



STONEHORSE
ENERGY

**DIRECT INVESTMENT
IN OIL AND GAS
PRODUCTION**

OCTOBER 2022

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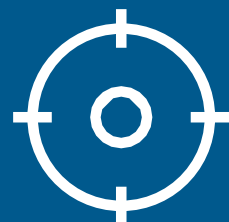


WHO | WHAT | WHY | HOW

WHO | WE ARE



Energy asset investment company listed on the ASX (SHE).



Shareholders are predominately high net worth (HNW) looking for cash accretive investments that deliver a strong return.



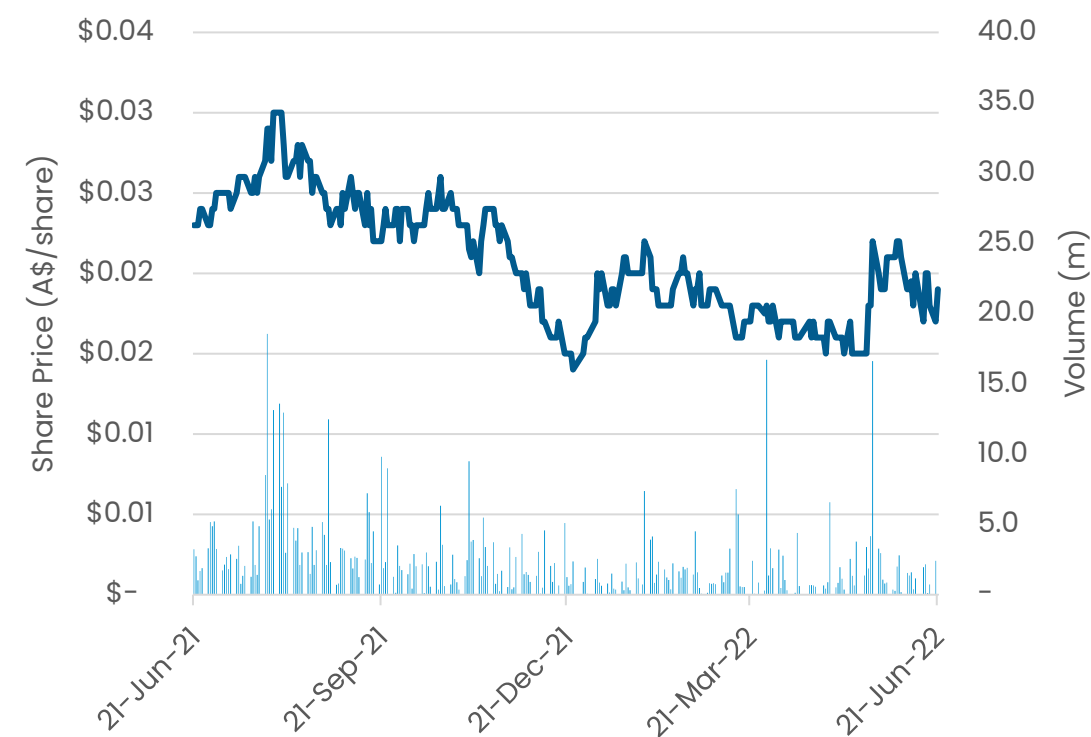
Fiscally conservative with no debt and low operating and corporate overheads.



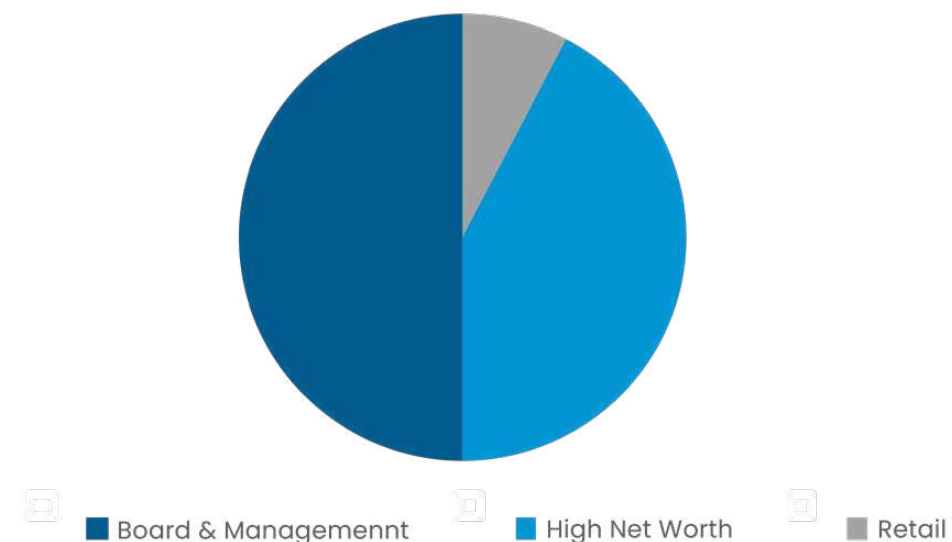
Focus investments in geopolitically stable regions. Partner with highly experienced local technical teams and asset operators.

WHO | AUSTRALIAN ASX LISTED OIL AND GAS INVESTMENT COMPANY

SHARE PRICE PERFORMANCE



SHAREHOLDERS



CAPITAL STRUCTURE

SHE
ASX CODE

\$9.5M
CASH & EQUIVALENTS
(31 MARCH 2022)

\$15.1M
MARKET CAP
(AT \$0.22 PER SHARE)

684.4M
SHARES ON ISSUE

283.8M
UNLISTED OPTIONS
(0.025-\$0.04 EXERCISE)

\$5.6M
ENTERPRISE VALUE

WHAT | WE DO



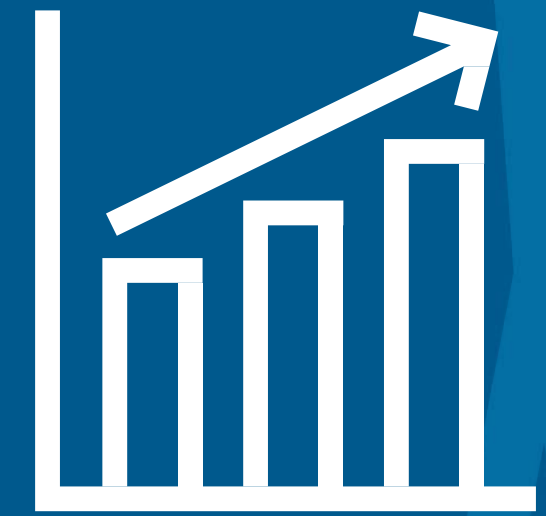
Invest in producing and low-risk “drill ready” oil & gas wells in locations with collection and transport infrastructure



Take non-operated working interests meeting risk and return hurdles



Retain exposure to commodity prices with sales unhedged into the terminal spot market



Cash accretive and non-dilutive, with re-investment of production revenues into additional working interests

WHAT | HOLD WORKING INTERESTS IN PRODUCING WELLS IN AUSTRALIA AND THE UNITED STATES

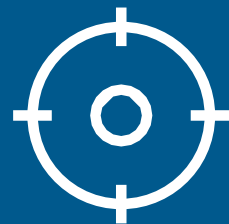
ASSET	LOCATION	WI%
Jewell	Carter, OK	41.5%
Myall Creek	Surat Basin, QLD	25%
Bullard	Garvin, OK	15.5%
Thelma	Murray, OK	50%
Sutton	Hansford, TX	25%
Burgess	Ellis, OK	96.81%
Henry Federal	Blaine, OK	2.3%
Newberry	Carter, OK	21.7%
Randolph	Blaine, OK	0.21%
Mitchell	Carter, OK	50%



WHY | WE DO IT



Hydrocarbons will continue to be a significant and critical part of the global energy equation



Targeted investment in de-risked projects delivers attractive returns with short payback periods and long-term revenue streams



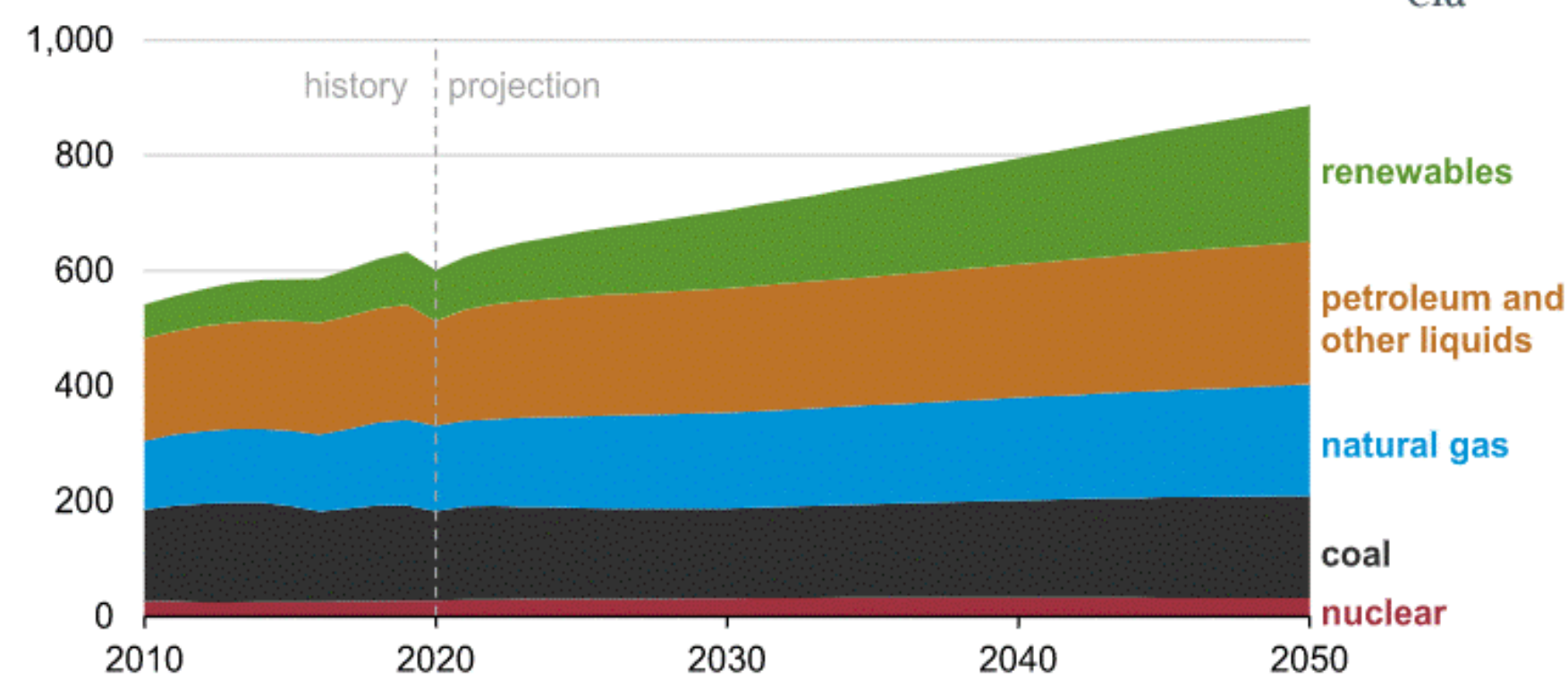
Recent and continuing global supply shocks forecast to support current historically high oil and gas prices.



Portfolio approach to taking 20%-50% working interests in individual wells further de-risks the investment

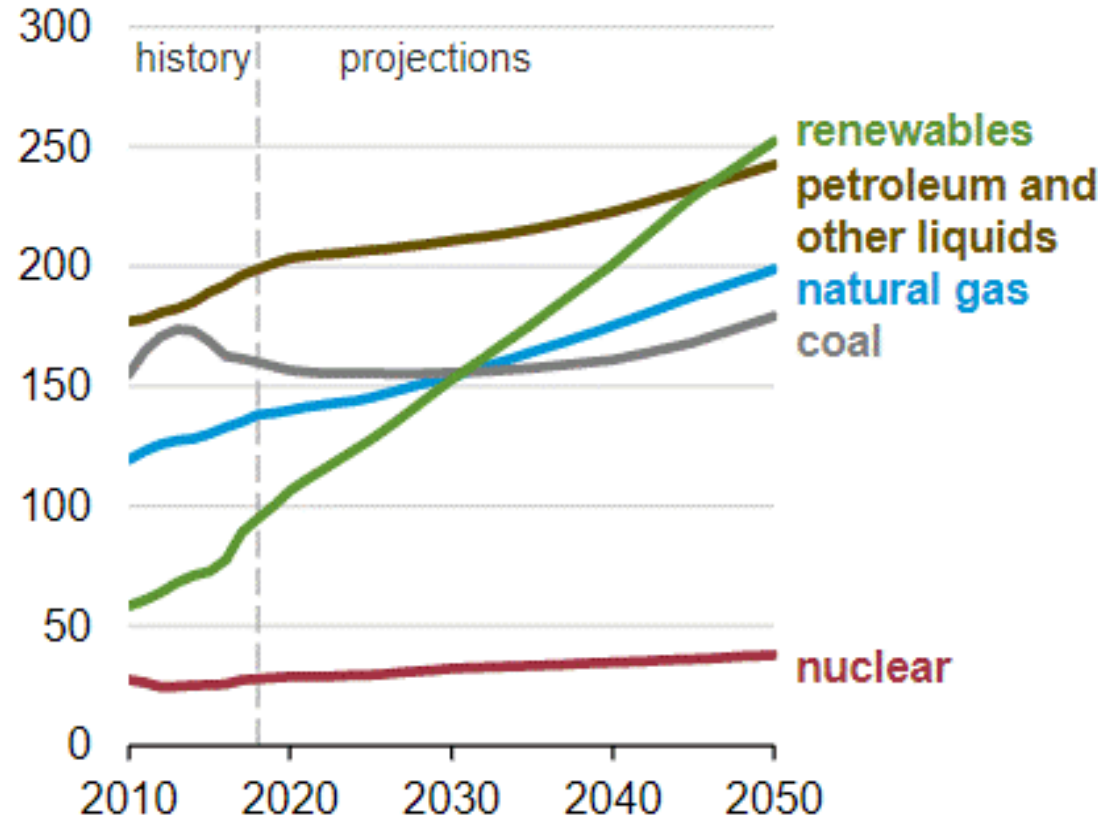
WHY | PROJECTED 50% INCREASE IN WORLD ENERGY USE BY 2050

Global primary energy consumption by energy source (2010–2050)
quadrillion British thermal units

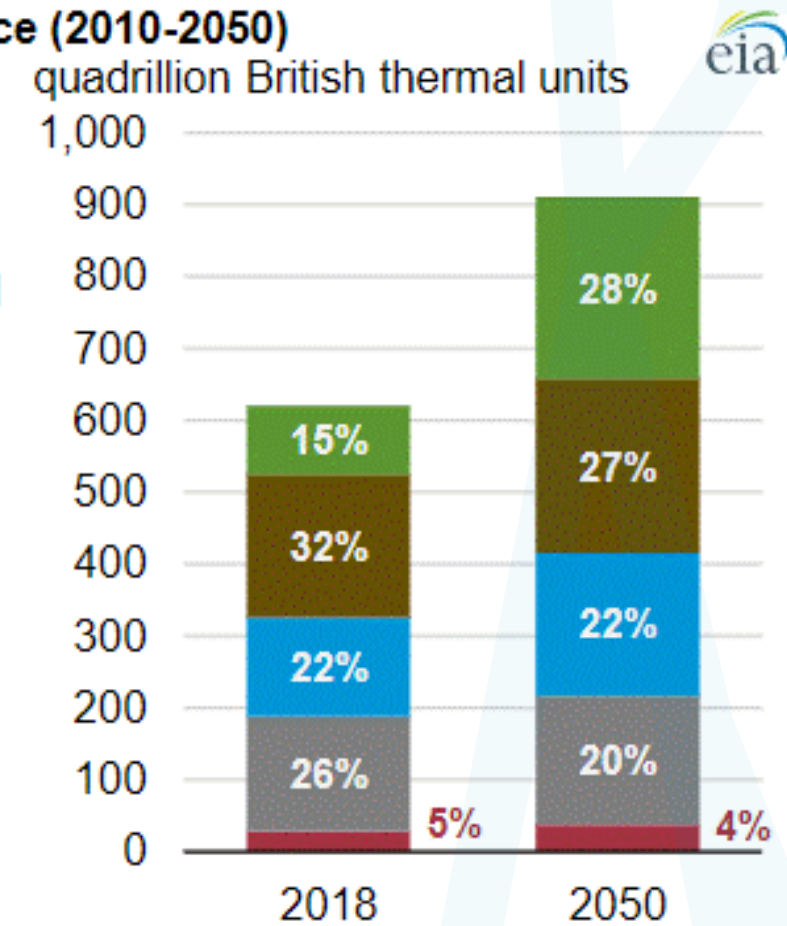


Source: U.S. Energy Information Administration, *International Energy Outlook 2021* Reference case
Note: Petroleum and other liquids includes biofuels.

Global primary energy consumption by energy source (2010-2050)
quadrillion British thermal units



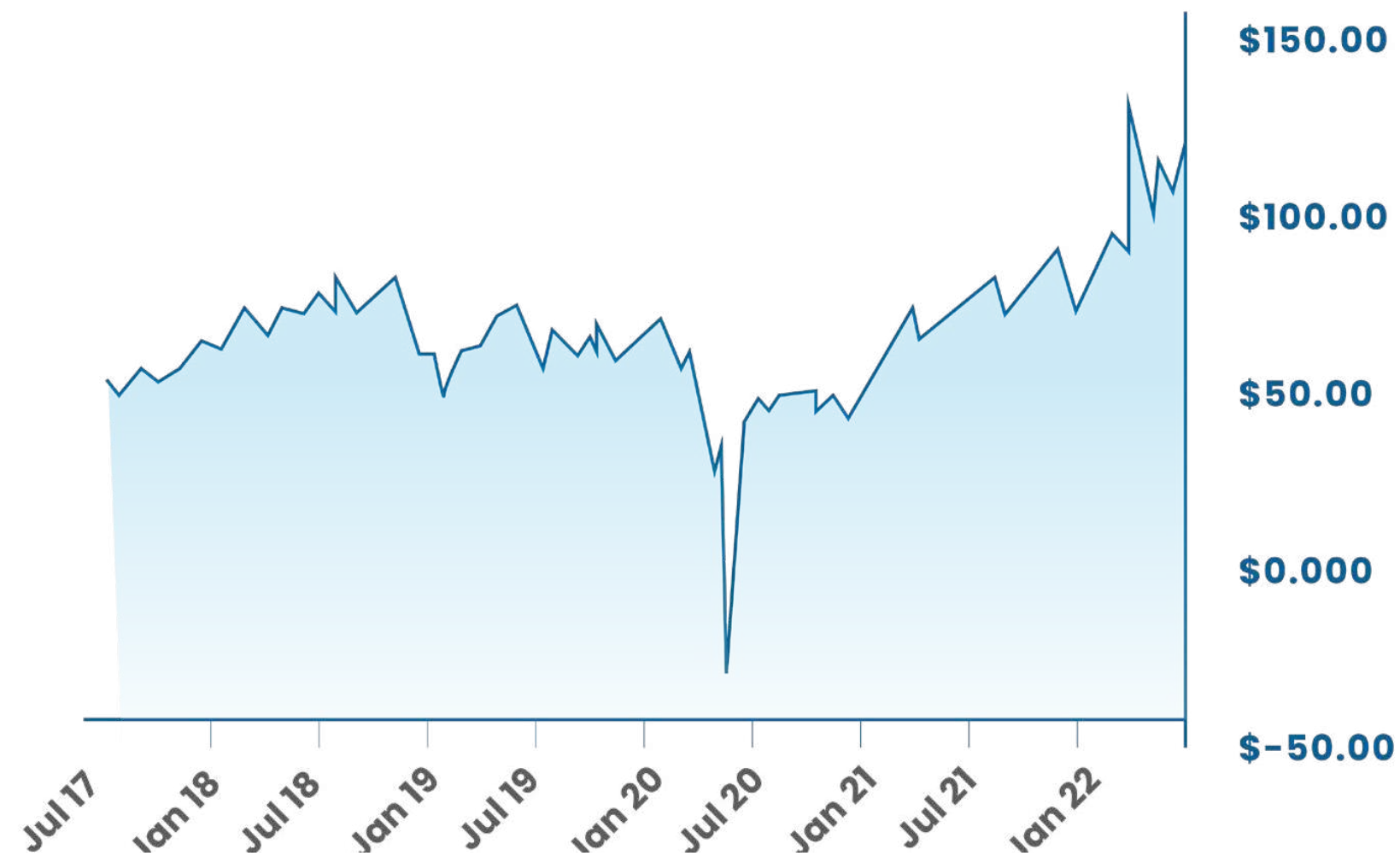
Source: U.S. Energy Information Administration, *International Energy Outlook 2019* Reference case



WHY | STEP CHANGE IN COMMODITY PRICES DUE TO IMPACTS ON BOTH SUPPLY AND DEMAND SIDE

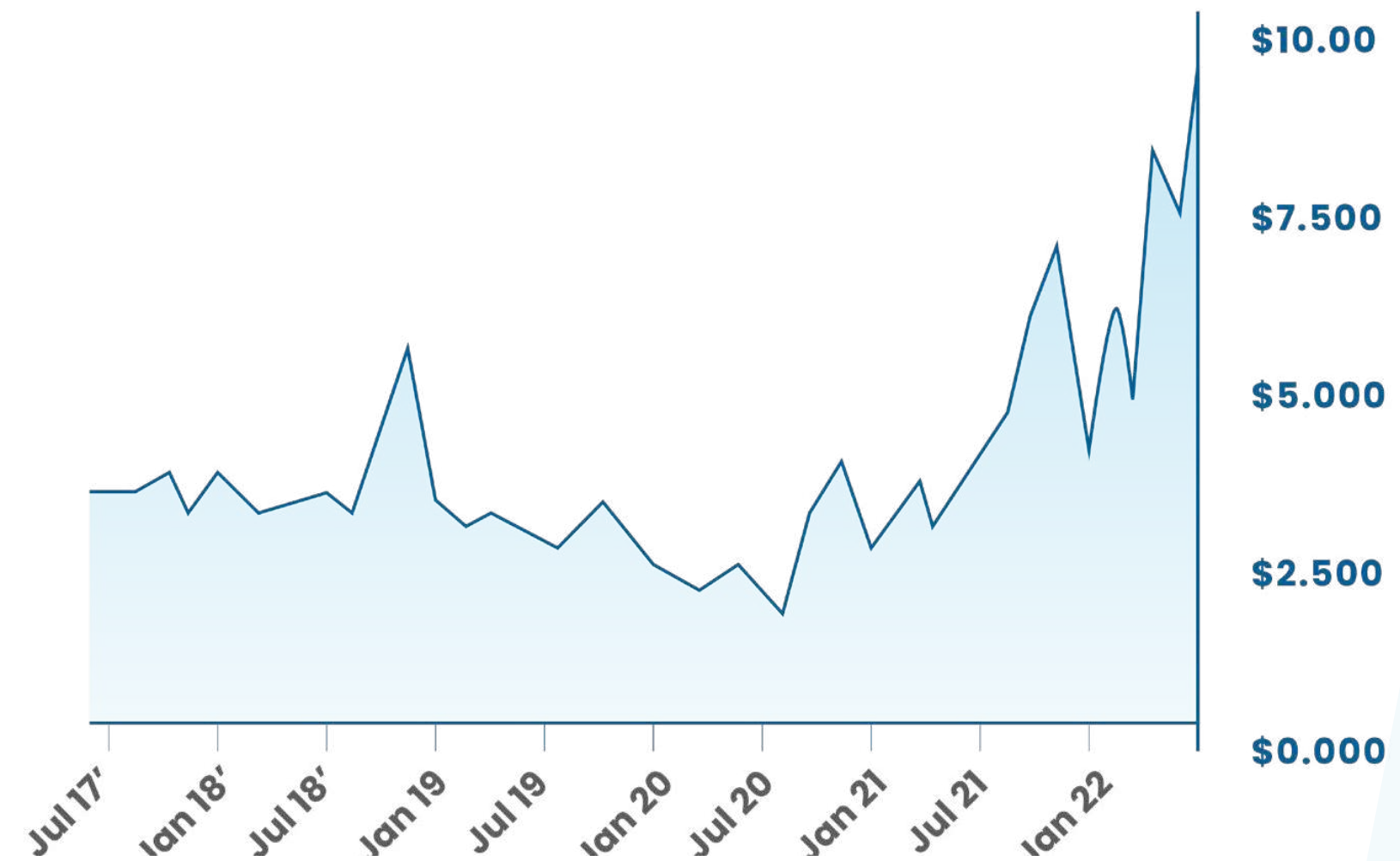
WTI CRUDE (JULY CONTRACT)

US\$/bbl



NATURAL GAS

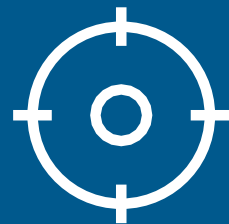
US\$/MMBtu



HOW | WE DO IT



Exploitation not exploration – identify well funded projects in known hydrocarbon provinces with high levels of production history & well control.



Target low-medium risk opportunities with short time to production and payback and strong long-term cashflows.



Partner with highly experienced operators, maintaining non-operator status delivering cost reductions and stakeholder alignment.



Take a portfolio approach to generate cashflows that can be reinvested into new projects with higher probability of success.

HOW | EXPLOITATION NOT EXPLORATION

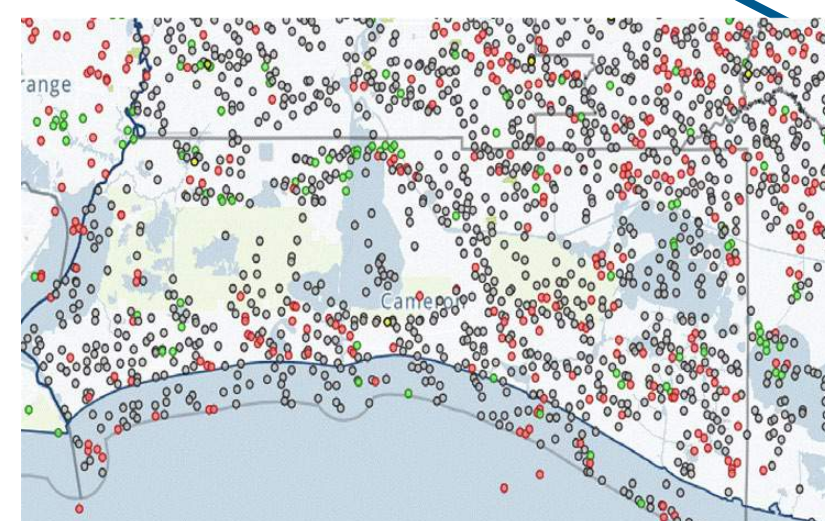
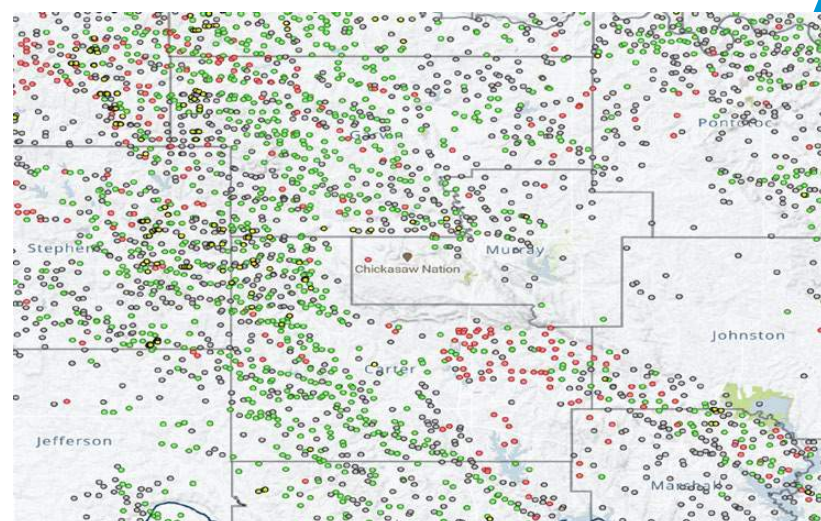
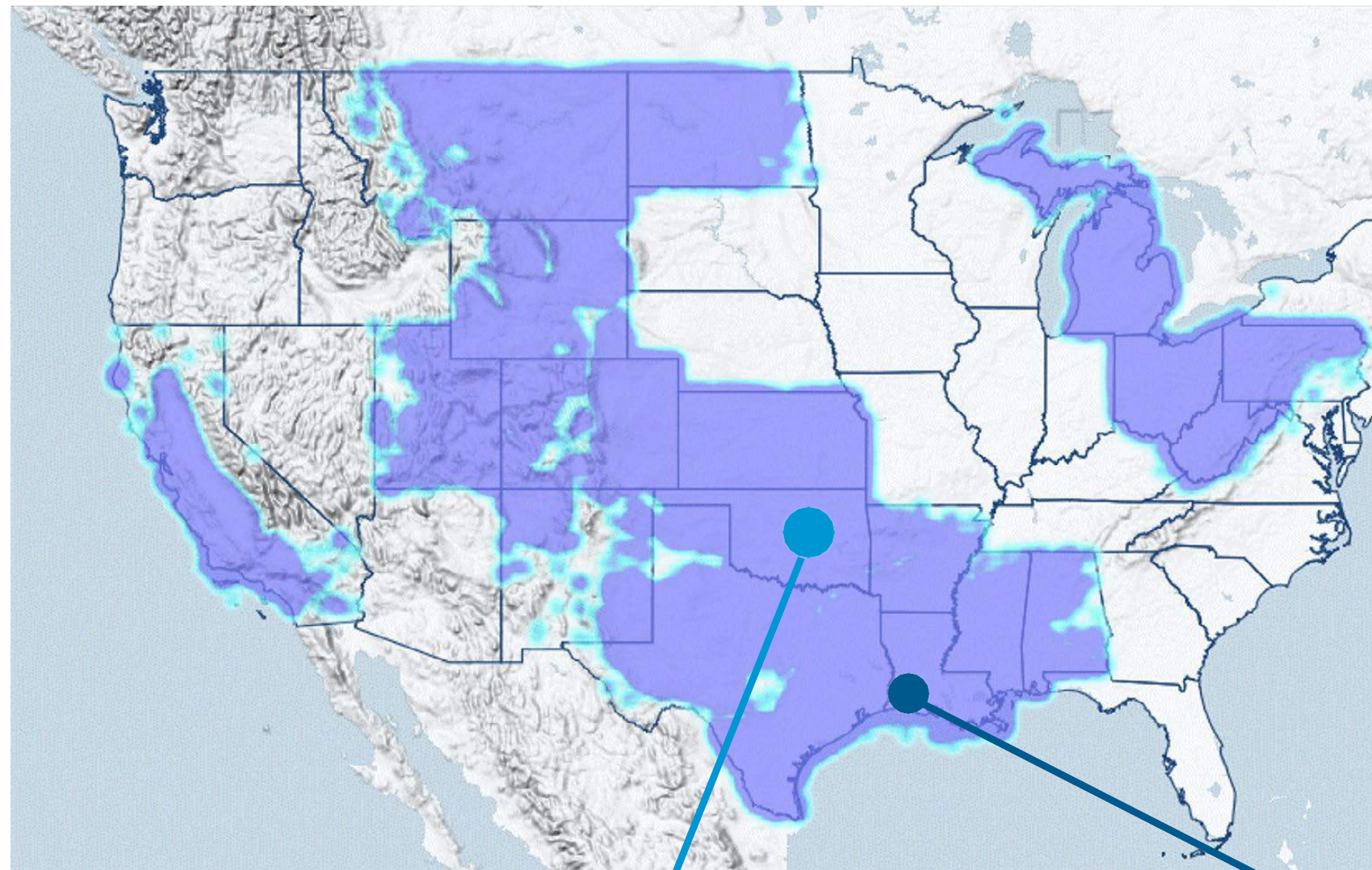
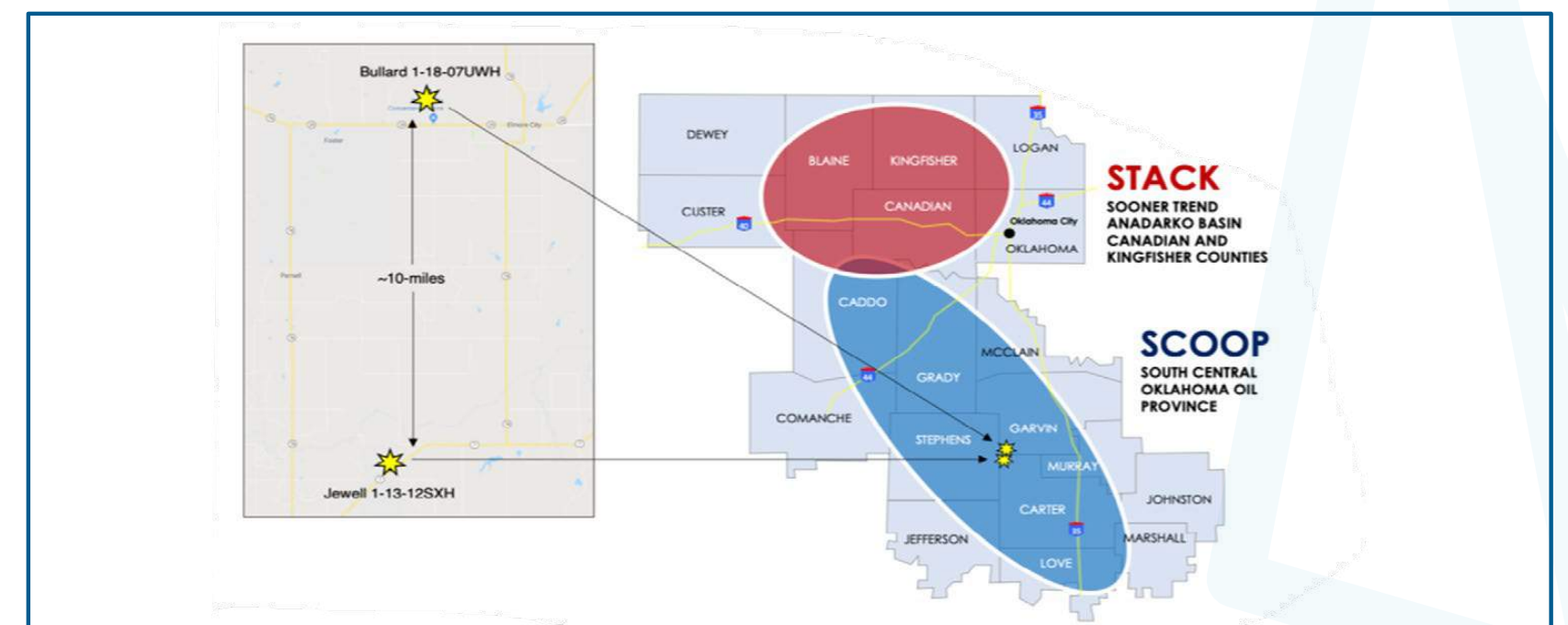
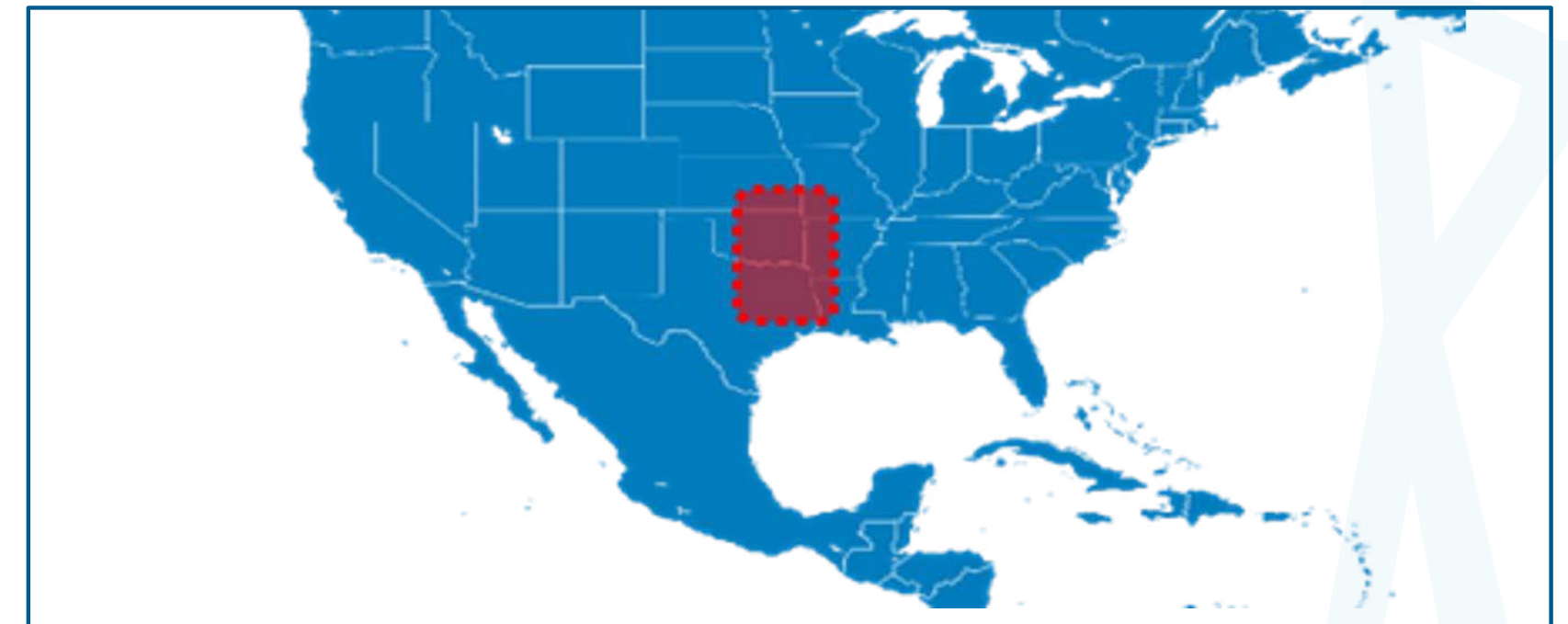


Image of the Jewell well during completion operations in Sept 2021

HOW | CURRENT PROJECTS AND METRICS

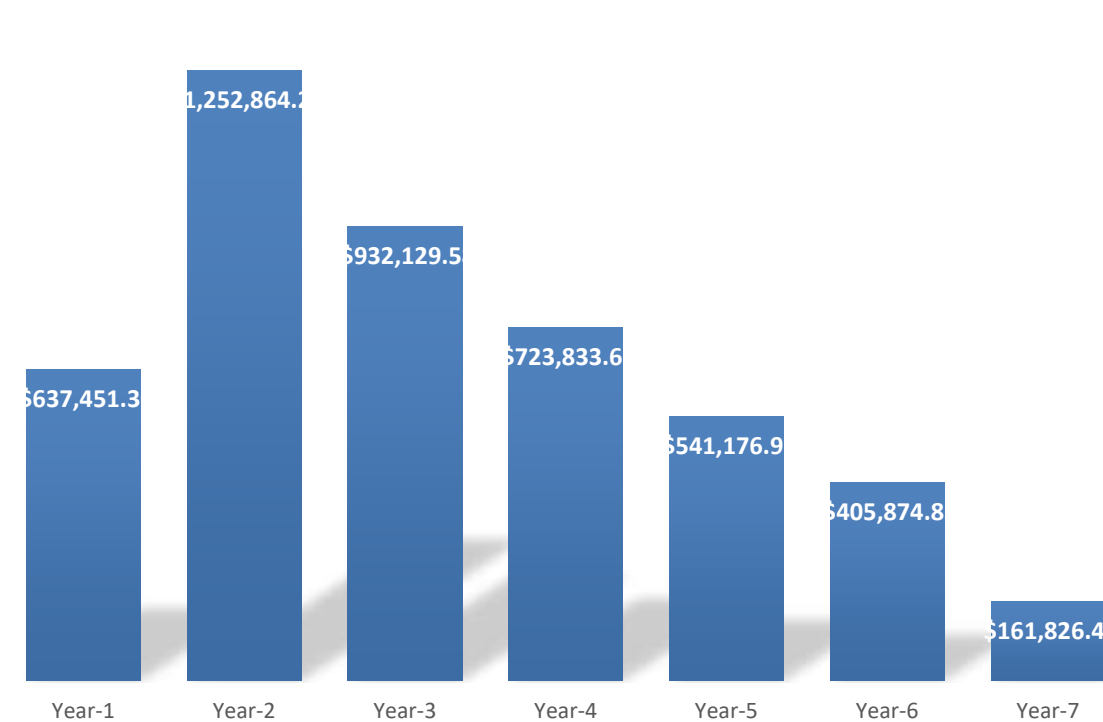
Jewell	
Stonehorse Working Interest:	41.5%
IP30	~1,604 BOE per day
Production to date (100%)	302,000 BOE
Capital (US million) (100%)	\$10.0
Est ultimate recovery BOE (100%)	1,800,000
Net Cashflow (US million)	\$40.0
NPV ₁₀ (US million)	\$26.0
IRR	140%
Payback (months of production)	6

Financial metrics provided above based on 100% WI of Jewell well.

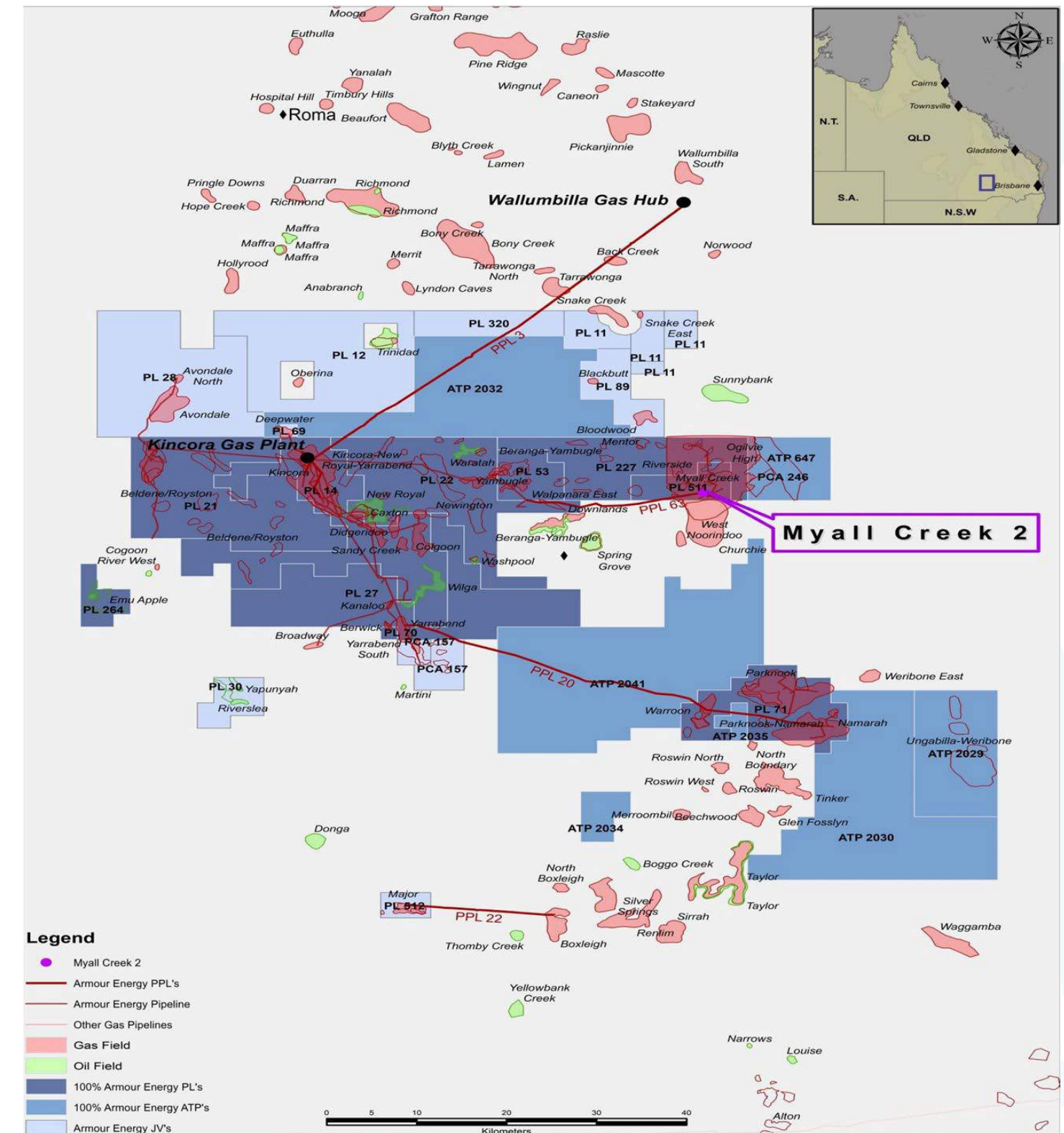
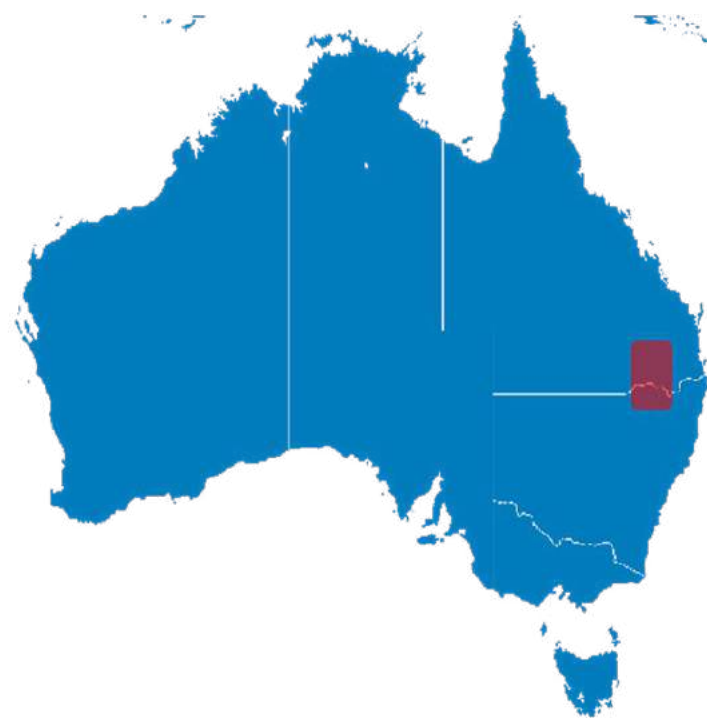


HOW | CURRENT PROJECTS AND METRICS

- Funding partners fund costs associated with the Joint Venture (acquisition and workover costs) on a 50/50 basis
- Focus on Natural Gas weighted production from vertical well with low terminal declines and significant remaining economic life
- Opportunity for material production increases from remedial workover and well intervention activities
- Upside from unexploited or underexploited behind pipe or productive zones.

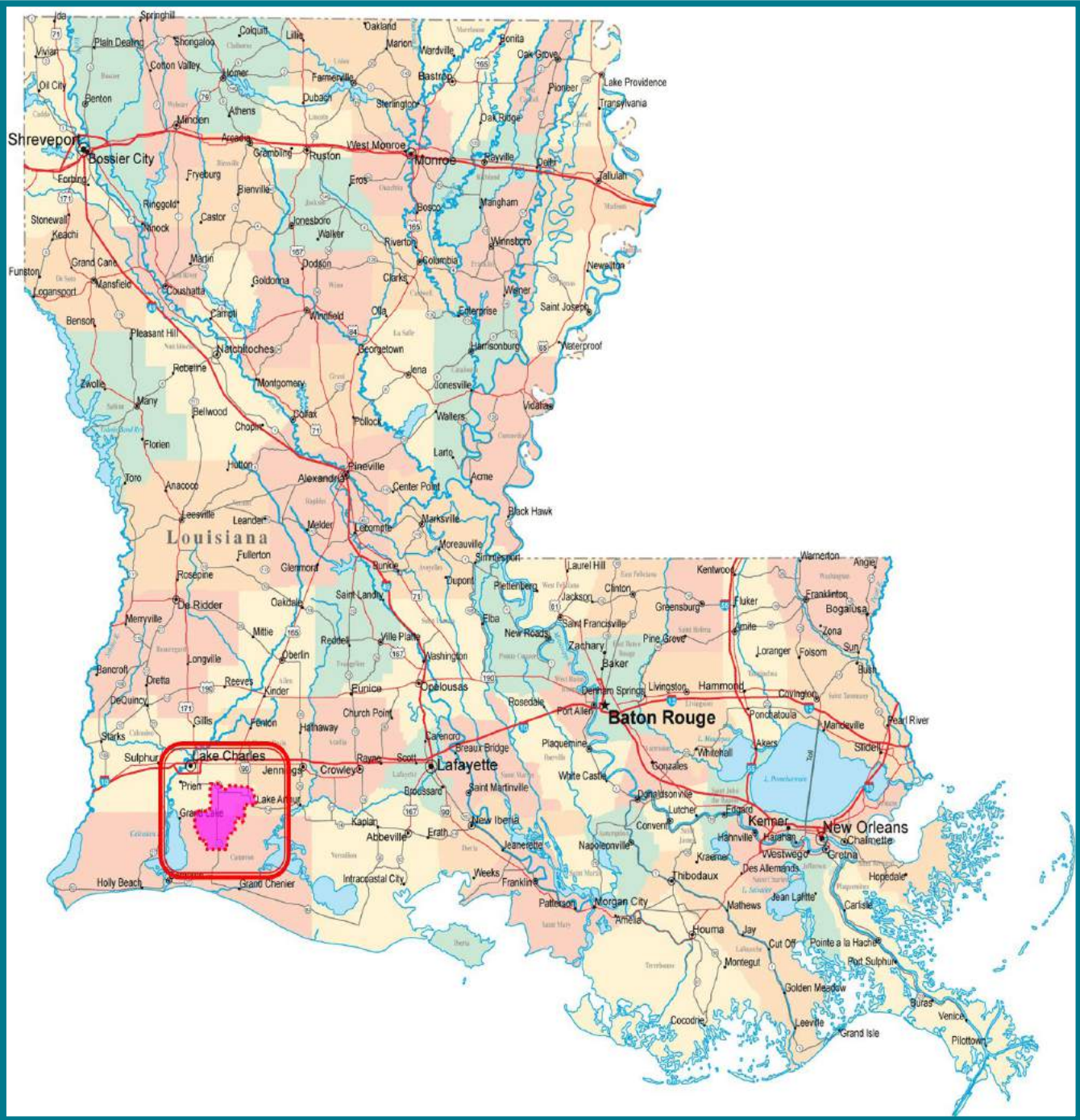


Forecast net production revenue (Stonehorse=25% net revenue interest).



HOW | NEW PROJECT DEVELOPMENT OPPORTUNITIES

Examples of modelled forecast financial metrics associated with Louisiana well bore investment opportunities.

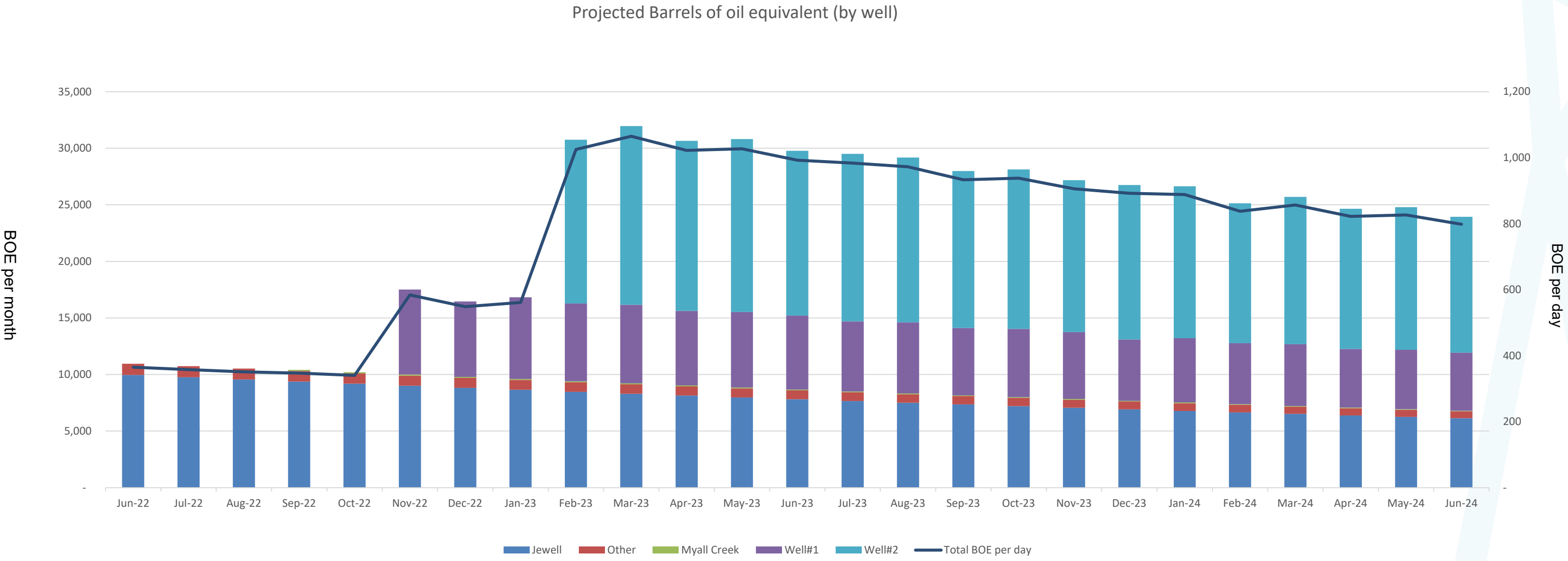


WELL #1	
Available Working Interest:	90%
Risk Capital (US million)	\$8.0.0
Gas (Billion cubic feet; 8/8ths)	2
Oil (Million barrels; 8/8ths)	1.1
Net Cashflow (US million)	\$40.0
NPV10 (US million)	\$26.0
IRR	140%
Payback (months of production)	11

WELL #2	
Available Working Interest:	90%
Risk Capital (US million)	\$5.6
Gas (Billion cubic feet; 8/8ths)	37
Oil (Million barrels; 8/8ths)	1
Net Cashflow (US million)	\$135
NPV10 (US million)	\$67
IRR	266%
Payback (months of production)	6

1. Commodity pricing based on March 2022 NYMEX strip .
2. Louisiana project negotiations currently ongoing and incomplete.

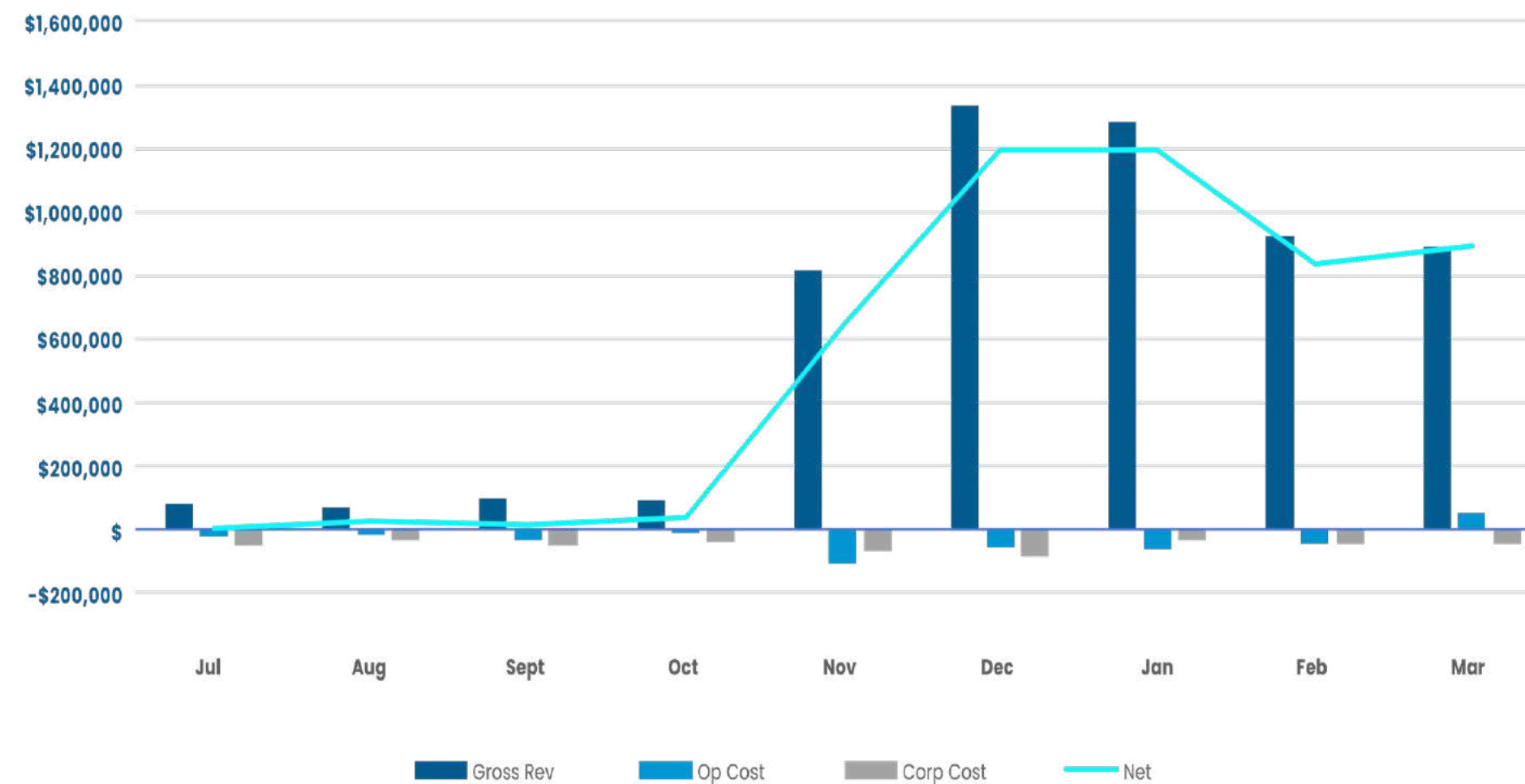
HOW | STRONG PRODUCTION PERFORMANCE SUPPORTED BY COMMODITY PRICES



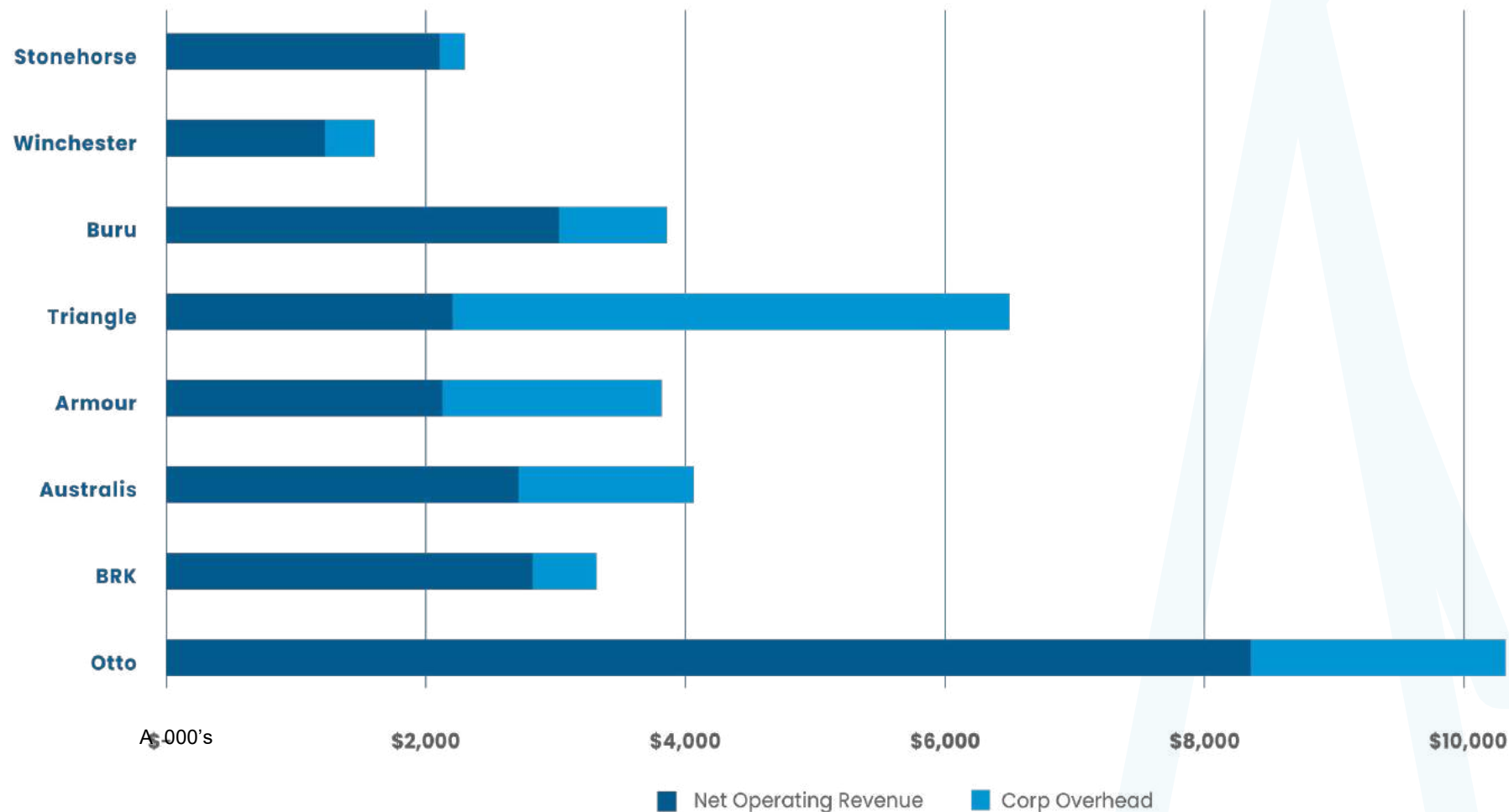
1. Includes additional production from Louisiana investment opportunities assuming 30% WI investment in 2 new wells.
2. BOE = Barrels of oil equivalent.

HOW | LOW OPERATING COSTS AND CORPORATE OVERHEADS DELIVERING STRONG PROFIT MARGINS

Revenue V Cost



Corporate overhead as a % of net operating revenue
Peer comparison (Quarterly results)



Data collected from most recent publicly available financial reports

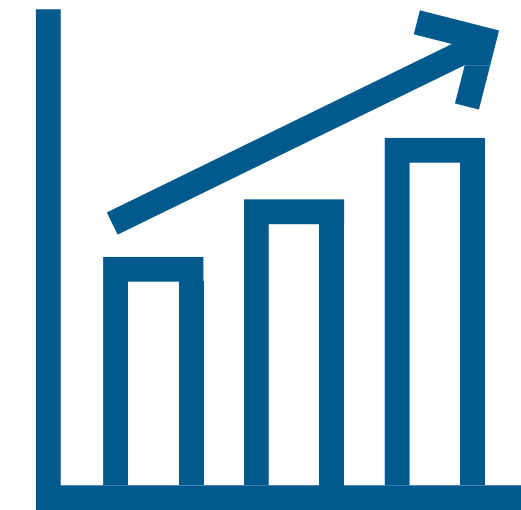
WHY INVEST IN STONEHORSE ENERGY?



Leverage to numerous operating oil & gas wells providing exposure to oil and gas price.



Quality operator partners. De-risked with focus on exploitation not exploration



Minimising shareholder dilution and maximising returns through reinvestment into quality projects

CONTACT US



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