



ASX ANNOUNCEMENT

6 NOVEMBER 2024

SIGNS FIRST DATA CENTRE CUSTOMER FOR GAS-TO-POWER SUPPLY

HIGHLIGHTS

- Binding Joint Development Agreement signed with US-headquartered Blackhart Technologies Limited, for the sale of gas-to-power to be utilised in data centre operations at the 100%-owned Pathfinder Field in Colorado utilising AXP's natural gas.
- Blackhart Technologies has successfully supported the development of several projects converting stranded natural gas into electricity to power data centres at sites throughout the United States.
- First two modular data centres scheduled to be operating this month with data processing equipment and associated infrastructure being transported to site this week. AXP will generate revenue from gas-to-power supply, infrastructure maintenance and power uptime bonuses.
- The first site will use gas from the Pathfinder #2 and Amerigo Vespucci wells which are connected to generators located at the Pathfinder #2 well pad.
- Based on the success of the first site, two additional operations are proposed to be established at the JW Powell well and the Kelce Court well, which will be a collection point for gas sourced from a number of gas-only vertical wells which are currently shut in.
- AXP has two generators on site to commence operations, with additional generators in the process of being sourced for future expansion.
- These data centre operations support AXP's previously stated objective to repurpose stranded gas from the Pathfinder Field to power modular data centres, operated by third parties targeting High Performance Computing (HPC) including AI, rendering and other high processor intensive operations.

AXP Energy Limited (ASX: AXP, OTC US: AUNXF), ('AXP', 'Company') has executed a binding Joint Development Agreement ('JDA') with US-based Blackhart Technologies Limited, ('Blackhart') where AXP will sell gas to Blackhart for use in modular data centres connected to off-grid power generation infrastructure at AXP's 100%-owned Pathfinder Field in Colorado. The underlying power source is the large volumes of stranded natural gas located within this field which currently houses 24 ready-to-connect oil & gas wells.

Headquartered in Colorado, Blackhart undertakes stranded natural gas conversion into electricity and uses this energy to power data centres, offering a sustainable alternative to conventional, energy-intensive data centre facilities. Blackhart has a track record of success developing similar operations with established projects throughout the United States.

For personal use only

Under the JDA, Blackhart plans to develop multiple sites across the Pathfinder Field, connecting AXP's stranded gas to its generators and Blackhart's modular data centres. Blackhart has procured data processing equipment and its own containers for the first site, to be located at the Pathfinder #2 well with two modular data centres expected to be operating this month.

Two more sites are planned in the near-term at the JD Powell well and the Kelce Court well with the development of these sites dependent on the success of the first project. A map overleaf outlines the locations of the three sites.

AXP will supply all natural gas, power generation equipment and electricity for the site's planned data processing operations, in addition to providing installation, commissioning, maintenance and equipment servicing support. AXP may also supply suitable infrastructure such as containers for use in data processing operations.

Blackhart will provide all data processing equipment and, at its election, provide the data processing containers to support site operations. Blackhart will also undertake installation, commissioning, maintenance and servicing of all data processing equipment.

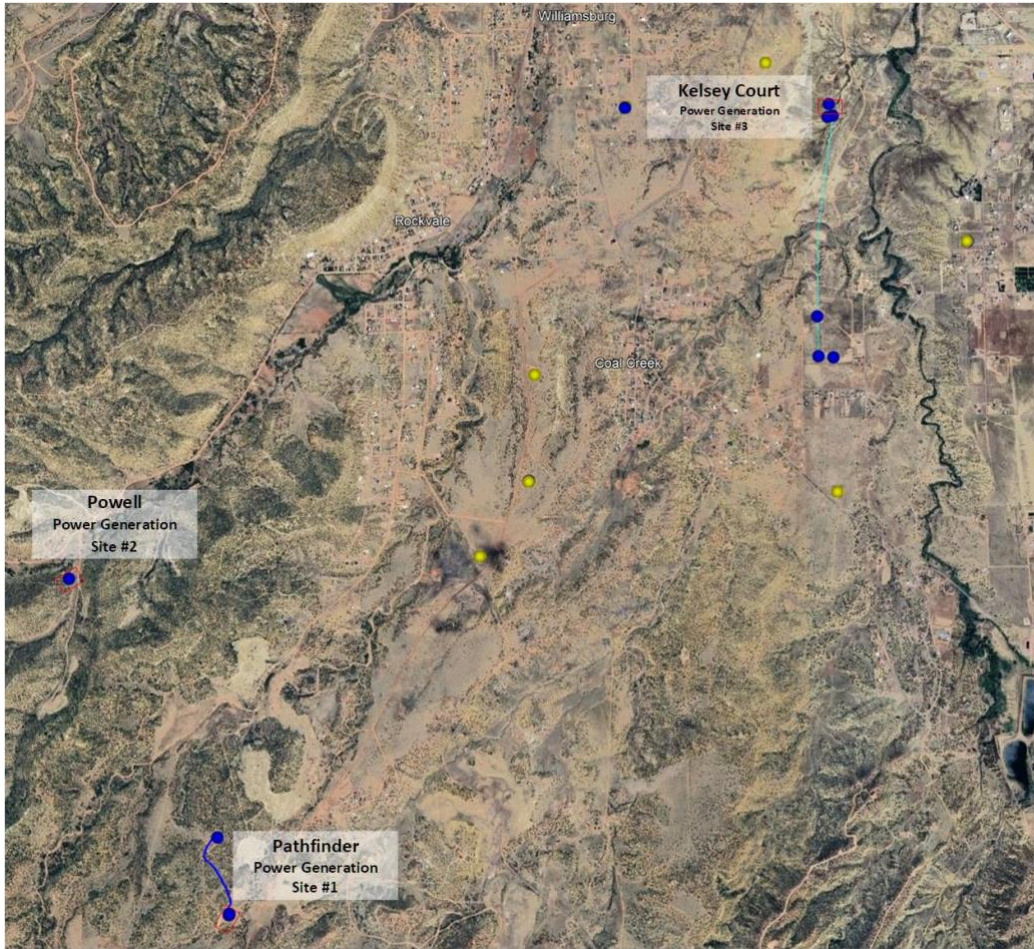
JDA terms include an initial three-year term with automatic renewal for subsequent one-year terms, with Blackhart having first right of refusal on any subsequent expansion of data processing operations on the Pathfinder Field. AXP will report on progress to the first data centre going live and on revenue from the operation once the first data centre has been operating for 30 days.

Comment

US-based CEO Tim Hart commented: "AXP has been engaged with Blackhart for several months to determine how we can supply gas to Blackhart to monetise Pathfinder's large untapped gas resources into a viable gas-to-power operation and establish the project as a reliable source of electricity for data centres. The execution of this JDA represents the culmination of this engagement. Blackhart is now deploying equipment to site so the first two modular data centres are operational later this month. We will then look to expand to other sites once reliability is demonstrated with the first two modules at Pathfinder #2."

Non-Executive Chairman Sam Jarvis added: "AXP was attracted to Blackhart's value proposition as they have a track record of success establishing similar sites and they share our vision for building out gas-to-power operations at Pathfinder as an energy source for data centres. Our current focus is making this first site a success as it provides the basis for progressive and rapid scale up."

AXP confirms that operations are now underway at site so connection of the first two data centres can occur as soon as possible. The Company is also undertaking some well-work to increase natural gas supply for future operations. An update on this field work along with progress on the first deployment will be provided shortly.



AXP'S PROPOSED COLORADO POWER GENERATION SITES

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

FURTHER INFORMATION

Sam Jarvis, Non-Executive Chairman: 0418 165 686

For US-based inquiries please contact Tim Hart Chief Executive Officer: +1 (303) 999-5420

Released through: Ben Jarvis, Six Degrees Investor Relations: 0413 150 448 ben.jarvis@sdir.com.au

ABOUT AXP ENERGY LIMITED

AXP ENERGY Limited (ASX: AXP, OTC: AUNXF) is an oil & gas production and development company with core operations in Colorado. AXP is focused on repurposing stranded gas at its 100%-owned Pathfinder Field for power generation and plans to sell this power to data centre operators and owners focused on High Performance Computing (HPC) including AI, rendering and other high processor intensive operations. It has secured its first customer with Blackhart Technologies LLC. AXP has 24 operating oil & gas wells at its Pathfinder Field.

DISCLAIMER

This announcement contains or may contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements." Forward looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through the use of words such as "expects", "will," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Hydrocarbon production rates fluctuate over time due to reservoir pressures, depletion, down time for maintenance and other factors. The Company does not represent that quoted hydrocarbon production rates will continue indefinitely.