

Operational Update

Jewell Well Flows 1,238 BOEPD¹.

Production rate exceeds Pre-Drill Estimates in Early Flow-back.

Perth, Western Australia – 24th September 2021 – Stonehorse Energy Limited (ASX: SHE) is pleased to provide shareholders and investors with an update on well operations regarding the the Jewell 1-13-12 SXH well (**Jewell Well**) located in Carter County, Oklahoma in North America's Anadarko Basin.

The Company is pleased to report that the Jewell Well has recorded a daily production rate of 1,238 BOE (85% liquids) per day during flow-back and stimulation fluid recovery operations, with approximately 22% of the stimulation fluid now recovered.

Oil and (liquids rich) gas rates are expected to continue to increase steadily beyond these initial rates over the coming weeks in line with the modelled flow-back profile.

To date, the Jewell Well has produced approximately 14,800 barrels of oil and 29,500 mcf of liquids rich gas, with oil trucked to a nearby pipeline terminal and gas transported via pipeline to a midstream gas processing plant for sale.

The Company will report an IP24 (peak rate), IP30 and IP90 rates as these are achieved

¹- Barrels of oil equivalent per day.

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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ASX Listing Rule 5.30 – Further Information

The Jewell 13-12-1S-3W SXH1 Well was drilled in Carter County, Oklahoma and is located within the Jewell Drilling and Spacing Unit. Stonehorse Energy holds a ~41.5% Working Interest in the Jewell Well. The Jewell Well was drilled as an extended (mid) length horizontal well with the lateral portion of the well-bore landed in the Sycamore Formation at a depth of ~7,600 feet. The well was treated via a multi-stage (23-stages) stimulation process with approximately 22% of the stimulation fluids (~280,000 barrels) recovered so far during the flow-back operations. The well is being flowed back through an open choke to the Company's production, separation, and tank facilities located on site.

This announcement is approved for release by the Board.

Forward-Looking Statements and Other Disclaimers

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GLOSSARY

BOE	Barrels of Oil Equivalent
Development Unit (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".
Mboe	1,000 barrels of oil equivalent
IP24	Means average daily oil production of a well in its peak 24 hour production



IP30	Means average daily oil production of a well in its peak production month
IP90	Means average daily oil production of a well in its peak production 3 months
Mcf	1,000 cubic feet (of gas)
MMboe	1,000,000 barrels of oil equivalent
STACK	S ooner T rend A nadarko Basin C anadian and K ingfisher Counties – oil and gas play in the Anadarko Basin Oklahoma
SCOOP	S outh C entral O klahoma O il P rovince - oil and gas play in the Anadarko Basin Oklahoma
SWISH AOI	Description of Brookside's Area of Interest in the SCOOP Play