

STONEHORSE ENERGY RAISES A\$5.0M TO ACQUIRE A WORKING INTEREST IN HORIZONTAL OIL AND GAS WELL LOCATED IN OKLAHOMA, USA.

- **Successful Share Placement raising \$5.0 million (before costs) at \$0.02 per share.**
- **Strong support from new sophisticated investors.**
- **Proceeds to be used to fund the acquisition of a working interest in the proposed high impact Jewell Well located in Carter County, Oklahoma, USA.**

10 February 2021 - Perth Western Australia - Stonehorse Energy Limited (**ASX: SHE**) (the **Company**) is pleased to announce that it has successfully raised A\$5.0m (before costs) through a share placement at \$0.02 per share. (**Placement**).

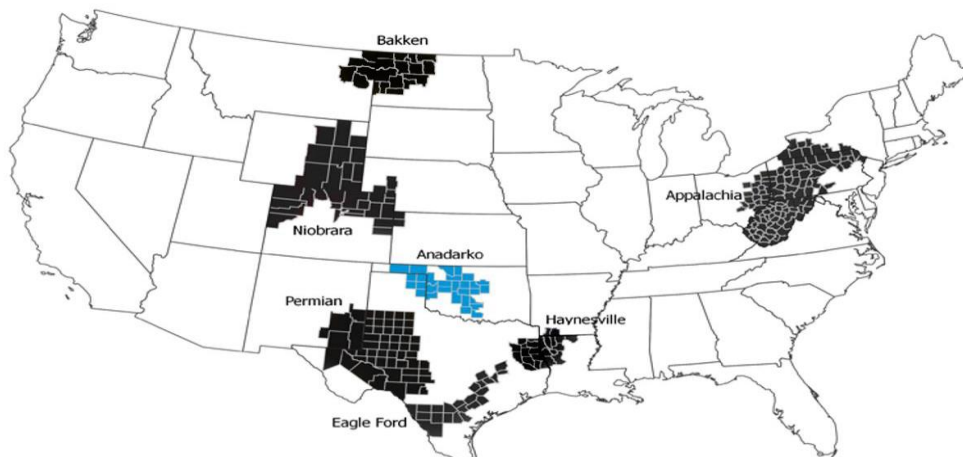
The Placement was strongly supported by the sophisticated investors in Australia. The new shares to be issued under the Placement will rank equally with existing shares in the Company. Investors will receive 1 Option for every 2 Placement Shares subscribed with a strike price of \$0.04, expiring 2 years from the issue date.

Use of Funds

Monies raised through the Placement will be used to acquire a working interest in the proposed Jewell Well, a horizontal oil and gas well to be drilled and completed in Carter County, Oklahoma, USA. Work is expected to commence immediately including building of the location and engagement of drilling contractors. Updates of progress is planned to be provided to the market throughout the drilling and completion phase through to initial production and first sales.

About the Jewell Well

The Jewell Well location is situated in Carter County, Oklahoma and sits within the Anadarko Basin which covers approximately 181,000 kms², has been producing since the 1950's with over 4,000 horizontal wells completed resulting in the production of almost 50 billion barrels of oil equivalent (boe).



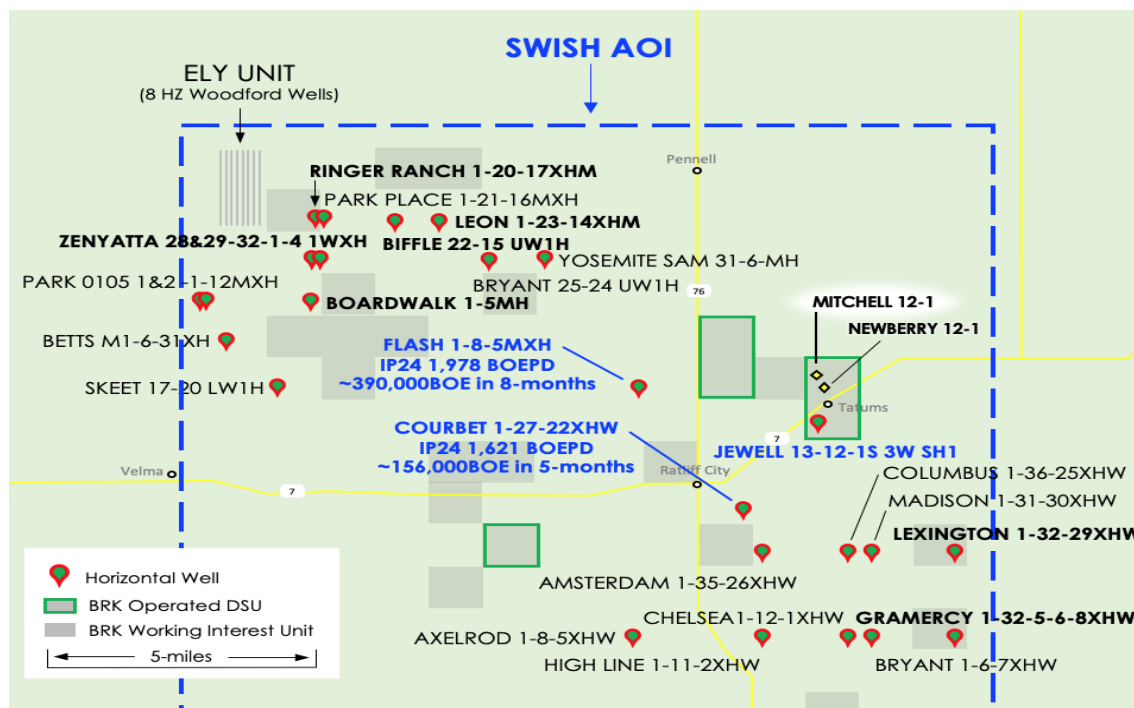


Figure 1. Activity map with location of the Jewell Well and production from r recently drilled wells in the area.

Details of Placement

The Placement of the of fully paid ordinary shares to sophisticated investors in Australia raised a total of A\$5.0 million.

The Placement comprised an offer of 250m Shares at an issue price of \$0.02 per Shares. The issue price represents a discount of 17% to the 10 Day VWAP and a 10% discount to the last traded price before the trading halt on 7 February 2021.

The Placement will occur in two tranches. Tranche one will consist of 100,156,190 Shares of which 60,093,715 will be issued under the Company's placement capacity under ASX Listing Rule 7.1 and 40,062,475 will be issued under the Company's placement capacity under ASX Listing Rule 7.1A. Tranche two will consist of 149,843,810 Shares and will be issued subject to Shareholder approval.

Investors will receive 1 Option for every 2 Placement Shares subscribed with a strike price of \$0.04, expiring 2 years from the issue date. The Options will be issued subject to Shareholder approval and will not be listed.



Everblu Capital Pty Ltd (AFSL 499 601/ABN 23 612 793 683) was engaged by the company as Broker and Lead Manager to the Placement¹.

This announcement is authorised by the board of Directors.

Jay Stephenson
Company Secretary

1. EverBlu and or its Nominee will receive a placement fee of 6% + GST for the funds raised. 5 million Broker shares (Escrowed for 6 months from issue date and 1 Broker Option for every 2 placement shares issued (on the same terms as the Placement Options).