

24 August 2023

BLACK MOUNTAIN ENERGY SELLS HALF MOON PROSPECT FOR \$10.7m AUD

Transaction Highlights:

- US\$5,430,390 for the Company’s acreage position + a return of \$US1,442,914 for the Manzano MIA 64 FEE 2H well totalling \$US6,873,308 or approximately \$10.7m AUD.
- Return of approximately 100% realised over a period of 8 months.
- BME will retain its interest in the 8 Morrow proved & developed wells.

Black Mountain Energy Ltd (the Company; ASX: BME) is pleased to announce that its wholly owned subsidiary, Seven Rivers Operating LLC, has executed a binding sale and purchase agreement with Tap Rock Resources III, LLC (**Purchaser**) to sell 100% of its acreage and its title and interest in the MIA 64 FEE 2H well in the Permian basin, **for USD\$6,873,308 or approximately A\$10.7m.**

On 25 January 2023, BME announced the acquisition the Half Prospect for \$2m USD. **In less than 8 months**, the Company quickly progressed its technical understanding, participated in the drilling of a first appraisal well into the 3rd Bone Spring interval (estimated cost of approximately \$1.4m USD) and has now realized a strong cash offer of US\$6,873,308 or around A\$10.7m before tax.

Commenting on this announcement, Executive Chairman Rhett Bennett, said:

“A return on investment of 100% in less than 8 months is both a tremendously quick and strong outcome for the Company. Funds will be used to progress the Company’s flagship project in the Canning Basin, which has the potential to be an incredibly large resource. Progressing Project Valhalla as swiftly as possible is our focus.”



Figure 1: Location of Half Moon Prospect

The sale is subject to normal sale conditions including completion of a 30-day due diligence period by the Purchaser. The sale price will be adjusted for any net movement in acreage and revenue received during the due diligence period.

The Purchaser has also agreed to a 10% break fee in the event of a breach of agreement terms.

The sale of the Half Moon prospect releases the Company of future appraisal risks and funding demands for additional wells as well as providing the immediate cash resources required to focus on the development of its core asset in Western Australia, Project Valhalla.

The Company will continue to seek new investment opportunities that will provide the ability to realize significant returns for shareholders.

For more information, please contact:

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This announcement has been authorized for release by the Board of Black Mountain Energy Ltd.

ABOUT BLACK MOUNTAIN ENERGY

Black Mountain Energy Ltd (ASX: BME) is focused on sustainable development of oil and gas projects onshore Australia and the USA, led by a team of highly experienced upstream oil and gas professionals.

The Black Mountain Group is a major shareholder of BME, specializing in identifying and capturing high-growth opportunities in the global energy sector.

ABOUT TAP ROCK RESOURCES

Tap Rock Resources LLC is a private equity backed oil and gas company, focused on acquisition, exploration, and development of energy assets in the Permian basin, USA.