company's equity instruments on the ASX at grant date. For equity-settled share-based payment transactions related to goods or serviced received, the group shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably.

m) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Group.

n) Financial Assets and Financial Liabilities

Classification & Initial Recognition

The Group classifies its financial assets and liabilities in the following categories: financial assets at fair value through profit or loss and amortised cost. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets initially recognised at fair value through profit or loss are assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

(ii) Amortised Cost

The Group classifies and initially recognises its financial assets as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Impairment of Financial Assets

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses.

Subsequent Measurement of Financial Liabilities

The Group's financial liabilities including borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

o) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalent includes cash on hand and at call in banks net of overdrafts.

p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

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q) Issued Capital

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of shares are recognised (net of tax) directly in equity as a reduction in the share proceeds received. When options or performance rights are exercised, any amounts previously included in reserves for these instruments, are subsequently transferred to Issued Capital.

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

s) Parent Entity Financial Information

The financial information for the parent entity, AXP Energy Limited, disclosed in Note 4 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in Subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of AXP Energy Limited.

t) Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of in the current, or prior, year or is classified as held for sale at the reporting date, and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are disclosed separately in the statement of profit or loss and other comprehensive income.

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NOTE 2 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets, such as outcomes of drilling projects, the Company's portfolio priorities and leasing requirements. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs of disposal calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and Evaluation

The Group's policy for exploration and evaluation is discussed at Note 1(g). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances.

Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sales or exploitation, then the relevant capitalised amount will be written off through the statement of profit or loss and other comprehensive income. Impairment expense recognised during the year is disclosed in Note 17 to the financial statements.

Asset Retirement Obligations

The Company incurs retirement obligations for wells. The best estimates of these obligations are recorded as liabilities on a discounted basis, which is typically at the time the wells are drilled. In the estimation of expected cost for these obligations, the Company uses assumptions and judgments for the legal obligation for an asset retirement obligation, technical assessments of the wells, estimated amounts and timing of remediation, discount rates and inflation rates. Asset retirement obligations are disclosed in Note 21 to the financial statements.

Income Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Share-based Payment Transactions

The group measures the cost of equity-settled transaction with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the share price at the date of grant. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimate of Reserve Quantities

The estimated quantities of proven and probable hydrocarbon reserves reported by the Group are integral to the calculation of amortisation (depletion) and depreciation expense and to assessments of possible impairment of assets. Estimated reserve quantities are based upon interpretations of geological and geophysical models and assessment of the technical feasibility and commercial viability of producing the reserves. Management prepares reserve estimates annually which conform to guidelines prepared by the Society of Petroleum Engineers. These estimates are then verified by independent technical experts.

These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimate of reserves may change from period to period as the financial and economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations

Leases

The Group has lease contracts in place. Management has applied judgement to determine the lease term for some of the lease contracts as well as the discount rate to be applied.

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NOTE 3 – GOING CONCERN

The financial report of the Group has been prepared on a going concern basis, which contemplates the continuity of normal business activities, the realisation of assets, and the discharge of liabilities in the ordinary course of business.

The Group incurred a loss for the year after tax of $3,913,642 (2024: $4,458,917 loss). Of this, a $4,777 gain (2024: $3,429,150 loss) related to discontinued operations. Net cash outflow from operating activities was $1,256,901 (2024: $2,550,423 outflow). As at 30 June 2025, the Group had a working capital deficit of $661,318 (2024: $2,025,910 surplus).

The Group's ability to continue as a going concern is dependent on the continued generation of cash from operations, the sufficiency of current cash reserves to meet existing obligations and, if required, the ability to raise capital.

The Board consider that there are reasonable grounds to believe that the Company and the Group will continue as a going concern. The Group's ability to continue as a going concern is contingent on one or more of the following:

- continued workover of existing wells and general field development to enhance production;
- continued sell down of oil in tank inventory;
- continued rationalisation and right-sizing of the Group's cost base and postponement of capital expenditure if required;
- support of major creditors in respect of the restructured payables obligations;
- reducing overhead and other costs through rationalisation initiatives;
- the ability to raise funds via debt, farm-outs, joint ventures, asset sales, equity issues, or a combination of these; and/or
- the realisation of commodity prices in line with current global forecasts.

Subsequent to the year-end, on 11 August 2025, the Group announced it has received firm commitments to raise A$2,700,000 (before costs) by way of a two-tranche placement to sophisticated, professional and institutional investors at an issue price of A$0.001 per share.

On 12 August 2025, the Group announced it had secured 1,400 acres of oil and gas leases in Kay County, Oklahoma, providing more than 30 potential vertical drilling locations targeting multiple stacked formations. The Board views these leases as an important growth opportunity that is expected to strengthen the Group's production base and support development of strategic joint ventures in gas-to-power-bitcoin mining.

On 20 August 2025, the Group placed 1,671,170,169 fully paid ordinary shares at an issue price of A$0.001 per share, raising A$1,671,170 (before costs). In addition, the issue of 1,028,829,831 fully paid ordinary shares is subject to shareholder approval at a General Meeting to be held in October 2025. Following this meeting, the Group will retain the ability to issue additional shares up to 25% of its issued share capital.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of this financial report.

Should the Group be unsuccessful with the initiatives detailed above then, there is a material uncertainty which may cast significant doubt as to whether the Group may in the future not be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

This financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 4 – PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of financial position	**2025 $**	**2024 $**
Total current assets	34,034	148,684
Non-current assets excl. inter-company receivables	-	-
Non-current inter-company receivables[(i)]	2,999,782	6,020,495
Total assets	**3,033,816**	**6,169,179**
Total current liabilities	101,152	117,961
Total non-current liabilities	-	-
Total liabilities	**101,152**	**117,961**
Net assets	**2,932,664**	**6,051,218**
Share capital	91,197,419	90,431,638
Reserves excluding foreign currency	86,369	51,221
Foreign currency reserve	(19,257,517)	(19,176,608)
Accumulated losses	(69,093,607)	(65,255,033)
Total equity	**2,932,664**	**6,051,218**
Statement of profit or loss and other comprehensive income		
Loss for the year after tax	(3,838,574)	(4,414,167)
Total comprehensive loss	**(3,838,574)**	**(4,414,167)**

(i) Non-current inter-company receivables are eliminated upon consolidation.

The parent entity has not provided any financial guarantees on behalf of its subsidiary. In the prior year, the parent entity accounted for its joint venture interest at cost. The parent entity did not have any contingent liabilities as at 30 June 2025 (2024: Nil). The parent entity had no contractual commitments as at 30 June 2025 (2024: Nil).

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NOTE 5 – REVENUE

From continuing operations:

	2025 $	2024 $
Oil	495,965	643,222
Gas	24,916	-
Power generation	26,905	-
Performance Bonus	40,008	-
Total revenue from operations	**587,794**	**643,222**

Revenue is comprised of revenue from contracts with customers. Revenue is recognised at a point in time. Refer to note 25 for disaggregation of revenue from contracts with customers based on geographic basins.

NOTE 6 – PROFIT FROM CONTINUING OPERATIONS

Profit before income tax has been determined after:

	2025 $	2024 $
Depreciation, depletion, and amortisation:		
Depreciation of plant and equipment	438,959	8,377
Depletion	77,354	162,628
Amortisation	-	51,328
	516,313	**222,333**
Other expenses:		
Share based payments	35,155	-
Director fees	194,662	126,088
Payroll and employee benefits	333,204	370,124
Superannuation	32,680	31,899
Professional fees	463,627	510,942
Regulatory compliance – DJ Basin	150,343	86,930
Administrative and corporate expenses	582,199	383,240
	1,791,870	**1,509,223**
Impairment expense:		
Development and producing assets (see Note 16)	1,718,000	-
	1,718,000	**-**
Finance costs		
Accretion (see Note 21)	48,492	62,189
Interest expense	47,692	100,581
	96,184	**162,770**

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	2025 $	2024 $
Other gains		
Interest income	(32,226)	(4,874)
Gain on vendor settlement [(i)]	-	(564,339)
	(32,226)	**(569,213)**

(i) During the previous year, the Company settled a debt with one of its vendors for $100,000, resulting in a gain on settlement of $564,339.

NOTE 7 – INCOME TAX EXPENSE / BENEFIT

	2025 $	2024 $
(a) The components of income tax expense / (benefit) comprise:		
Current Tax	-	350
Prior year under / over provision	-	504
Deferred Tax	-	670,355
	-	**671,209**
Income tax expense / (benefit) attributable to:		
Continuing operations	-	350
Discontinued operations	-	670,859
	-	**671,209**
(b) The prima facie tax expense / (benefit) on loss from ordinary activities is reconciled to the income tax as follows:		
Loss before Income Tax - continuing	(3,918,419)	(1,029,417)
Loss before Income Tax – discontinued	4,777	(2,758,291)
Net Loss	(3,913,642)	(3,787,708)
Prima facie tax benefit on loss from ordinary activities before income tax at 25%	(978,411)	(946,927)
- Differences in tax rate for US	21,490	-
- Other allowable / (non-allowable) items		
- Depreciation, amortisation and depletion	(97,701)	44,729
- US percentage depletion (IRC section 613)	-	-
- Return to provision true-ups	1,067,768	108,579
- Share-based payment	8,789	-
Tax effect of tax losses and temporary differences not brought to account as they do not meet the recognition criteria	(21,935)	1,464,828
Income tax attributable to operating profit	**-**	**671,209**

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	2025 $	2024 $
(c) Deferred tax balances		
Deferred tax assets comprise:		
Asset retirement obligations – provision	49,968	275,669
Property plant and equipment - depreciation and amortisation	20,428	-
Development and producing assets - depletion	67,074	70,259
Exploration and evaluation	-	293,234
Tax losses	5,169,755	8,813,313
Non-recognition of DTL / losses	(5,307,225)	(9,452,475)
Total deferred tax assets	-	-
Deferred tax liabilities comprise:		
Property plant and equipment	87,391	-
Non-recognition of DTA	(87,391)	
Total deferred tax liabilities	-	-
Net deferred tax asset	**-**	**-**
(d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised:		
- In Australia at 25%	3,210,918	3,238,685
- In USA at 25%	4,417,796	5,574,628
	7,628,714	8,813,313
(e) Deferred tax asset arising from temporary differences:		
- In USA at 25%	-	-
	-	**-**

NOTE 8 – REMUNERATION OF KEY MANAGEMENT PERSONNEL (KMP)

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2025.

The totals of remuneration paid to KMP of the Group and the Group during the year are as follows:

	2025 $	2024 $
Short term employee benefits	456,720	553,172
Other benefits	-	-
Post-employment benefits	32,680	31,899
Share based payments (see Note 32)	6,077	-
	495,477	**585,071**

NOTE 9 – AUDITOR'S REMUNERATION

	2025 $	2024 $
Remuneration of auditor of consolidated Group for:		
Pitcher Partners BA&A Pty Ltd – audit and review of the Group's annual and interim financial reports	35,175	60,281
	35,175	**60,281**

No services other than audit services were performed by the auditors during the fiscal years ended 30 June 2025 or 30 June 2024.

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NOTE 10 – EARNINGS PER SHARE & DILUTED EARNINGS PER SHARE

	2025 $	2024 $
Loss attributable to the ordinary shareholders of AXP Energy Limited:		
-Loss from continuing operations	(3,918,419)	(1,029,767)
-Profit/(loss) from discontinued operations	4,777	(3,429,150)
Loss used in calculating earnings and diluted earnings per share (EPS)	(3,913,642)	(4,458,917)
	No of Shares	**No of Shares**
Weighted average number of ordinary shares used in calculating basic and diluted EPS	6,099,722,530	5,824,680,673
Continuing operations		
Basic and diluted EPS	(0.06) cents	(0.02) cents
Discontinued operations		
Basic and diluted EPS	0.00 cents	(0.06) cents
Earnings per share from loss attributable to the equity holders of AXP Energy Limited:		
Basic and diluted EPS	(0.06) cents	(0.08) cents

As the Group generated a loss for the financial year ended 30 June 2025, all potential ordinary shares on issue will not have a dilutionary effect and therefore, no calculation of diluted earnings per share is performed. Refer to Note 23 for option details.

NOTE 11 – CASH AND CASH EQUIVALENTS

	2025 $	2024 $
Cash at bank and on hand	424,752	1,464,487

The effective annual interest rate on cash at bank was 3.41% (2024: 0.49%) per annum.

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NOTE 12 – TRADE AND OTHER RECEIVABLES

	2025 $	2024 $
Trade receivables		
Customers	71,089	58,849
Other receivables		
Expected credit allowance	-	-
Current tax asset	59,000	385,000
GST Receivable	4,229	2,653
	134,318	**446,502**

	2025 $	2024 $
Loss allowance at beginning of period	-	(12,564)
Recognised on acquisition	-	-
Decrease from write-off of pre-acquisition receivable	-	12,564
Decrease from derecognition	-	-
Loss allowance at end of period	**-**	**-**

The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. There was a $nil credit loss allowance for receivables as at 30 June 2025 (2024: $Nil credit loss allowance). Outstanding invoices are generally due within 30 days of the invoice date.

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NOTE 13 – INVENTORY

	2025 $	2024 $
Oil in tank	35,247	9,001

Oil in tank is calculated using the lower of cost or market method and is included at cost as at 30 June 2025 and 30 June 2024. Adjustments to oil in tank inventory are recorded as lease and field operating expenses in the profit or loss.

NOTE 14 – OTHER ASSETS

	2025 $	2024 $
Other current assets		
Bond deposits	669,873	845,900
Other deposits	-	123,171
Amount owed by Mountain V Oil & Gas, Inc[(i)]	-	270,251
Prepaid expenses and other	24,775	49,841
	694,648	**1,289,163**

(i) During the prior year, the Group sold its non-Colorado oil and gas assets located in the Appalachian and Illinois basins to Mountain V Oil & Gas, Inc. As part of the transition process, the Group assisted Mountain V Oil & Gas, Inc. with the payment of certain expenses (and continued to receive revenue from contracts with customers) until the payment details with various parties were updated. The Group received this net amount owing in full in July 2024. See note 28 for further information.

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NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

	2025 $	2024 $
Plant and equipment:		
- At cost	772,757	436,809
- Less: Accumulated depreciation	(546,811)	(388,513)
	225,946	**48,296**

Movement in Property, Plant and Equipment at Cost

	2025 $	2024 $
Plant and equipment:		
Opening cost	463,809	1,558,723
Additions	102,249	-
Assets sold/written down (note 28)	-	(888,215)
Transfer from/(to) non-current assets classified as held-for-sale (note 28)	233,699	(233,699)
Closing – Cost	**772,757**	**436,809**

Movement in Property, Plant and Equipment Accumulated Depreciation

	2025 $	2024 $
Plant and equipment:		
Opening: Accumulated depreciation	(388,513)	(670,072)
Depreciation – continuing operations	(96,325)	(59,705)
Depreciation – discontinued operations	(38,603)	(52,697)
Assets sold/written down (note 28)	-	370,591
Transfer (from)/to non-current assets classified as held-for-sale (note 28)	(23,370)	23,370
Closing - Accumulated depreciation	**(546,811)**	**(388,513)**

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NOTE 16 – DEVELOPMENT AND PRODUCING ASSETS

	2025 $	2024 $
Producing assets at cost	2,697,176	2,970,548
Accumulated depletion	(1,834,305)	(1,756,953)
	862,871	**1,213,595**

Movement in Carrying Amounts

	2025 $	2024 $
Balance at beginning of year	1,213,595	9,155,067
Other asset additions	69,491	-
Assets sold (note 28)	-	(8,267,425)
Transfer from exploration and evaluation assets	2,209,591	-
Impairment of assets – continuing operations	(1,718,000)	-
Asset retirement obligation changes	(834,452)	703,582
Depletion expense – continuing operations	(77,354)	(162,628)
Depletion expense – discontinued operations	-	(215,001)
Balance at end of year	**862,871**	**1,213,595**

At each period end, the Directors' review the carrying values of its development and producing assets to determine whether there is any indication that those assets have been impaired. For those prospects where the Directors believed such an indication existed at period end, they compared the asset's fair value less costs to sell and value in use to the asset's carrying value. Where it was not possible to estimate the recoverable amount of an individual asset, the Directors' estimated the recoverable amount of the cash-generating unit to which the asset belongs.

The DJ Basin assets' recoverable amount reduced to less than the carrying value as at 30 June 2025 as a result of the impact of adverse commodity prices and higher costs, leading to an impairment of $1,718,000.

There were no other impairments in carrying amounts of development and producing assets during the year ended 30 June 2025.

There was no impairment in the carrying amounts of development and producing assets during the year ended 30 June 2024.

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NOTE 17 – EXPLORATION AND EVALUATION ASSETS

	2025 $	2024 $
Exploration and evaluation assets at cost	2,243,490	3,889,701

Movement in Carrying Amounts:

	2025 $	2024 $
Balance at beginning of year	3,889,701	3,889,701
Additions	518,906	-
Transfer to development and producing assets	(2,209,591)	-
Asset retirement obligation changes	44,474	-
Balance at end of year	**2,243,490**	**3,889,701**

As of 30 June 2025 and 30 June 2024, the Group's exploration and evaluation assets relate only to the Denver Julesburg area of interest.

Impairment

There were no indicators of impairment identified in relation to the carrying amounts of exploration and evaluation assets during the year ended 30 June 2025 (2024: nil).

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NOTE 18 – LEASE ASSETS AND LIABILITIES

	2025 $	2024 $
Lease assets		
Carrying amount of lease assets	628,496	-
Equipment		
At cost	971,128	-
Accumulated depreciation	(342,632)	-
Total carrying amount of leases	**628,496**	**-**
Reconciliation of the carrying amount of lease assets at the beginning and the end of the financial year:		
Carrying amount at beginning of period	-	1,022,867
Additions – continuing operations [(i)]	971,128	-
Depreciation – continuing operations	(342,632)	-
Depreciation – discontinued operations		(115,799)
Asset disposals	-	(907,068)
Carrying amount at end of period	**628,496**	**-**
Lease liabilities		
Current lease liabilities	490,552	-
Non-current lease liabilities	142,581	-
Total carrying amount of lease liabilities	**633,133**	**-**
Lease expenses and cash flows		
Interest expense on lease liabilities – continuing	26,426	-
Interest expense on lease liabilities – discontinued	-	36,277
Expense relating to leases of 12-months or less for which a lease liability has not been recognised	15,225	35,133
Depreciation expense on lease assets – continuing	342,632	
Depreciation expense on lease assets - discontinued	-	115,799
Total cash outflow in relation to leases	210,196	304,121

(i) During the year, the Company entered into rght of use lease agreements to acquire two generators to be used in the gas-to-power operations. These leases are for a period of 2 years.

NOTE 19 – INTERESTS IN JOINT ARRANGEMENTS

The Group held no interests in Joint Arrangements in the United States of America (2024: Nil)

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NOTE 20 – PAYABLES

	2025 $	2024 $
Current		
Trade payables[(i)]	1,185,982	636,456
Other payables[(iii)]	112,596	245,998
	1,298,578	**882,454**

(i) Trade payables are generally due within 30 days of invoice. $167,574 of trade payables are on a payment plan through which $3,000 is expected to be paid over the first 6 months, $3,000 is to be paid over the next 6 to 12 months and the remaining is to be paid over 1 to 5 years.

(ii) Other payables include accruals for the year ended.

NOTE 21 – ASSET RETIREMENT OBLIGATIONS

	2025 $	2024 $
Current	106,076	-
Non-current	96,571	1,126,284
	202,647	**1,126,284**
Beginning balance	1,126,284	3,384,476
Accretion – continuing operations	48,492	62,189
Accretion – discontinued operations	-	186,534
Plugging and abandonment costs incurred	(7,577)	(8,469)
Change in estimate asset retirement obligations – development and producing assets	(834,452)	703,582
Change in estimate asset retirement obligations – exploration and evaluation assets	44,474	-
Change in estimated asset retirement obligation – profit and loss	(174,574)	-
Asset disposals (note 28)	-	(3,202,028)
Ending Balance	**202,647**	**1,126,284**

The Group records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and restoration of affected areas.

A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on an annual basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation assets. Over time, the liability is increased for the change in the present value based on a pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as accretion charge.

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At 31 December 2024 the Group did a detailed review of it ARO liability, as a result of the review the Group revised its estimate on the pre-tax discount rate to 17%, extended the life of wells, and revised its well rehabilitation and plug and abandonment costs.

At 30 June 2025 the estimate of the pre-tax discount rate was 17% (FY24: 15%). The estimates used to calculate the provision for rehabilitation was based on updated available information and to more correctly reflect the risks related to the asset retirement obligation and the related oil and gas assets. Additionally, the change in estimate will also have an impact of the amount unwound in future periods which is dependent on the life of the oil and gas wells.

The resulting change in the Asset Retirement Obligations has been recognised against developing and producing assets, exploration and evaluation assets and profit and loss as at 30 June 2025 and 30 June 2024.

NOTE 22 – INTEREST BEARING LIABILITIES

	2025 $	2024 $
Current		
Working capital facility	-	329,662
Vehicles and equipment financing	55,077	-
	55,077	**329,662**
Non-Current		
Vehicles and equipment financing	127,669	-
	127,669	**-**

Working capital

The Company entered into an unsecured working capital facility of $500,000 with First Energy Partners (Pty) Ltd during financial year 2021. The facility attracts interest at the greater of 9% per annum or US prime rate + 2.75% interest per annum. During the year, the Company repaid the loan in full, resulting in the closure of the facility.

Vehicles and equipment financing

Interest-bearing liabilities relate to the financing of vehicles and equipment used in AXP's operations. As at 30 June 2025, the total amount financed for these assets was $182,746. These liabilities are being repaid over an average remaining term of 3.9 years. The financing arrangements are subject to fixed interest rates, averaging approximately 6% per annum.

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NOTE 23 – ISSUED CAPITAL

a. Issued Capital

	No of Shares	2025 $	No of Shares	2024 $
Ordinary Shares				
At the beginning of the reporting period	5,824,680,673	90,431,638	5,824,680,673	90,431,638
Placement of shares issued at A$0.0015/share (14 February 2025)	750,000,002	711,113	-	-
Placement of shares issued at A$0.0015/share (28 May 2025)	110,000,000	106,194		
- Less: Cost of capital raising	-	(51,526)	-	-
At the end of the reporting period	**6,684,680,675**	**91,197,419**	**5,824,680,673**	**90,431,638**

b. Options

	2025 Number	2024 Number
Unlisted		
At the beginning of the reporting period	-	95,000,000
- Issued	45,000,000	-
- Exercised	-	-
- Expired	-	(95,000,000)
At the end of the reporting period	**45,000,000**	**-**

Options Outstanding by Class

Unlisted Options	2025 Number	2024 Number
- $0.003 expire 27 May 2028	45,000,000	-
At the end of the reporting period	**45,000,000**	**-**

See details regarding performance rights in Share Based Payments Note 32.

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d. Capital Management

Management controls the capital of the Group to maintain a good debt to equity ratio, provide the shareholders with adequate returns, and ensure the Group continues as a going concern.

The Group's debt and capital includes ordinary share capital, share options, drilling advances payable and bank debt. Management effectively manages the Group's capital by assessing the financial risks and adjusting the capital structure in response to those risks. These responses include share issues.

	2025 $	2024 $
Total borrowings (interest bearing debt)	182,746	329,662
Less: cash and cash equivalents	424,752	1,464,487
Net (cash) / debt	**(242,006)**	**(1,134,825)**
Total equity	2,932,664	6,051,218
Total capital	91,197,419	90,431,638
Gearing ratio	**6.23%**	**5.45%**

Gearing ratio is calculated as total interest-bearing debt divided by total shareholders' equity.

NOTE 24 – RESERVES

	2025 $	2024 $
Foreign currency reserve	128,582	134,423
Share based payment reserve	86,369	51,221
	214,951	**185,644**

Foreign Currency Reserve

This reserve is used to record foreign currency translation differences arising on the translation of the Group's Australian entity (the parent) into US dollars.

Share Based Payments Reserve

This reserve is used to record the fair value of the issue of performance rights, options or shares. See details regarding Share Based Payments within Note 32.

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NOTE 25 – SEGMENT REPORTING

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily based on geographical location since the diversification of the Group's operations has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Basis of Accounting for Purposes of Reporting by Operating Segments

a) Description of Segments:

The group's chief operating decision maker has identified the following reportable segments which are defined by geographic area within its major Oil & Gas basins in the US:

- **Appalachian and Illinois Basin**: These segments were disposed of during the year ended 30 June 2024.
- **Denver-Julesburg ("DJ") Basin**: These assets are located in the historic Florence oilfield and are geologically defined by the Canon City Embayment. This area is an extension of the prolific DJ Basin which spans across Colorado, Kansas, Montana and Wyoming. Formations of interest in this area include the Pierre Shale, Niobrara Shale, Codell Sandstone & Greenhorn Limestone.
- **Corporate and Other**: Includes non-trading operations and unallocated corporate costs.

Operating segments have been identified based on internal reports reviewed by the Group's chief executive officer in order to allocate resources to the segment and assess its performance.

b) Segment information:

The Group's chief executive officer uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount reported in the internal reports to the chief executive officer.

Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment.

All revenue is generated in the United States of America.

The total amount of revenue derived from customers whose revenue is greater than 10% of the Group's total revenue is $495,965 (2024: $1,947,717).

Revenue from customers whose revenue is greater than 10% of the Group's total revenue was generated by one (2024: three) customer(s) during the year ended 30 June 2025.

2025	Appalachian & Illinois Basin (discontinued)	DJ Basin	All Other Segments (unallocated)	Total
	$	$	$	$
Segment revenue	-	587,794	-	587,794
Production costs	-	(590,646)	-	(590,646)
DD&A	(38,599)	(433,282)	(83,031)	(554,912)
Other expenses	(156,980)	(493,859)	(1,298,011)	(1,948,850)
Impairment expenses	-	(1,718,000)	-	(1,718,000)
Change in estimate of asset retirement obligation	-	174,574	-	174,574
Finance costs	-	(87,466)	(8,718)	(96,184)
Other gains	200,356	3,611	28,615	232,582
Total profit / (loss) before income tax	4,777	(2,557,274)	(1,361,145)	(3,913,642)
Income tax expense	-	-	-	-
Total profit / (loss)	**4,777**	**(2,557,274)**	**(1,361,145)**	**(3,913,642)**
Total segment assets	**-**	**4,613,899**	**635,869**	**5,249,768**
Total segment liabilities excluding inter-company transactions	**-**	**2,059,866**	**257,238**	**2,317,104**

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2024	Appalachian & Illinois Basin (discontinued)	DJ Basin	All Other Segments (unallocated)	Total
	$	$	$	$
Segment revenue	2,469,034	643,222	-	3,112,256
Production costs	(2,957,289)	(347,526)	-	(3,304,815)
DD&A	(370,598)	(169,517)	(52,816)	(592,931)
Other expenses	(1,639,059)	(312,273)	(1,196,950)	(3,148,282)
Impairment expenses	-	-	-	-
Finance costs	(260,379)	(139,278)	(23,492)	(423,149)
Other gains	-	566,751	2,462	569,213
Total (loss) / profit before income tax	(2,758,291)	241,379	(1,270,796)	(3,787,708)
Income tax benefit	(670,859)	(350)	-	(671,209)
Total (loss) / profit	**(3,429,150)**	**241,029**	**(1,270,796)**	**(4,458,917)**
Total segment assets	**210,329**	**5,687,927**	**2,672,818**	**8,571,074**
Total segment liabilities excluding inter-company transactions	**181,456**	**2,096,491**	**241,909**	**2,519,856**

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NOTE 26 – CONTROLLED ENTITIES

	Country of Incorporation	Equity Holding	
		2025	2024
Parent Entity:			
AXP Energy Limited	Australia		
Subsidiaries of AXP Energy Limited:			
AusCo Petroleum Inc	USA	100%	100%
AusCo Petroleum Florence, LLC	USA	100%	100%
AXP Energy (US) LLC	USA	100%	100%
AXP Energy, Inc	USA	100%	100%
NGAS Gathering, LLC	USA	100%	100%
Daugherty Petroleum ND Ventures, LLC[1]	USA	0%	100%
Kentucky Exploration, LLC	USA	100%	100%
AXP Energy (Oklahoma) LLC[2]	USA	100%	0%

[1] *dissolved 22 August 2024*

[2] *formed 24 June 2025*

NOTE 27 – CASH FLOW INFORMATION

	2025 $	2024 $
Loss from ordinary activities after income tax	(3,913,642)	(4,458,917)
Non-cash flows in loss from ordinary activities		
Share based payments	35,155	-
Depreciation, Depletion, Amortisation - continuing	516,311	222,333
Depreciation, Depletion, Amortisation - discontinued	38,603	383,497
Accretion - continuing	48,492	62,189
Accretion - discontinued	-	186,534
Accrued interest expense	11,154	78,190
Change in estimate of asset retirement obligation	(174,574)	-
Impairment expenses and write downs	1,718,000	-
Foreign currency – non cash	(5,792)	(7,522)
Loss on sale – discontinued operations	-	725,170
Changes in assets and liabilities		
Decrease in receivables	270,834	2,141,622
Increase in inventory	(26,246)	(7,878)
Increase / (Decrease) in payables	232,381	(2,537,527)
Decrease in deferred tax assets	-	670,355
Decrease in asset retirement obligations	(7,577)	(8,469)
Cash flow from operations	**(1,256,901)**	**(2,550,423)**

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Non-cash financing and investing activities

During the year ended 30 June 2025 the Group financed the purchase of a vehicle, totalling $47,249 (2024: Nil).

During the year ended 30 June 2025, the Group entered into new lease agreements for equipment totalling $971,128 (2024: nil). Refer to Note 18 for further information.

NOTE 28 – DISCONTINUED OPERATIONS

On 29 September 2023, the Company announced it had entered into a binding letter agreement to sell its non-Colorado oil and gas assets located in the Appalachian and Illinois Basins to Mountain V Oil & Gas, Inc. (the "transaction"). Effective control of the assets transferred on 1 October 2023. The consideration for this transaction was $4,000,000 plus oil in tank inventory in cash, subject to closing adjustments, payable in stages. Discontinued operations were recognised on 29 September 2023.

Shareholders approved the sale at a General Meeting held on 6 February 2024. The sale closed on 7 February 2024. Closing adjustments of $270,251 were received in full in July 2024 (See note 14).

As of 30 June 2024, all remaining assets and liabilities associated with operations in the Appalachian and Illinois Basins that were not included in the transaction were reclassified as held for sale. However, during the year, the Company determined that the sale was no longer highly probable and accordingly reclassified these assets and associated liabilities back to property, plant and equipment and financial liabilities, respectively.

Results of discontinued operations for the year are presented below:

	2025 $	2024 $
Financial performance information		
Revenue	-	2,469,034
Other gains [(i)]	200,356	-
Expenses	(182,484)	(4,502,155)
Profit / (Loss) before income tax	17,872	(2,033,121)
Income tax	-	(670,859)
Profit / (loss) after income tax of discontinued operations	17,872	(2,703,980)
Loss on sale of discontinued operations before income tax [(ii)]	(13,095)	(725,170)
Income tax	-	-
Loss on sale of discontinued operations after income tax	(13,095)	(725,170)
Profit / (loss) from discontinued operations [(iii)]	**4,777**	**(3,429,150)**

(i) Other gains include a refund of legal costs of $198,684 held in escrow by Mountain V Oil & Gas, Inc.

(ii) The loss on sale of discontinued operations before income tax arises as a result of a writedown to the net assets of discontinued operations being greater than the proceeds (net of costs of disposal).

	2024
Consideration received	**$**
Consideration, including oil in tank at fair value and the sale of property, plant and equipment	5,638,902
Working capital adjustments	(973,121)
Total consideration received	4,665,781
Assets sold as a result of the transaction:	
Property, plant and equipment – net (note 15)	517,624
Development and producing assets (note 16)	8,267,425
Right of use assets (note18)	907,068
Total assets sold as a result of the transaction	9,692,117
Liabilities extinguished as a result of the transaction:	
Lease liability	(808,108)
Asset retirement obligation (note 21)	(3,202,028)
Financial liabilities	(291,030)
Total liabilities extinguished as a result of the transaction	(4,301,166)
Net assets disposed of as a result of the transaction	5,390,951
Loss on discontinued operations before income tax	**(725,170)**

(iii) The amount of loss from discontinued operations is attributable to the owners of AXP Energy Limited.

	2025	2024
Cash flow information	**$**	**$**
Net cash used in operating activities	(121,223)	(1,870,955)
Net cash provided by investing activities	430,158	4,408,915
Net cash provided by / (used in) financing activities	225,173	(756,529)
Net cash flows from discontinued operations	**534,108**	**1,781,431**

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The major classes of assets and liabilities of discontinued operations classified as held for sale at 30 June 2025 are presented below:

	30 June 2025 $	30 June 2024 $
Assets		
Property, plant and equipment	-	210,329
Non-current assets held for sale	**-**	**210,329**
Liabilities		
Financial liabilities	-	181,456
Liabilities directly associated with non-current assets held for sale	**-**	**181,456**
Net assets of discontinued operations classified as held for sale	**-**	**28,873**

NOTE 29 – FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk and currency risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and aging analysis for credit risk.

Risk management is carried out by the finance department under policies approved by the board of Directors.

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The Group holds the following financial instruments:

	2025 $	2024 $
Financial Assets		
Cash and cash equivalents	424,752	1,464,487
Trade and other receivables	134,318	446,502
Bonds	669,873	845,900
Other deposits	-	123,171
Other current assets	-	270,251
	1,228,943	**3,150,311**
Financial Liabilities		
Trade payables	1,185,982	636,456
Lease liability	633,133	-
Borrowings	182,746	329,662
	2,001,861	**966,118**

All balances above are measured at amortised cost.

a) Market Risk

Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis.

The Group's exposure to foreign currency risk through AUD holdings at the end of the reporting period was as follows:

	2025 $	2024 $
Cash and cash equivalents	5,030	96,189
Trade and other receivables	29,004	52,495
Trade and other payables	101,152	117,961

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Foreign Currency Sensitivity

Based on the financial instruments held at fiscal year end, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post-tax profit and equity for the year would have been the following:

	2025 $	2024 $
Change in profit		
Improvement in AUD to USD by 10%	(95,969)	(66,847)
Decline in AUD to USD by 10%	95,969	66,847
Change in equity		
Improvement in AUD to USD by 10%	(95,969)	(66,847)
Decline in AUD to USD by 10%	95,969	66,847

Interest Rate Sensitivity Analysis

At fiscal year end, the effect on profit and equity as a result of changes in the interest rate on cash and cash equivalents, with all other variables remaining constant would be as follows:

	2025 $	2024 $
Change in profit		
Increase in interest rate by 1%	9,446	9,931
Decrease in interest rate by 1%	(9,446)	(9,931)
Change in equity		
Increase in interest rate by 1%	9,446	9,931
Decrease in interest rate by 1%	(9,446)	(9,931)

Price Sensitivity Analysis

At fiscal year end, the effect on profit and equity as a result of changes in oil prices (impacting revenues from continuing operations), with all other variables remaining constant would be as follows:

	2025 $	2024 $
Change in profit		
Increase in average oil price by 5%	24,798	32,161
Decrease in average oil price by 5%	(24,798)	(32,161)
Change in equity		
Increase in average oil price by 5%	24,798	32,161
Decrease in average oil price by 5%	(24,798)	(32,161)

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b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, revenue and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors, Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The following table outlines the group's remaining contractual maturities for financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the group can be required to pay.

	< 6 months	6-12 months	1-5 years	Total contract cash flows	Carrying amount
2025	**$**	**$**	**$**	**$**	**$**
Trade and other payables	1,134,004	3,000	161,574	1,298,578	1,298,578
Lease liabilities	254,509	254,509	144,022	653,040	633,133
Vehicle and equipment financing	32,214	32,214	139,073	203,501	182,746
	1,420,727	289,723	444,669	2,155,119	2,114,457
2024	**$**	**$**	**$**	**$**	**$**
Trade and other payables	700,463	16,417	165,574	882,454	882,454
Working capital facility	329,662	-	-	329,662	329,662
	1,030,125	16,417	165,574	1,212,116	1,212,116

d) Fair Value Measurements

The carrying value monetary financial assets and financial liabilities of the Group approximate their fair value as all amounts are short term and/or at market rates.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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NOTE 30 – RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a) Directors and executives

Disclosures relating to key management personnel are set out in Note 8 and Note 32.

b) Transactions with related entities of key management personnel:

For the year ended 30 June 2025, the Group utilised the services of DK Round Investments Pty Ltd ("DKR") for the provision of professional and consulting services. Mr Dan Lanskey is the sole Director of DK Round Investments. The Company paid Director fees (inclusive of super) of $78,622 plus paid Director Fees in advance of $13,530 (recorded as a prepayment at 30 June 2025) to DKR for the year ended 30 June 2025. In addition to the above, the Company engaged DKR for consulting services totalling $16,669 for the year ended 30 June 2025.

The Group utilises the services of CoySec Services Pty Ltd ("CoySec" for the provision of company secretarial services. Mr Lees is the sole Director of CoySec Services Pty Ltd ("CoySec"). The Company paid Coysec for company secretarial services totalling $14,432 for the period 16 September 2024 to 28 February 2025.

The Group utilised the services of Panthea Capital Partners for the provison of consulting services. Mr Andrew Bald is the sole Director of Panthea Captial Partners. The cost of these services to 30 June 2025 was $6,806 (30 June 2024: $12,783).

NOTE 31 – CAPITAL COMMITMENTS

The Group is required to meet minimum expenditure requirements of various Government bodies and joint venture agreements. These obligations may be subject to renegotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.

	2025 $	2024 $
Due within one year	-	-
Due between 2 and 5 years	-	-
Due between 6 and 10 years	-	-
	-	**-**

NOTE 32 – SHARE BASED PAYMENTS

Share based payments in the Profit or Loss is $35,155 (2024: $Nil) comprising of options ($29,078) issued to brokers for services provided and shares to be issued in lieu of Director Fees paid of $6,077 (6,250,000 shares to be issued at A$0.0015).

Performance Rights

Performance rights are valued at the share price of AXP at their grant date. All performance rights convert to one fully paid ordinary share upon exercise, at a $Nil exercise price. The number of performance rights accrued during the financial year and the respective accruals, are as follows:

	2025 Number	2024 Number
Beginning of year	-	-
Issued	-	-
Exercised	-	-
End of year (vested)	**-**	**-**

The Company's Performance Rights Plan ("Plan") was approved by shareholders at the General Meeting held on 22 November 2024. The Plan enables the Company to reward, retain and motivate participants via grant entitlements to shares ("Performance Rights") and issue shares on conversion of Performance Rights. Section 4.12 of the Plan requires that the Company rely on Class Order (ASIC Class Order 14/1000) to make an offer and that the number of shares to be received on exercise of performance rights offered, when aggregated with the number of shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by the class order (or an ASIC exempt arrangement of a similar kind to an employee incentive scheme), will not exceed 5% of the total number of shares on issue at the date of the offer. The Company is required to accrue for these performance rights during the year despite the rights requiring Shareholder approval.

Performance Rights

There were no performance rights issued during the year (2024: Nil).

Options

45,000,000 Unlisted Broker options issued 28 May 2025 at A$0.003 per option expiring 27 May 2028 (36 months after issue) have been issued in settlement of a fee for services. The options have been valued using the Binomial model at $29,078. Volatility was based on the Company's closing share price for the last 3 years up to and including the valuation date.

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NOTE 33 – CONTINGENT LIABILITIES

The Company is subject to a regulatory enforcement matter relating to historical operational compliance with certain environmental regulations. A partial monetary penalty of $41,000 has been agreed and recognised in the accounts.

In addition, a suspended penalty component remains conditional on future compliance with specific regulatory requirements over a defined two-year period. The Company has engaged an external compliance consultant to monitor and support ongoing adherence to these requirements. Based on legal advice and the implementation of these compliance measures, the possibility of the suspended penalty becoming payable is considered remote.

Accordingly, no provision has been recognised for the suspended component due to its contingent nature and the Company's expectation of continued compliance.

The Company occasionally also receives claims arising from its operations in the normal course of business including contractual, interest-owner, partner, third-party and contractor claims. It is the opinion of the Directors that all such matters are either covered by insurance or, if not covered, are generally without merit or are of such a nature that the amount involved would not have a material impact on the Company's results.

With the exception of matters noted above, there are no other material contingent liabilities that exist at reporting date.

NOTE 34 – SUBSEQUENT EVENTS

The following matters or circumstances have arisen since the end of the financial year:

- On 11 August 2025, the Company announced it had received firm commitments to raise A$2,700,000 by way of a two-tranche placement to sophisticated and professional investors at an issue price of A$0.001 per share.
- On 12 August 2025, the Company announced it had secured 1,400 acres across two oil and gas leases in Oklahoma. The leases provide more than 30 potential vertical drilling locations targeting multiple stacked formations in a proven production area with established infrastructure and proximity to a local refinery. The Group intends to commence drilling permit applications immediately and deploy available funding to drill two initial wells within 60–90 days. These leases also create a platform to expand joint venture gas-to-power-bitcoin mining operations in Oklahoma, alongside traditional oil and gas production.
- On 20 August 2025, the Company announced it had placed 1,671,170,169 fully paid ordinary shares at an issue price of A$0.001 per share, raising A$1,671,170 (before costs). In addition, the placement of 1,028,829,831 fully paid ordinary shares at an issue price of A$0.001 per share is subject to shareholder approval at a General Meeting to be held in October 2025.
- On 11 September 2025, the Company announced the commencement of drilling operations on its Charlie #1 Well, the first of two planned vertical wells, located on recently secured lease holdings in Kay & Noble Counties, Oklahoma.
- On 18 September 2025, the Company announced that the Charlie #1 Vertical Well was spudded.

- On 24 September 2025, the Company announced that drilling on the Charlie #1 Well had reached the Target Depth of 4,725 feet, with multiple oil and gas shows recorded across the Mississippi Lime and Chat formations over a 290 foot interval.

There have been no other matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years

NOTE 35 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards have been issued but are not yet effective. The effective dates are listed to the right of the pronouncement. The standards, when applicable, will be applied in accordance with the effective date. The impact of the initial application of the Accounting Standard has not been determined as of the date of this report.

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments	1 January 2026
AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11	1 January 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027

AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

AASB 2024-2 makes amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments. The amendments relate to:

(a) Settling financial liabilities using an electronic payment systems;

(b) Assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features; and

(c) Disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2026 and will be first applied by the Group in the financial year commencing 1 July 2026.

AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11

AASB 2024-3 makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, AASB 7 Financial Instruments: Disclosures, AASB 9 Financial Instruments, AASB 10 Consolidated Financial Statements and AASB 107 Statement of Cash Flows.

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The main amendments relate to the improvement of consistency and understandability between various accounting standards and clarification regarding derecognition of a lease liability upon extinguishment.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2026 and will be first applied by the Group in the financial year commencing 1 July 2026.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements to improve how entities communicate in their financial statements, with a focus on information about financial performance in the profit or loss.

AASB 18 has also introduced changes to other accounting standards including AASB 108 Basis of Preparation of Financial Statements (previously titled Accounting Policies, Changes in Accounting Estimates and Errors), AASB 7 Financial Instruments: Disclosures, AASB 107 Statement of Cash Flows, AASB 133 Earnings Per Share and AASB 134 Interim Financial Reporting.

They key presentation and disclosure requirement are:

(a) the presentation of two newly defined subtotals in the statement or profit or loss, and the classification of income and expenses into operating, investing and financing categories – plus income taxes and discontinuing operations;

(b) the disclosure of management-defined performance measures; and

(c) enhanced requirements for grouping (aggregation and disaggregation) of information.

AASB 18 mandatorily applies to annual reporting periods commencing on or after 1 January 2027. It will be first applied by the Group in the financial year commencing 1 July 2027.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AXP Energy Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the company and its controlled entities (the "Group").

In accordance with subsection 295(3A) of the Corporations Act 2001, this consolidated entity disclosure statement provides information about each entity that was part of the Group at the end of the financial year.

Name of entity	Country of Incorporation	Equity Holding	Australian tax resident or foreign tax resident	Foreign tax jurisdiction
AXP Energy Limited	Australia	n/a	Australia	n/a
AusCo Petroleum Inc	USA	100%	Foreign	USA
AusCo Petroleum Florence, LLC	USA	100%	Foreign	USA
AXP Energy (US) LLC	USA	100%	Foreign	USA
AXP Energy, Inc	USA	100%	Foreign	USA
NGAS Gathering, LLC	USA	100%	Foreign	USA
Kentucky Exploration, LLC	USA	100%	Foreign	USA
AXP Energy (Oklahoma) LLC	USA	100%	Foreign	USA

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the Group, a partner in a partnership within the Group or a participant in a joint venture within the Group.

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DIRECTORS' DECLARATION

The directors declare that:

1. In the directors's opinion, the consolidated financial statements and accompanying notes, as set out on pages 23 to 70 are in accordance with the Corporations Act 2001 including:

   a) complying with Australian Accounting Standards and the Corporations Regulations 2001;

   (b) as stated in Note 1, the consolidated financial statements also comply with International Financial Reporting Standards; and

   b) giving a true and fair view of the financial position of the Group as at 30 June 2025 and of its performance for the year ended on that date.

2. In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Acts is true and correct.

3. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that the Company will be able to pay its debts as and when they become due and payable.

4. This declaration has been made after receiving the declarations by the Chief Executive Officer and Chief Financial Officer to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ending 30 June 2025.

This declaration is made in accordance with a resolution of the Board of Directors.



Samuel Jarvis
Non-executive Chairman

Dated 30 September 2025

INDEPENDENT AUDITOR'S REPORT

(overleaf)

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PITCHER PARTNERS

AXP ENERGY LIMITED
ABN 98 114 198 471

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AXP Energy Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's consolidated financial position as at 30 June 2025 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report for the year ended 30 June 2025 which indicates that the Group has incurred a loss for the year after tax of $3,913,642 (2024: $4,458,917). The Group incurred a net cash outflow from operating activities of $1,256,901 (2024: $2,550,423 cash outflow). Additionally, the Group had a working capital deficit of $661,318 (2024: $2,025,910 surplus). These conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Pitcher Partners BA&A Pty Ltd
An independent Western Australian Company ABN 76 601 361 095.
Level 11, 12-14 The Esplanade, Perth WA 6000
Registered Audit Company Number 467435.
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AXP ENERGY LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition Refer to Notes 1(c) and 5 to the financial report.	
For the year ended 30 June 2025, the Group had revenue of USD$587,794 from contracts with customers for its sale of oil and electricity from power generators. Revenue from the sale of electricity is recognised over time as power is delivered to the customer in accordance with the terms of the contract. The amount recognised reflects the electricity supplied during the reporting period. Performance bonuses are received based on the operational uptime of power generation equipment. This variable consideration is calculated monthly and recognised when performance conditions for the month are met, As such, the determination of revenue recognition requires management judgement in accounting for revenue, performance, obligations, discounts, incentives and rebates in accordance with the Group's identified performance obligations as part of the transaction, as required under *AASB 15 Revenue from contracts with customers* ("AASB 15").	Our procedures included, amongst others: Understanding and evaluating the design and implementation of the relevant controls associated with the treatment of revenue, including, but not limited to, those relating to identification of performance obligations, discounts, incentives and rebates. Reviewing significant contracts to understand their terms and conditions, including specified performance obligations included within and whether management's assessment for recognition of revenue under these contract terms is in accordance with AASB 15. Testing a sample of transactions for each stream of revenue, sighting evidence of collection for related invoices and comparing the revenue amount recognised to the timing of when the Group satisfies performance obligations associated with the transaction in accordance with AASB 15. Assessing the entitlement and recoverability for trade receivables, the basis of Management's approach for determining amounts that are deemed to be recoverable and corroborating key assumptions made. Considering the adequacy of the disclosures included within the financial report.

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AXP ENERGY LIMITED
ABN 98 114 198 471

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Asset Retirement Obligations

Refer to Notes 1(g) and 21 to the financial report.

As a result of the Group's interests in oil and gas properties in Colorado, the Group is jointly and severally liable to rehabilitate the environment disturbed by the historical operations. Rehabilitation activities are governed by a combination of legislative and licence requirements.

At 30 June 2025, the consolidated statement of financial position included a provision for such obligations of USD$202,647.

This was a key audit matter given the determination of this provision requires evaluating the key assumptions used by management and judgement in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, the timing of when the rehabilitation will take place and the economic assumptions such as the discount and inflation rates applied to future cash outflows associated with rehabilitation activities to bring them to their present value.

Our procedures included, amongst others:

Obtaining and reviewing the Group's assessment of its obligations to rehabilitate disturbed areas and the estimated future cost of that work, which forms the basis for the rehabilitation provision calculations for the Group's relevant oil and gas interests.

Evaluating and reviewing key assumptions including economic assumptions through the performance of the following procedures:

- Evaluating and assessing the qualifications and experience of the preparer as an expert in the field and the adopted future cost estimates for asset retirement obligations.
- Evaluating and assessing the discount rate and inflation rates applied to future cash outflows used in calculating the provision; and

Considering the adequacy of the disclosures included within the financial report.

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AXP ENERGY LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Carrying value of developing and producing assets Refer to Notes 1(g) and 16 to the financial report.	
As at 30 June 2025, the Group's statement of financial position included developing and producing assets, totalling USD$862,871. AASB 136 *Impairment of Assets* ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment. The carrying value of developing and producing assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying value may exceed its recoverable amount. At balance date, it was concluded that there were impairment indicators within the cash generating unit ("CGU"s) held by the Group. Accordingly an impairment expense of US$1,718,000 was recognised for the year ended 30 June 2025. The evaluation of the recoverable amount of the Group's cash generating units ('CGUs) requires significant Management judgement in determining the key assumptions and estimates, including but not limited to: ▪ growth rate assumptions; and ▪ discount factors supporting the expected future cash flows of the business and the utilisation of the relevant assets. Due to the significance to the Group's financial report and the level of Management judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter.	Our procedures included, amongst others: Obtaining an understanding of the design and implementation of the relevant controls associated with the preparation of the carrying value of developing and producing assets. Evaluating the Group's consideration of internal and external sources of information in assessing whether indicators of impairment or reversal of impairment existed. Comparing the carrying value as at 30 June 2025 to reports provided by management appointed experts in the current year, updated by management for units of production and forecast assumptions for the current year. Re-calculating the amortisation expense on a units of production basis and comparing inputs to the calculation to the reports provided by management's appointed experts. Considering the adequacy of the disclosures included within the financial report.

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TO THE MEMBERS OF
AXP ENERGY LIMITED

Capitalisation of exploration and evaluation expenditure Refer to Note 1(g) and 17 to the financial report.	
As at 30 June 2025, the Group held capitalised exploration and evaluation expenditure of USD$2,243,490. In accordance with AASB *6 Exploration for and Evaluation of Mineral Resources*, the Group is required to assess whether there are any triggers for impairment, or reversal of impairment. The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgements including but not limited to: • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with exploration and evaluation assets, we consider this is a key audit matter.	Our procedures included, amongst others: Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment, and reversal of impairment, indicators. Assessing and evaluating management's assessment of trigger events prepared in accordance with AASB 6 including: • Examining the Groups right to explore in the relevant area of interest, which included obtaining and reviewing supporting documentation on a sample basis and considering the status of the Group's licences as it relates to tenure. • Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant area of interest, including a review of management's budgeted expenditure; and • Understanding whether any data exists to suggest that the carrying value of the capitalised exploration and evaluation expenditure is unlikely to be recovered through development and sale. Considering the adequacy of the disclosures included within the financial report.

AXP ENERGY LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXP ENERGY LIMITED

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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AXP ENERGY LIMITED
ABN 98 114 198 471

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AXP ENERGY LIMITED

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 18 of the directors' report for the year ended 30 June 2025. In our opinion, the Remuneration Report of AXP Energy Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 30 September 2025

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ADDITIONAL INFORMATION REQUIRED BY ASX

Additional Information required by the ASX and not disclosed elsewhere in this report is set out below.

Shareholdings

a) Distribution of Shareholders as at 10 September 2025

CATEGORY	ORDINARY SHARES HOLDERS	TOTAL SHARES	% OF ISSUED CAPITAL
1- 100,000	1,125	42,931,064	0.51%
100,001 – 500,000	732	195,225,260	2.34%
500,001 – 1,000,000	255	208,371,979	2.49%
1.000,001 – 10,000,000	353	1,129,098,306	13.51%
10,000,001 and over	106	6,780,224,235	81.14%
TOTAL	**2,571**	**8,355,850,844**	**100.00%**

b) Unmarketable Parcels as of 10 September 2025:

There were 1,771 holders of unmarketable parcels (minimum parcel size: 500,000 shares) comprising 195,156,324 shares or 2.3356% of the total shares outstanding.

c) Substantial Shareholders

There is one substantial shareholder owning more than 5% of shares listed in the holding Group's register as at 10 September 2025.

NAME	FULLY PAID ORDINARY SHARES	PERCENTAGE HELD
CITICORP NOMINEES PTY LIMITED	835,875,496	10.003%

d) Voting Rights

Fully Paid Ordinary Shares:

Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

Options:

Options do not carry a right to vote.

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Twenty Largest Shareholders

The names of the 20 largest holders of fully paid ordinary shares constituting a class of quoted equity securities on the Australian Securities Exchange Limited, including the number and percentage held by those at 10 September 2025, are as follows:

NAME	FULLY PAID ORDINARY SHARES	PERCENTAGE HELD
CITICORP NOMINEES PTY LIMITED	835,875,496	10.003%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	417,346,832	4.995%
AZTAG PTY LTD <M L HARVEY NO 1 WILL A/C>	333,333,333	3.989%
SMH GENERATION FUTURE PTY LTD <M L HARVEY NO 2 WILL A/C>	333,333,333	3.989%
MR BRIAN LAURENCE EIBISCH	228,397,536	2.733%
WFC NOMINEES AUSTRALIA PTY LTD	216,462,777	2.591%
MR BRUCE KENRIC GLOVER CROSSLEY	210,000,000	2.513%
MR VICTOR LORUSSO	200,000,000	2.394%
MR JAMES OLIVIER	140,967,799	1.687%
H & C WELLBEING PTY LTD <H & C PROPERTY A/C>	130,000,000	1.556%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	125,134,353	1.498%
MRS HELEN KALAITZOGLOU	125,000,000	1.496%
CAPP SMSF PTY LIMITED <CAPP SUPER FUND A/C>	122,180,714	1.462%
CLAYMORE VENTURES LIMITED	110,000,000	1.316%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	106,455,264	1.274%
UBS NOMINEES PTY LTD	100,000,000	1.197%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	100,000,000	1.197%
RIYA INVESTMENTS PTY LTD	100,000,000	1.197%
MR SIMON WILLIAM TRITTON <INVESTMENT A/C>	89,699,836	1.073%
AYERS CAPITAL PTY LTD	85,000,000	1.017%
TOTAL	**4,109,187,273**	**49.177%**

Unquoted Securities

Options over Unissued Shares – Exercisable on payment of A$0.003 on or before 27 May 2028. The names of holders of these options, the number and percentage held is as follows:

NAME	UNLISTED OPTIONS HELD	PERCENTAGE HELD
COVE STREET ADVISORS PTY LTD	15,000,000	33.333%
MR SIMON WILLIAM TRITTON	15,000,000	33.333%
MX NOMINEES PTY LTD	15,000,000	33.333%
TOTAL	**45,000,000**	**100.000%**

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Tenement Schedule

The following table is a summary of the Group's tenements by operating segment:

OPERATING SEGMENT	30 JUNE 2024		30 JUNE 2025		YEAR ON YEAR CHANGE
	NRI [%]	NET ACREAGE	NRI [%]	NET ACREAGE	
Denver-Julesburg Basin					
Colorado	76	12,902	76	5,835	-55%
TOTAL		12,902		5,835	-55%

The year-on-year acreage changes were as a result of the following:

The Company's assets include acreage in the Florence Field of Fremont County, Colorado, totalling approximately 5,835 acres, which are held by production. The Company previously leased additional undeveloped acreage in the area. The Company did not pursue an extension of a sub-lease previously held by the Company, resulting in a reduction in net acreage and affecting the Contingent Resources position (see below).

A detailed breakdown of the above summary table is provided on the Company's website, www.axpenergy.com, under the Tenements section.

Annual Reserves Statement

The tables overleaf summarise AXP's reserve and contingent resources ('*R&R*') estimate as at 1 July 2025 (the 'Evaluation Date'). The percentage changes noted in the first table have been calculated from 1 July 2024.

All figures are *net* to the Company.

RESERVE & RESOURCE CATEGORY AS AT 1 JULY 2025	OIL [MBBL(1)]	GAS [MMCF(2)]	TOTAL [MBOE(3)]	% CHANGE(4)
Proved Developed Producing (PDP)	36	-	36	-44%
Proved Developed Non-Producing (PDNP)	7	201	40	-
Proved Undeveloped (PUD)	-	-	-	-
Proved Reserves (1P)	**43**	**201**	**76**	19%
Probable Reserves	-	-	-	-
Proved + Probable Reserves (2P)	**43**	**201**	**76**	19%
Contingent Resource (2C)	**26,170**	**260,110**	**69,480**	-66%

(1) MBBL means one thousand barrels of oil;
(2) MMCF means one million standard cubic feet of natural gas;
(3) MBOE means one thousand barrels of oil equivalent;
(4) The percentage changes noted above are calculated based on the change from 1 July 2024.

AXP's reserves and contingent resources as at 1 July 2024 were as follows:

RESERVE & RESOURCE CATEGORY AS AT 1 JULY 2024	OIL [MBBL]	GAS [MMCF]	TOTAL [MBOE]
Proved Developed Producing (PDP)	64	-	64
Proved Developed Non- Producing (PDNP)	-	-	-
Proved Undeveloped (PUD)	-	-	-
Proved Reserves (1P)	**64**	**-**	**64**
Probable Reserves	-	-	-
Proved + Probable Reserves (2P)	**64**	**-**	**64**
Contingent Resource (2C)	**78,018**	**743,764**	**201,937**

There has been a 44% decrease in the Proved Developed Producing (PDP) reserves category to 36 MBOE at the Evaluation Date due to lower oil prices, higher costs, and allowing for oil production and sales during the year. However, total Proved Reserves (1P) have increased by 19%, up from 64 MBOE in 2024 to 76 MBOE. This is due to the addition of 40 MBOE in the Proved Developed Non-Producing (PDNP) category, where such addition is due to the addition of Proved Developed gas reserves which have increased to 201 MMCF (2024: nil). The addition of the Pathfinder 2 and JW Powell wells to Proved Developed Non-Producing (PDNP) category has resulted in the increase in the total Proved Reserves (1P category).

Conversely, there has been a marked decrease in the Company's Contingent Resources (2C category), down from 201,937 MBOE in 2024 to 69,480 MBOE at the Evaluation Date, an 66% decrease. This reduction is as a result of the Company's decision not to pursue an extension of a sub-lease previously held by the Company in Colorado. Whilst said acreage currently remains available for lease under revised terms, the Company will now assess this against pursuing additional acreage in Oklahoma.

The above totals represent an aggregation of the assessed Reserves for the Company's producing area.

Refer to the separate ASX Reserves & Contingent Resources Update announcement for more information.

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Competent Persons Statement

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the above R&R assessment is based on and fairly represents information and supporting documentation prepared by Ms. Letha Lencioni, Consulting Engineer at Double L Engineering, LLC.

Ms. Lencioni is a registered professional engineer in the states of Colorado (#29506) and Wyoming (#8493) and a member of the Society of Petroleum Evaluation Engineers. Ms. Lencioni holds a Bachelor of Science Degree in Petroleum Engineering from the University of Tulsa and has over 40 years' experience in the conduct of evaluation and engineering studies relating to oil and gas fields, including estimating quantities of reserves and resources.

Other than the information provided above, the Company confirms that it is not aware of any new information or data that materially affects the R&R assessment provided above. All material assumptions and technical parameters utilised in carrying out the assessment continue to apply and have not materially changed.

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DIRECTORS

Mr Samuel Jarvis	Non-Executive Chairman
Mr Daniel Lanskey	Managing Director and Chief Executive Officer
Mr Stuart Middleton	Non-Executive Director
Mr James Dack OAM	Non-Executive Director

COMPANY SECRETARY

Mr Robert Lees

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATIVE OFFICE

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Level 7
60 Pitt Street
Sydney, NSW 2000, Australia
Phone: +61 2 9290 9580

USA OFFICE

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Florence, CO, 81226, USA
Phone +1 719 784 7616

AUSTRALIAN SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange. The home exchange is Sydney. ASX Codes (Fully Paid Ordinary Shares): AXP

WEBSITE

The Company's website is www.axpenergy.com

ABN

The Company's Australian Business Number is 98 114 198 471

SHARE REGISTRY

Boardroom Pty Limited
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