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Issued Capital (ASX: SHE)

684.4m Ordinary Shares

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Investor Hub

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SCAN ME

Canadian Operations Update

The Caroline Hz well 103 produces over 80,000 BOE in first 90 days of production.

Gryphon Wapiti Hz well 16-2 successfully tied in and commenced production January 1, 2024.

Perth, Western Australia – 15th January 2024 – Stonehorse Energy Limited (ASX: SHE) is pleased to announce the Caroline well's IP 90 average production at an impressive 1,085 BOE per day of sales, equating to 285 BOE per day for Stonehorse's net 26.25% working interest.

The Company is also pleased to announce the successful completion, tie in and first production on the Gryphon, Wapiti well.

Key Highlights:

Caroline 01-27-33-05 well production performance:

- *Produced over 80,000 BOE (Raw Sales) in the first 90 days of production.*
- *Operational Uptime of >97%.*
- *Current daily production summary January 15th, 2024 (estimated sales):*
 - ❖ Gas vol: 3,200 mcf/day
 - ❖ Condensate. vol: 190 bbl/day
 - ❖ NGL vol: 370 bbl/day
 - ❖ Water: Now less than 35 bbl/day and continuing to clean up.
 - ❖ BOE 8/8ths: 1090 BOED
 - ❖ **SHE BOE net equivalent (26.25%): 286 BOED**

- *The well continues impress and compliment our portfolio with strong production performance to date. More than half the production stream is condensate and natural gas liquids that provide favourable returns at current commodity prices.*
- *The well rate remains restricted ("choked back") due to facility and gathering system restraints beyond the Company's control.*



Figure 1. Caroline Liquids Rich Gas Well Site

Wapiti 16-02-65-08 well test, construction and tie-in completed:

- *Successful well flow-back and test with first oil as forecasted - December 8, 2024.*
- *Completed well equip, battery construction and tie-in prior to year-end.*
- *Project completed on time and budget with no accidents or incidents.*
- *The well production was brought online to a permanent facility January 1, 2024.*
- *Early production indicates light oil and performing as expected.*
- *Light oil is being trucked to terminal and associated gas in being gathered and processed at regional third-party gas plant.*
- *25% Capital Investment in well for 18.25% net working interest.*
- *Three sections of land earned with 18.25% working interest.*



Figure 2. Wapiti Light Oil Well Equip and Tie-in

Stonehorse Executive Director David Deloub commented:

“We are very pleased with the performance of our two Western Canadian wells.

The Caroline well continues to deliver material production volumes and revenue for the Company. The performance of the well to date confirms additional development opportunities in the area.

The Wapiti well adds high value light oil production to the Company's portfolio. Early production is encouraging, and we will provide more information following additional producing history.

With our successful start to the year and additional opportunities coming forward we see 2024 as being a transformational period for the Company”.

About Stonehorse Energy

Stonehorse Energy Limited (ASX:SHE) is an Australian based E&P company with a focus on onshore oil and gas in North America. The overall objective of the Company is to implement its strategy of building a portfolio of high quality well bore assets with Working Interest (WI) percentages reflecting risk appetite and capital availability.

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Glossary

D&C	Drill and Complete
BCF	Billion cubic feet.
BOE	Barrels of Oil Equivalent
BOED	Barrels of Oil Equivalent per day
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.