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Directors

Rob Gardener, Executive Chairman

David Deloub, Executive Director

Jay Stephenson, Non-Executive Director
& Company Secretary

Issued Capital (ASX: SHE)

684.4m Ordinary Shares

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Investor Hub

Visit the Investor Hub here:
<https://investorhub.stonehorseenergy.com/welcome>



QUARTERLY ACTIVITIES REPORT

FOR THE THREE MONTHS ENDING 31 MARCH 2024

Perth, Western Australia – 30th April 2024 – Oil and gas producer, Stonehorse Energy Limited (**ASX:SHE**) (**Stonehorse** or the **Company**) is pleased to present this Quarterly Report for the quarter ended 31st March 2024.

OPERATIONAL HIGHLIGHTS

- **Caroline well average production performed at an impressive 1,375 BOE (sales) per day for the Quarter.**
- **Caroline well produced over 200,000 BOE (sales) in the first 165 days of production.**
- **Currently producing at ~385 BOE per day of net sales production to Stonehorse (26.25% working interest).**
- **The Gryphon Wapiti well production was successfully brought online to a permanent facility January 1, 2024.**
- **The well has Produced over 23,500 BOE (raw) in the first 90 days of raw production on natural flow with current IP 90 average production: 261 boepd (raw).**
- **Stonehorse's portfolio of working interests in oil and gas wells generated approximately 45,788 BOE for the quarter, with the Canadian assets contributing 36,688 BOE or 80% of portfolio production.**

Stonehorse Executive Director David Deloub commented:

"This has been an impressive first quarter 2024 for Stonehorse, with the Certus Caroline well produced well over 125,000 BOE for the quarter. Whilst the Wapiti well has a lower than expected oil cut, the well never-the-less, is making a meaningful contribution to the overall production performance and provides valuable intel on the region and prospectivity".

CANADIAN ASSETS

During the Quarter, **Stonehorse's Caroline Hz well**, located in Central Alberta, Canada, produced over 125,000 BOE (raw sales). Current production rate is an impressive 1,475 BOE per day of sales, equating to ~385 BOE per day for Stonehorse's net 26.25% working interest.

The well continued to impress and compliment the Stonehorse portfolio with strong production performance to date. More than half of the total product stream is condensate and natural gas liquids, which provide favourable returns at current commodity prices.



Figure 1. Caroline Liquids Rich Gas Well Site

An increase in the facility capacity, as well as the removal of a down hole choke in February 2024 resulted in the ~30% increase in daily production rates.

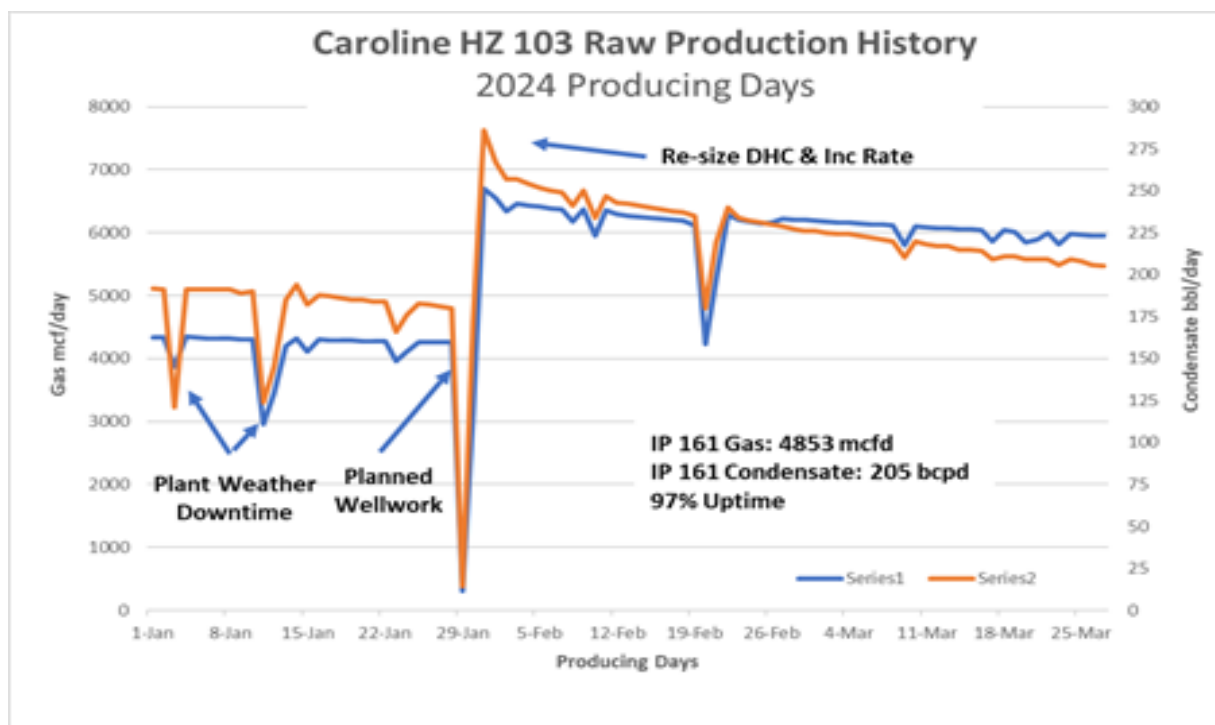


Figure 2. Caroline 01-27 Well production history for 2024



During the quarter, Stonehorse was pleased to announce the successful well test, construction, and tie-in of the **Gryphon Wapiti well**, located in West-Central Alberta, Canada. The project was completed on time, with no accidents or incidents. The well was brought online January 1st, 2024 and has an IP 90 of 261 BOEPD (raw) generating ~49 BOEPD (raw) for Stonehorse's 18.75% net working interest.

Late in 2023 Stonehorse successfully completed well flow-back and test with first oil within the forecasted timeline. Well equip, battery construction and tie-in were finalised prior to end of 2023 (Figure 3). The well was then brought online to a permanent facility on 1 January 2024, with early production indicating light oil, which was then trucked to terminal, and associated gas was gathered and processed at a regional third-party gas plant.



Figure 3. Fracture spread on location at Gryphon Wapiti 16-02-65-08 well in North-Western Alberta, Canada.

The well as produced over 23,000 BOE (raw) in the first 90 days of production on natural flow, with an IP 90 average production +261 boepd (Figure 4). Stonehorse is looking into well production optimisation, with contingency for a potential plunger lift installation.

Stonehorse holds a 25% Capital Investment in the Wapiti well for 18.25% net working interest, with three sections of land earned with 18.25% working interest.

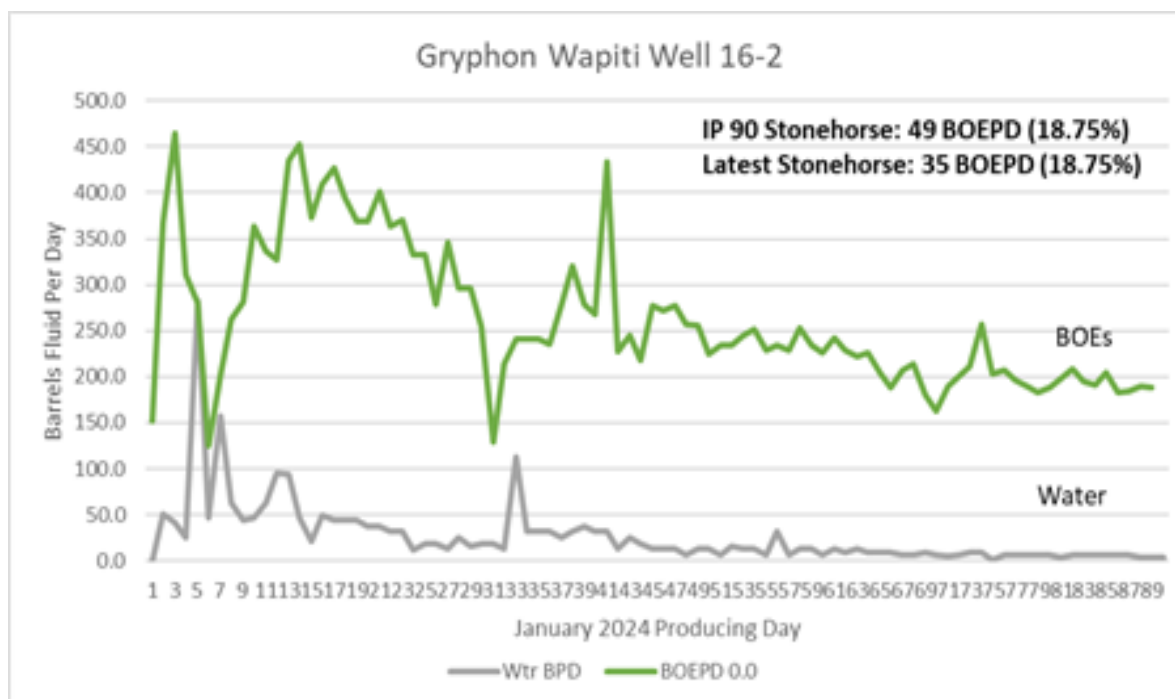


Figure 4. Wapiti 16-12 Well Production History for 2024

US ASSETS

The current oil and gas well portfolio consisting of 11 operating wells in North America continues to perform strongly delivering seasoned production. Total net operating revenues have been impacted by softer gas prices in North America.

AUSTRALIAN ASSETS

Myall Creek-2 (Surat Basin, QLD)

Despite delays due to Armour's being placed into administration and subsequent restructure (Armour has now been acquired by ADZ a privately held company) the agreed intention of the joint venture parties is to progress and complete the planned frac stimulation and realise production revenue and ultimately a return on the Myall Creek 2 investment during the course of 2024.



CURRENT PORTFOLIO OF OIL AND GAS WELL ASSETS

The Company currently has non-operated working interests in 14 wells including the 2 new wells located in Alberta, Canada.

Well Name	Reference Number	Working Interest	County, State	Operator
Stonehorse US				
Burgess	28-1	96.81%	Ellis, OK	Black Mesa Energy
Sutton	2H-52	25.00%	Hansford, TX	Strat Land Exploration
Bullard	1-18-07UWH	15.60%	Gravin, OK	Rimrock Resources
Henry Federal	1-8-5XH	2.30%	Blaine, OK	Continental Resources
Randolph	1-34-27XHM	0.21%	Blaine, OK	Continental Resources
Randolph	3-34-27XHM	0.21%	Blaine, OK	Continental Resources
Randolph	4-34-27XHM	0.21%	Blaine, OK	Continental Resources
Jewell	1-13-12SXH	41.50%	Carter, OK	Black Mesa Energy
Newberry	12-1	21.70%	Carter, OK	Black Mesa Energy
Mitchell	12-1	50.00%	Carter, OK	Black Mesa Energy
Thelma	1-32	50.00%	Murray, OK	Black Mesa Energy
Stonehorse Canada				
Caroline	1-27-33	26.25%	Sundry, AB	Pine Cliff
Wapiti	16-02-65-08	18.75%	Wapiti, AB	Gryphon
Stonehorse Australia				
Myall Creek	Myall Creek-2	25.00%	Surat Basin, Qld	Armour Energy

Table 1. Current Portfolio of North American and Australian well bore interests.

SUBSEQUENT EVENTS

No events to report subsequent to the end of Q3 2024.



CORPORATE

The Stonehorse Energy Investor Hub offers a specialized platform where investors can explore detailed information about the company and stay updated on our recent activities as we enter a period of expected growth. To learn more, visit the Investor Hub at <https://investorhub.stonehorseenergy.com/welcome>.

Operating Results

The Company realised revenue of \$1.276m from continuing operations for the 9 months to 31 March 2024.

Financial Position

As at 31 March 2024, the Company had a balance of cash at bank of \$5.656m and additional liquid assets in the form of tradable securities worth \$630k.

ASX Additional Information

1. **ASX Listing Rule 5.2.1 and 5.4.2** – Oil and gas production and development and investment activity expenditure during the quarter was \$224,000. Full details of the activity during the quarter are set out in this report.
2. **ASX Listing Rule 5.2.2 and 5.4.1** – Exploration activity investment and operating expenditure for the quarter was \$72,000.
3. **ASX Listing Rule 5.4.5** – Payments to related parties of the Company during the quarter and outlined in the Appendix 5B include \$53,637 for Director Fees.

This announcement is released on authority of the Board.

- ENDS -

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Forward-Looking Statements and Other Disclaimers

This announcement may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Stonehorse Energy Limited ("Stonehorse Energy" or "the Company"). These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Stonehorse Energy does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based. This announcement does not constitute investment advice. Neither this



announcement nor the information contained in it constitutes an offer, invitation, solicitation, or recommendation in relation to the purchase or sale of shares in any jurisdiction. Shareholders should not rely on this announcement. This announcement does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. The information set out in this announcement does not purport to be all-inclusive or to contain all the information, which its recipients may require to make an informed assessment of Stonehorse Energy. You should conduct your own investigations and perform your own analysis to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this announcement. To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this announcement arising out of negligence or otherwise is accepted.

Glossary

D&C	Drill and Complete
BCF	Billion cubic feet.
BOE	Barrels of Oil Equivalent
DSU	Development unit or Drilling Spacing Unit (DSU) is the geographical area in which an initial oil and or gas well is drilled and produced from the geological formation listed in the spacing order. The spacing unit combines all interest owners for the purpose of sharing in production from oil and or gas wells in the unit. A spacing order establishes the size of the unit, divides the ownership of the unit into the "royalty interest" and "working interest".
E&P	Exploration and Production
EUR	Ultimate Economic Recovery
NWI	Net Working Interest
NGL	Natural Gas Liquids
Mcfd	1,000 cubic feet (of gas) per day
MMcfd	1,000,000 cubic feet (of gas) per day
Mboe	1,000 barrels of oil equivalent
MMboe	1,000,000 barrels of oil equivalent
NWI	Net Working Interest – Working interest net of promote, overrides and royalties.
O&G	Oil and Gas
WI	Working Interest - Percentage of ownership in a lease granting its owner the right to explore, drill and produce oil and gas from a tract of property. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating a well or unit
Spud	Commencement of drilling the well.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Stonehorse Energy Limited

ABN

13 086 972 429

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	628	1,276
1.2	Payments for		
	(a) exploration & evaluation	-	6
	(b) development	-	-
	(c) production	(224)	(714)
	(d) staff costs	(53)	(170)
	(e) administration and corporate costs	(128)	(443)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	56	126
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other	-	(10)
1.9	Net cash from / (used in) operating activities	279	71

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (well rework / development cost)	(72)	(5,236)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements / working interests	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(72)	(5,236)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,423	10,738
4.2	Net cash from / (used in) operating activities (item 1.9 above)	279	71
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(5,236)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	26	83
4.6	Cash and cash equivalents at end of period	5,656	5,656

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,635	5,403
5.2	Call deposits	21	20
5.3	Bank overdrafts	-	-
5.4	Other (High Interest Account)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,656	5,423

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	53
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Section 6.1:

- \$53,637 for the payment of current quarter Director fees to Mr Gardner, Mr Deloub and Mr Stephenson.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	-	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	279
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(72)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	207
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,656
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,656
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	27.32
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 April 2024.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.