

# **Stonehorse Energy Limited**

**ABN 13 086 972 429**

**Annual Report - 30 June 2025**

Directors	Mr Robert Gardner - Executive Chairman Mr Michael McFadyen - Non-executive Director Mr Nicholas Ong - Non-executive Director
Company secretary	Mr Nicholas Ong
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Share registry	Computershare Registry Services Level 11, 172 St Georges Terrace Perth WA 6000 1300 787 272 (investors within Australia) +61 8 9323 2000
Auditor	Moore Australia Audit (WA) Level 15, Exchange Tower, 2 The Esplanade Perth WA 6000
Stock exchange listing	Stonehorse Energy Limited shares are listed on the Australian Securities Exchange (ASX code: SHE)
Website	<a href="http://www.stonehorseenergy.com">www.stonehorseenergy.com</a>

## Review of operations

### Operational Highlights

- The combined production from Stonehorse's Canadian working interests in oil and gas wells was 140,000 BOE during the year, for a combined average of 383 BOEPD over that period, which is consistent with the daily average production numbers for the previous corresponding period.
- US operations are consistent with a mature portfolio of producing assets. The US oil and gas well portfolio produced approximately 52,003 BOE during the year for what is now seasoned production.
- Negotiations progressing on potential participation in multi well opportunities with a target investment decision in 2Q FY26 and details to follow.

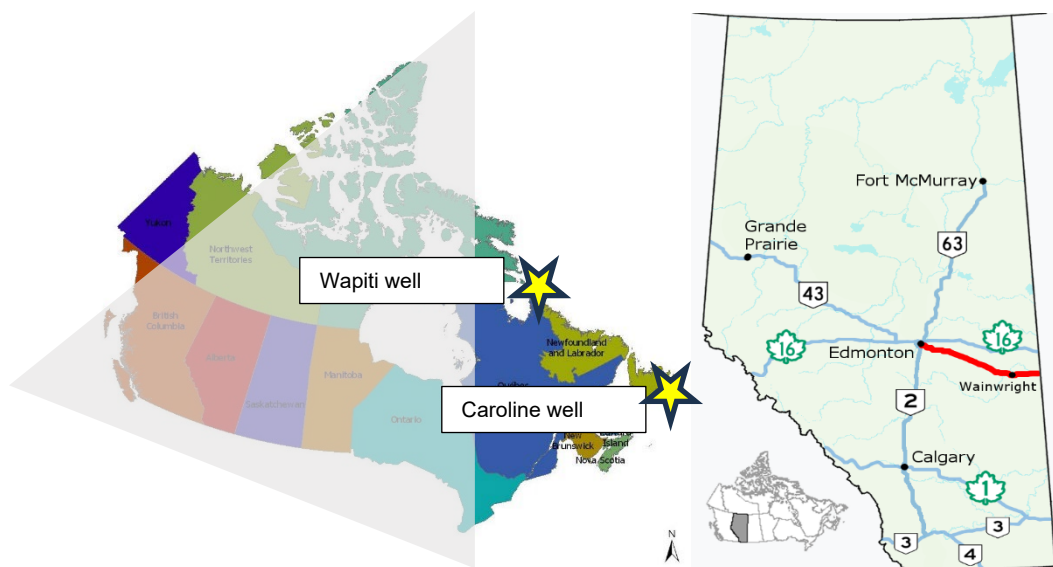
### Operations review

Stonehorse continues to implement its stated strategy of adopting a flexible approach to building a portfolio of high-quality oil and gas production assets with working interest percentages reflecting risk appetite and capital availability. Our focus has been traditional investment in non-operated new drill and work-over wellbore opportunities.

#### Canadian Assets

Stonehorse did not participate in new wells during the financial year, mostly due quality of opportunities being review do not fit our investment criteria. However, it has identified several additional well opportunities in Western Canadian Sedimentary Basin for potential investment. These opportunities are being reviewed to ensure they meet the Company's risk/return hurdles. Notwithstanding a soft commodity price environment, the Company see this as an opportune time to invest and grow our business in Canada.

The Pine Cliff Caroline well continues to deliver strong results, producing over 117,000 BOE net to the Company and production at the Wapiti well has been consistent, contributing 23,000 BOE.



**Figure 1.** Location of the Caroline and Wapiti wells located in central Alberta, CA.

Well Name	Reference Number	Working Interest	County State	Operator
<b>Stonehorse, Canada</b>				
Caroline	1-27-33	26.25%	Sundre, Alberta	Pine Cliff Energy Ltd
Wapiti	16-02-65-08	18.75%	Wapiti, Alberta	Gryphon Petroleum Corp

**Table 1.** Current Portfolio of (non-operated) working interests in Canada.

#### U.S. Assets

The current U.S. oil and gas well portfolio consisting of 11 operating wells delivering seasoned production, however sustained soft natural gas prices in North America have continued to impact total net operating revenues.

The Company's Jewell well in Oklahoma, USA is delivering seasoned production of approximately 2,869 BOE per month for Stonehorse and continues to be its best performing asset in the US portfolio.

Well Name	Reference Number	Working Interest	County, State	Operator
<b>Stonehorse, United States of America</b>				
Burgess	28-1	96.81%	Ellis, Oklahoma	Black Mesa Energy
Sutton	2H-52	25.00%	Hansford, Texas	Strat Land Exploration
Bullard	1-18-07UWH	15.60%	Gravin, Oklahoma	Rimrock Resources
Henry Federal	1-8-5XH	2.30%	Blaine, Oklahoma	Continental Resources
Randolph	1-34-27XHM	0.21%	Blaine, Oklahoma	Continental Resources
Randolph	3-34-27XHM	0.21%	Blaine, Oklahoma	Continental Resources
Randolph	4-34-27XHM	0.21%	Blaine, Oklahoma	Continental Resources
Jewell	1-13-12SXH	41.50%	Carter, Oklahoma	Black Mesa Energy
Newberry	12-1	21.70%	Carter, Oklahoma	Black Mesa Energy
Mitchell	12-1	50.00%	Carter, Oklahoma	Black Mesa Energy
Thelma	1-32	50.00%	Murray, Oklahoma	Black Mesa Energy

**Table 2.** Current Portfolio of (non-operated) working interests in the United States.

#### Australian Assets

Stonehorse has a 25% Working Interest in the Myall Creek property located in the Surat Basin, Queensland. Stonehorse has been advised Myall Creek-2 workover and Tinowon-C fracture stimulation is only feasible as part of a campaign. ADZ will be reviewing the data and notify Stonehorse of the next step for Myall Creek-2.

Well Name	Reference Number	Working Interest	County State	Operator
<b>Stonehorse, Australia</b>				
Myall Creek	Myall Creek-2	25%	Surat Basin, Qld	ADZ Energy Pty Ltd

**Table 3.** Current Portfolio of (non-operated) working interests in Australia.

### **About Stonehorse Energy**

Stonehorse Energy Limited (ASX:SHE) is an Australian ASX listed oil and gas exploration and production company which currently has working interests in a number of producing oil and gas assets located in Texas and Oklahoma, in the USA and Alberta in Canada. Stonehorse's overall objective is cashflow accretive by building a portfolio of working interests in high quality producing well bore assets delivering a return on investment to its shareholders reflecting risk appetite and capital availability.

### **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 in order to make an informed assessment of Stonehorse Energy. You should conduct your own investigations and perform your own analysis in order 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.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Stonehorse Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

### **Directors**

The following persons were directors of Stonehorse Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert Gardner	Executive Chairman
Michael McFadyen	Non-Executive Director
Nicholas Ong	Non-Executive Director (appointed 17 June 2025)
David Deloub	Executive Director (resigned 4 September 2025)
Jay Stephenson	Non-Executive Director (resigned 17 June 2025)

### **Principal activities**

The Group is an Australian based Exploration and Production (E&P) energy company. Its overall objective is to implement its strategy of building a portfolio of geographically and geophysically diverse, high quality well bore assets with Working Interest (WI) percentages reflecting risk appetite and capital availability.

### **Company secretary**

Nicholas Ong, appointed 17 June 2025

Jay Stephenson, resigned 17 June 2025

### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

### **Company Specific Risks**

#### *Oil and Gas exploration and development risks*

The business of oil and gas exploration, project development and production, by its nature, is highly speculative and contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Oil and gas exploration may involve drilling operations and exploration activities which do not generate a positive return on investment. This may arise from dry wells, but also from wells that are productive but do not produce sufficient revenues to return a profit after accounting for drilling, operating and other associated costs. The production from successful wells may also be impacted by various operating conditions, including insufficient storage or transportation capacity, or other geological and mechanical conditions. In addition, managing drilling hazards or environmental damage and pollution caused by exploration and development operations could greatly increase the associated cost and profitability of individual wells.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

#### Operational Risks

Oil and gas exploration and development activities involve numerous operational risks, including encountering unusual or unexpected geological formations, mechanical breakdowns or failures, human errors and other unexpected events which occur in the process of drilling and operating oil and gas wells.

The occurrence of any of these risks could result in substantial financial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Company which may not be covered fully by insurance or at all.

#### Sovereign risks

The Company's key project interests are situated in North America. Accordingly, the Company is subject to the risks associated in operating in foreign countries. These risks include economic, social or political instabilities or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government relations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

#### Contractual and Joint Venture Risk

The Directors are not able to presently assess the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become, a party or the insolvency or other failure by any of the contractors engaged by the Company for any exploration or other activity. Any such failure or default could adversely affect the operations and performance of the Company and the value of the Shares.

#### *Industry risk*

#### Oil and Gas Reserves and Production Estimates

Oil and Gas Reserves and production estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development plans which may, in turn, adversely affect the Company's operations and the value of the Shares.

#### Commercial Risk

The oil and gas exploration industry is competitive and there is no assurance that, even if commercial quantities of those resources is discovered by the Company on its current projects or future projects it may acquire an interest in, a profitable market will exist for sales of such resources. There can be no assurance that the quality of any such resources will be such that they can be extracted economically.

#### Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to oil and gas production, the revenue it will derive through the sale of resources it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

#### Insurance Risks

Exploration for and development of oil and gas involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company insures its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with oil and gas exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

#### Commercialisation

The Company's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all of its commercialisation plans. The Company's ability to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.

The Company's ability to sell and market its production will be negatively impacted in the event it is unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of pipelines and processing facilities. Furthermore, the Company may be required to develop its own pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver oil and gas to key markets or customers, or to directly deliver gas to key markets or customers. The development of its own pipeline infrastructure will be subject to the Company obtaining relevant approvals including pipeline licences.

#### *General investment risks*

#### General Economic Conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities.

#### Volatility in Global Credit and Investment Markets

Global credit, commodity and investment markets may experience uncertainty and volatility. The factors which may lead to this situation are outside the control of the Company and may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

#### Government and Legal Risk

The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Company, or the Shares. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy, including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

#### **Financial position**

As at 30 June 2025, the Group's cash and cash equivalents decreased by \$962,787 from \$6,240,175 at 30 June 2024 to \$5,277,388 and had working capital of \$7,006,266 (June 2024: \$7,392,124).

#### **Significant changes in the state of affairs**

Other than referred to in the section of Review of Operations, there were no significant changes in the state of affairs of the Group during the financial year.

#### **Matters subsequent to the end of the financial year**

On 4 September, the Company announced that David Deloub resigned from Executive Director.

On 13 September 2025, the Company announced that 12,000,000 performance rights lapsed.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

The Company is actively pursuing business development in the Western Canadian Sedimentary Basin, focusing on non-operated drilling, work-over wellbore investments, and potential corporate M&A opportunities. The team is working on several opportunities simultaneously. Despite a challenging price environment, the Company views this as a favourable time to invest and expand its Canadian operations. However, there is no guarantee that these opportunities will result in completed transactions or deliver the anticipated outcomes.

#### **Environmental regulation**

The Group's operations are subject to environmental regulations in relation to its exploration activities. The Directors are not aware of any outstanding breaches.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Group for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

#### **Information on directors**

Name:	Robert Gardner
Title:	Executive Chairman
Experience and expertise:	Mr Gardner is a Perth based business proprietor, with over 29 years' experience in the mining industry. Mr Gardner has developed a number of projects that are now major assets of ASX listed companies and has extensive experience in the China region. Mr Gardner is also a major shareholder in the Company.
Other current directorships:	Dragon Mountain Gold Limited
Former directorships (last 3 years):	None
Interests in shares:	39,500,000
Interests in options:	Nil
Interests in rights:	Nil

Name:	Michael McFadyen
Title:	Non-Executive Director
Experience and expertise:	Mr McFadyen brings over three decades of experience in the oil and gas industry, spanning both offshore and onshore exploration and production (E&P). His career highlights include 23 years in global offshore operations and 12 years in North American onshore projects. Notably, he served as Executive Vice President Offshore at Murphy Oil Corporation, where he oversaw a significant increase in U.S. Gulf of Mexico operations, boosting net production from 18 MBOEPD to 85 MBOEPD.

Starting his career with Texaco E&P in 1991, Mike held various roles in operational and project management before joining Murphy Oil in 2002 as Drilling Manager. He led major projects, such as the Kikeh Deepwater Development, and eventually became Executive Vice President of EXPRO in 2011.

Mr McFadyen holds a Bachelor of Science in Petroleum Engineering from the University of Wyoming and has completed advanced management programs at Harvard Business School and Kellogg Business School. His leadership is further established through his involvement with key industry boards and committees.

Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	Nil
Interests in rights:	5,000,000

Name: Nicholas Ong  
Title: Non-Executive Director  
Experience and expertise: Mr Ong brings 19 years' experience in IPO, listing rules compliance and corporate governance. He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment gold reconciliation. Nicholas is a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. Nicholas is currently a Company Secretary of several ASX listed companies.

Other current directorships: Beroni Group Limited, CFOAM Ltd, Dragon Mountain Gold Limited, Flexiroam Limited  
Former directorships (last 3 years): White Cliff Resources Limited, Helios Energy Limited, Vonex Limited, Miepay Limited, Nelson Resources Limited

Interests in shares: Nil  
Interests in options: Nil  
Interests in rights: Nil

Name: David Deloub  
Title: Executive Director  
Experience and expertise: Mr Deloub has over 30 years of experience in the finance and corporate sectors and holds a degree in economics and post graduate qualifications in banking and finance. Mr Deloub was a director of Patersons Capital Partners, a boutique advisory firm focusing on strategic and financial advice to ASX listed small cap companies. He has considerable corporate finance, business development, management and operational experience in Australia, the United States and Africa.

Other current directorships: None  
Former directorships (last 3 years): None  
Interests in shares: 10,000 (at the date of resignation)  
Interests in options: Nil  
Interests in rights: 12,000,000 (lapsed 4 September 2025)

Name: Jay Stephenson  
Title: Non-Executive Director  
Experience and expertise: Mr Stephenson has been involved in business development for over 30 years, including approximately 26 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

Other current directorships: Traka Resources Limited  
Former directorships (last 3 years): Dragon Mountain Gold Limited  
Interests in shares: 2,255,208 (at the date of resignation)  
Interests in options: Nil  
Interests in rights: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Number eligible to attend	Number attended
Robert Gardner	4	4
Michael Mc Fadyen	4	4
David Deloub	4	4
Jay Stephenson	4	4

Held: represents the number of meetings held during the time the director held office.

### Shares under option

There were no unissued ordinary shares of Stonehorse Energy Limited under option outstanding at the date of this report (2024: Nil).

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

### Shares issued on the exercise of options

There were no ordinary shares of Stonehorse Energy Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-audit services

There were no non-audit services provided during the financial year by the auditor.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

***Principles used to determine the nature and amount of remuneration***

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Provide competitive rewards to attract qualified and experienced executives;
- Link executive rewards to length of service, experience and overall performance of the Group; and
- Equity participation is a cost effective and efficient incentive given the Group's pre-production status.

The Board of Stonehorse Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

The remuneration structure for KMP is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future.

The Board determines the proportion of fixed and variable compensation for each KMP.

Director's fees are reviewed annually by the Board. No termination payments are payable to Non-Executive Directors.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Fixed remuneration***

Generally, compensation is provided by the Group to its executive officers by way of salary and share option grants. The objective is to ensure that executive compensation is fair and reasonable in order to attract and retain qualified and experienced executives.

Fixed remuneration consists of base cash remuneration and statutory superannuation entitlements. Longer term discretionary remuneration consists of share option grants. Remuneration levels are based on an overall assessment of both individual and Group performance.

The Group believes that encouraging its executives and employees to become shareholders is the best way of aligning their interest to those of its shareholders. In addition, equity participation is a cost effective and efficient incentive as compared to cash bonuses or increased remuneration, particularly given the Group's pre-production status. Accordingly, all executives and employees are entitled to participate in the Group's equity incentive scheme. Generally, the ability to exercise an option is conditional upon the holder remaining in the Group's employment. There are presently no other non-cash benefits available to Directors or employees. There is no separate profit-sharing or bonus plan.

***Performance Based Remuneration – Short-term and long-term incentive structure***

The Board will review executive packages annually by reference to the Group's performance and executive performance and comparable information from industry sectors using independent external advice where appropriate.

No short-term incentives in the form of cash bonuses were granted during the year.

No long-term incentives in the form of cash bonuses were granted during the year.

#### *Non-executive directors remuneration*

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Group. No additional fees are paid for participation on subcommittees, such as the Audit Committee. Non-Executive Directors are encouraged by the Board to hold shares in the Group.

Accordingly, they are entitled to participate in equity incentive schemes offered by the Group.

#### *Use of remuneration consultants*

During the financial year, the Group did not engage any remuneration consultants.

#### *Voting and comments made at the Company's 29 November 2024 Annual General Meeting ('AGM')*

At the 29 November 2024 AGM, 57.1% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. As more than 25% of the votes were cast against, this constituted a 'first strike' under the Corporations Act. The Company has since restructured the Board to focus on growth opportunities without the excessive executive salaries.

If 25% or more of votes are again cast against the adoption of the 2025 remuneration report at the 2025 AGM, the Company will be required to put to shareholders a resolution to convene a further meeting (Spill Resolution) to consider the re-election of directors.

#### Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the Group's development phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the development of its projects. Accordingly, the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and previous financial years. However, where the Directors of the Company receive incentive options, such options generally would only be of value if the Company's share price increased sufficiently to warrant exercising the incentive options.

#### Relationship between Remuneration of Key Management Personnel and Earnings

The Company currently does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

#### ***Details of remuneration***

##### *Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Stonehorse Energy Limited:

- Robert Gardner, Executive Chairman
- David Deloub, Executive Director (resigned 4 September 2025)
- Michael McFadyen, Non-Executive Director
- Nicholas Ong, Non-Executive Director (appointed 17 June 2025)
- Jay Stephenson (resigned 17 June 2025)

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees \$	Super- annuation \$	Equity- settled \$	Total \$
<b>30 June 2025</b>				
<i>Non-Executive Directors:</i>				
Michael McFadyen	55,315	-	2,996	58,311
Jay Stephenson	86,389	9,935	-	96,324
Nicholas Ong	1,167	-	-	1,167
<i>Executive Directors:</i>				
Robert Gardner	55,000	-	-	55,000
David Deloub	136,364	14,853	7,190	158,407
	<u>334,235</u>	<u>24,788</u>	<u>10,186</u>	<u>369,209</u>

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees \$	Super- annuation \$	Equity- settled \$	Total \$
<b>30 June 2024</b>				
<i>Non-Executive Directors:</i>				
Michael McFadyen	15,010	-	-	15,010
Jay Stephenson	40,000	4,400	-	44,400
<i>Executive Directors:</i>				
Robert Gardner	55,500	-	-	55,500
David Deloub	136,364	14,208	86,753	237,325
	<u>246,874</u>	<u>18,608</u>	<u>86,753</u>	<u>352,235</u>

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Robert Gardner  
Title: Executive Chairman  
Term of agreement: No fixed term. No termination payments are applicable.  
Details: Base remuneration is \$55,000 per annum.

Name: David Deloub  
Title: Executive Director  
Term of agreement: No fixed term. No termination payments are applicable.  
Details: Base remuneration is \$150,000 (inclusive of superannuation) per annum.

Name: Michael McFadyen  
Title: Non-Executive Director  
Term of agreement: No Fixed term. No termination payments are applicable.  
Details: Base remuneration is CAD\$50,000 per annum.

Name: Jay Stephenson  
Title: Non-Executive Director  
Term of agreement: No fixed term. No termination payments are applicable.  
Details: Base remuneration is \$40,000 per annum and changed to \$100,000 per annum from 1 September 2024

Name: Nicholas Ong  
Title: Non-Executive Director  
Term of agreement: No fixed term. No termination payments are applicable.  
Details: Base remuneration is \$30,000 per annum

### ***Share-based compensation***

#### *Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025.

#### *Performance Rights*

##### Performance rights issued during the year

Pursuant to shareholder approval on 29 November 2024, the Company has issued 17,000,000 Performance Rights under the Company's employee incentive scheme. The Performance Rights will expire 36 months from the date of issue. The Performance Rights were issued at nil cost and are subject to a vesting condition, as follows:

- \* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.02/share for more for 20 trading days out of any 20 consecutive trading days (Class A).
- \*\* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.04/share for more for 20 trading days out of any 20 consecutive trading days (Class B).
- \*\*\* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.06/share for more for 20 trading days out of any 20 consecutive trading days (Class C).

The assessed fair value of the performance rights was determined using a Parisian Barrier 1 Model, taking into account the term of performance rights, the share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate of the term of the option.

The key inputs for the valuation model are as follows:

	Class A	Class B	Class C
Valuation/grant date	29 November 2024	29 November 2024	29 November 2024
Spot price	\$0.007	\$0.007	\$0.007
Exercise price	Nil	Nil	Nil
Share price targets	\$0.02	\$0.04	\$0.06
Implied barrier price	\$0.0273	\$0.0546	\$0.0818
Days to vesting / expiry	1123 days	1123 days	1123 days
Volatility	Approximately 90%	Approximately 90%	Approximately 90%
Interest rate	3.84%	3.84%	3.84%
Dividend yield	Nil	Nil	Nil

The total value of Class A, Class B and Class C of the Performance Rights is as follows:

Class	Number of securities	Value per security	Total value
Class A	5,666,666	\$0.00482	\$27,313
Class B	5,666,667	\$0.00332	\$18,813
Class C	5,666,667	\$0.00250	\$14,167
Total	17,000,000		\$60,293

During the financial year, the Group charged share-based payment expenses of AUD\$4,614 for Performance Rights Class A and AUD\$3,178 for Performance Class B, and AUD\$2,394 for Performance Class C to the profit or loss accounts.

#### Performance rights issued in 2021

12,000,000 performance rights granted as remuneration in FY22 to Mr David Deloub.

- \* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.04/share for more for 20 trading days out of any 20 consecutive trading days (Class A).
- \*\* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.06/share for more for 20 trading days out of any 20 consecutive trading days (Class B).
- \*\*\* 1/3 of the Performance Rights will vest upon the closing price of the Company Shares being the greater of \$0.08/share for more for 20 trading days out of any 20 consecutive trading days (Class C).

The 12,000,000 performance rights lapsed on 20 December 2024. The previously share-based expenses of \$642,879 were transferred from share-based payment reserve to accumulated losses.

#### **Additional information**

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Sales revenue	3,457,808	4,155,763	4,145,886	7,748,216	673,250
Profit/(loss) after income tax	(1,367,309)	1,284,952	812,352	3,603,325	(203,817)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	0.007	0.01	0.015	0.018	0.025
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.20)	0.19	0.12	0.53	(0.04)
Diluted earnings per share (cents per share)	(0.20)	0.19	0.12	0.53	(0.04)

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start the year/date of appointment	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year/date of resignation
<i>Ordinary shares</i>					
Robert Gardner*	39,500,000	-	-	-	39,500,000
David Deloub	10,000	-	-	-	10,000
Michael McFadyen	-	-	-	-	-
Nicholas Ong	-	-	-	-	-
Jay Stephenson	2,255,208	-	-	-	2,255,208
	<u>41,765,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,765,208</u>

\*: Robert Gardner disposed of 14,603,750 ordinary shares in February 2024, refer to Appendix 3Y lodged on 29 September 2025.

*Performance rights holding*

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Lapse/expired	Net other change	Balance at the start of the year/date of resignation
<i>Performance rights</i>					
Robert Gardner	-	-	-	-	-
David Deloub	12,000,000	12,000,000	(12,000,000)	-	12,000,000
Michael McFadyen	-	5,000,000	-	-	5,000,000
Nicholas Ong	-	-	-	-	-
Jay Stephenson	-	-	-	-	-
	<u>12,000,000</u>	<u>17,000,000</u>	<u>(12,000,000)</u>	<u>-</u>	<u>17,000,000</u>

***This concludes the remuneration report, which has been audited.***

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Robert Gardner  
Chairman

30 September 2025

**Auditor's Independence Declaration**  
**Under Section 307c of the Corporations Act 2001****To the directors of Stonehorse Energy Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Neil Pace  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)  
Perth  
30<sup>th</sup> day of September 2025



Moore Australia Audit (WA)  
Chartered Accountants

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## **General information**

The financial statements cover Stonehorse Energy Limited as a Group consisting of Stonehorse Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Stonehorse Energy Limited's functional and presentation currency.

Stonehorse Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### **Registered office**

Suite 4, 182 Claisebrook Road  
Perth WA 6000

### **Principal place of business**

Suite 4, 182 Claisebrook Road  
Perth WA 6000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2025. The directors have the power to amend and reissue the financial statements.

**Stonehorse Energy Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue	4	3,457,808	4,155,763
Production cost		(1,977,013)	(1,437,730)
Gross profit		1,480,795	2,718,033
Other income	4	155,100	130,864
<b>Expenses</b>			
Impairment expense		(895,501)	(110,674)
Compliance costs		(28,277)	(56,258)
Employee benefits expense		(391,450)	(271,340)
Exploration and evaluation expenditure		-	(182,317)
Professional fees		(308,560)	(497,876)
Share-based payment expense		(10,186)	(86,753)
Fair value loss on financial assets	8	(189,000)	(45,000)
Insurances		(71,086)	(116,725)
Amortisation expense		(264,580)	(1,584,126)
Other expenses		(703,209)	(420,577)
<b>Loss before income tax (expense)/benefit</b>		(1,225,954)	(522,749)
Income tax (expense)/benefit	5	(141,355)	1,807,701
<b>Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Stonehorse Energy Limited</b>		(1,367,309)	1,284,952
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		137,730	(47,190)
Other comprehensive income for the year, net of tax		137,730	(47,190)
<b>Total comprehensive income for the year attributable to the owners of Stonehorse Energy Limited</b>		(1,229,579)	1,237,762
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	27	(0.20)	0.19
Diluted earnings per share	27	(0.20)	0.19

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,277,388	6,240,175
Trade and other receivables	7	385,570	730,028
Financial assets at fair value through profit or loss	8	351,000	540,000
Other current assets	9	1,245,352	24,284
Total current assets		<u>7,259,310</u>	<u>7,534,487</u>
<b>Non-current assets</b>			
Plant and equipment		2,188	1,184
Exploration and evaluation	10	-	650,157
Producing assets	11	7,083,095	7,243,009
Total non-current assets		<u>7,085,283</u>	<u>7,894,350</u>
<b>Total assets</b>		<u>14,344,593</u>	<u>15,428,837</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	271,886	136,089
Insurance premium funding		9,561	-
Tax payable((paid in advance)	5	(56,223)	-
Provisions	13	27,820	6,274
Total current liabilities		<u>253,044</u>	<u>142,363</u>
<b>Non-current liabilities</b>			
Deferred tax	5	290,881	266,413
Total non-current liabilities		<u>290,881</u>	<u>266,413</u>
<b>Total liabilities</b>		<u>543,925</u>	<u>408,776</u>
<b>Net assets</b>		<u>13,800,668</u>	<u>15,020,061</u>
<b>Equity</b>			
Issued capital	14	35,505,381	35,505,381
Reserves	15	100,726	595,689
Accumulated losses		<u>(21,805,439)</u>	<u>(21,081,009)</u>
<b>Total equity</b>		<u>13,800,668</u>	<u>15,020,061</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Share-based payment reserves \$	Foreign translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	35,505,381	556,126	-	(22,365,961)	13,695,546
Profit after income tax benefit for the year	-	-	-	1,284,952	1,284,952
Other comprehensive income for the year, net of tax	-	-	(47,190)	-	(47,190)
Total comprehensive income for the year	-	-	(47,190)	1,284,952	1,237,762
<i>Transactions with owners in their capacity as owners:</i>					
Performance Rights	-	86,753	-	-	86,753
Balance at 30 June 2024	35,505,381	642,879	(47,190)	(21,081,009)	15,020,061

Consolidated	Issued capital \$	Share-based payment reserves \$	Foreign translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	35,505,381	642,879	(47,190)	(21,081,009)	15,020,061
Loss after income tax expense for the year	-	-	-	(1,367,309)	(1,367,309)
Other comprehensive income for the year, net of tax	-	-	137,730	-	137,730
Total comprehensive income for the year	-	-	137,730	(1,367,309)	(1,229,579)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	10,186	-	-	10,186
Performance rights	-	(642,879)	-	642,879	-
Balance at 30 June 2025	35,505,381	10,186	90,540	(21,805,439)	13,800,668

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**Stonehorse Energy Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		3,590,078	1,993,695
Payments to suppliers and employees		(3,405,231)	(1,117,672)
Interest received		107,829	125,476
Interest and other finance costs paid		-	(644)
Income taxes paid		(179,385)	(190,641)
Net cash from operating activities	26	113,291	810,214
<b>Cash flows from investing activities</b>			
Payments for investments		(1,117,700)	(3,658,520)
Payments for equipment		(2,188)	-
Payments for exploration and evaluation	10	-	(1,578,108)
Net cash used in investing activities		(1,119,888)	(5,236,628)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		45,000	-
Repayment of borrowings		(35,439)	-
Net cash from financing activities		9,561	-
Net decrease in cash and cash equivalents		(997,036)	(4,426,414)
Cash and cash equivalents at the beginning of the financial year		6,240,175	10,710,865
Effects of exchange rate changes on cash and cash equivalents		34,249	(44,276)
Cash and cash equivalents at the end of the financial year	6	5,277,388	6,240,175

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

#### AASB 2020-1: Classification of Liabilities as Current or Non-current

The Group adopted AASB 2020-1 which amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It also clarifies the meaning of "settlement of a liability". The adoption of the amendment did not have a material impact on the financial statements.

#### AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

The Group adopted AASB 2022-5 which amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15: *Revenue from Contracts with Customers* to be accounted for as a sale. The adoption of the amendment did not have a material impact on the financial statements.

#### AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants

The Group adopted AASB 2022-6 which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The adoption of the amendment did not have a material impact on the financial statements.

### New standards and interpretations issued but not yet effective

The following standards and amendments are not yet effective but may have a material impact on the financial statements of the Group in the future:

#### AASB 18: Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 to amend the presentation and disclosure requirements in financial statements which includes:

- the presentation of the statement of profit or loss into five categories, namely the operating, investing, financing, discontinued operations and income tax categories, as well as newly-defined operating profit subtotals;
- disclosure of management-defined performance measures (MPMs) in a single note; and
- enhanced requirements for grouping (aggregation and disaggregation) of information.

In addition, the Group will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group plans on adopting the amendment for the reporting period ending 30 June 2028. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

#### AASB 2024-2: Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 7 and AASB 9 in relation to:

- settling financial liabilities using an electronic payment system;
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features; and
- disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income, and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The Group plans on adopting the amendment for the reporting period ending 30 June 2027. The amendment is not expected to have a material impact on the financial statements once adopted.

## Note 1. Material accounting policy information (continued)

### AASB 2024-3: Amendments to Australian Accounting Standards – Annual Improvements Volume 11

AASB 2024-3 amends the following:

- AASB 1 to improve consistency between AASB 1 and the requirements for hedge accounting in AASB 9, as well as to improve the understandability of AASB 1;
- AASB 7 to replace a cross-reference and improve the consistency in the language used in AASB 7 with the language used in AASB 13;
- AASB 9 to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished and address inconsistencies between AASB 9 and the requirements in AASB 15 in relation to the term “transaction price”;
- AASB 10 in relation to determining de facto agents of an entity; and
- AASB 107 to replace the term “cost method” with “at cost”, as the term is no longer defined in Australian Accounting Standards.

The Group plans on adopting the amendment for the reporting period 30 June 2027. The amendment is not expected to have a material impact on the financial statements once adopted.

### **Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 23.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Stonehorse Energy Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Stonehorse Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Stonehorse Energy Limited's functional and presentation currency.

**Note 1. Material accounting policy information (continued)**

*Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a combination of Hoadley's Barrier 1 Model and Hoadley's Parisian Model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, and producing oil & gas assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Impairment of non-financial assets*

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### *Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

## Note 3. Operating segments

### *Identification of reportable operating segments*

Stonehorse Energy Limited operates predominantly in one industry being the oil and gas industry. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. It is managed primarily on the basis of its oil and gas interests in the USA, Canada and its corporate activities in Australia. Operating segments are therefore determined on the same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

### Types of reportable segments

Oil and gas exploration: Segment assets, including acquisition cost related to the projects in the USA/Canada are reported on in this segment. Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

**Note 3. Operating segments (continued)**

*Operating segment information*

	Oil & Gas \$	Corporate \$	Total \$
<b>Consolidated - 30 June 2025</b>			
<b>Revenue</b>			
Sales to external customers	3,457,808	-	3,457,808
<b>Total revenue</b>	<u>3,457,808</u>	<u>-</u>	<u>3,457,808</u>
<b>Gross profit</b>	1,480,796	-	1,480,796
Depreciation and amortisation	(264,580)	-	(264,580)
Impairment of assets	(895,501)	-	(895,501)
Interest revenue and foreign exchange gain	-	155,100	155,100
Fair value loss on financial assets	-	(189,000)	(189,000)
Share-based payment expense	-	(10,186)	(10,186)
Other expenses	-	(1,502,583)	(1,502,583)
<b>Profit/(loss) before income tax expense</b>	<u>320,715</u>	<u>(1,546,669)</u>	<u>(1,225,954)</u>
Income tax expense			(141,355)
<b>Loss after income tax expense</b>			<u>(1,367,309)</u>
<b>Assets</b>			
Segment assets	7,508,555	6,836,038	14,344,593
<b>Total assets</b>			<u>14,344,593</u>
<b>Liabilities</b>			
Segment liabilities	132,502	120,542	253,044
<i>Unallocated liabilities:</i>			
Deferred tax liability			290,881
<b>Total liabilities</b>			<u>543,925</u>

**Note 3. Operating segments (continued)**

	Oil & Gas \$	Corporate \$	Total \$
<b>Consolidated - 30 June 2024</b>			
<b>Revenue</b>			
Sales to external customers	2,991,831	1,163,932	4,155,763
<b>Total revenue</b>	<u>2,991,831</u>	<u>1,163,932</u>	<u>4,155,763</u>
<b>Gross profit</b>	1,735,523	982,510	2,718,033
Depreciation and amortisation	(1,584,126)	-	(1,584,126)
Impairment of assets	(110,674)	-	(110,674)
Exploration and evaluation expenditure	-	(182,317)	(182,317)
Fair value loss on financial assets	-	(45,000)	(45,000)
Share-based payment expense	-	(86,753)	(86,753)
Other expense	-	(1,231,912)	(1,231,912)
<b>Profit/(loss) before income tax benefit</b>	<u>40,723</u>	<u>(563,472)</u>	<u>(522,749)</u>
Income tax benefit			1,807,701
<b>Profit after income tax benefit</b>			<u>1,284,952</u>
<b>Assets</b>			
Segment assets	8,810,112	6,618,725	15,428,837
<b>Total assets</b>			<u>15,428,837</u>
<b>Liabilities</b>			
Segment liabilities	15,868	126,495	142,363
<i>Unallocated liabilities:</i>			
Deferred tax liability			266,413
<b>Total liabilities</b>			<u>408,776</u>

*Geographical information*

	Sales to external customers		Geographical non-current assets	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
Canada	1,919,153	2,695,763	4,971,222	4,761,011
United States	1,538,655	1,460,000	2,111,873	2,481,994
Australia	-	-	2,188	651,345
	<u>3,457,808</u>	<u>4,155,763</u>	<u>7,085,283</u>	<u>7,894,350</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments.

### Accounting policy for operating segments

### Segment assets

## Segment liabilities

#### Note 4. Revenue and other income

		Consolidated 30 June 2025	Consolidated 30 June 2024
		\$	\$
Revenue:			
Sale of oil and gas (point in time)		3,457,808	4,155,763
		Consolidated 30 June 2025	Consolidated 30 June 2024
		\$	\$
Interest income		140,984	125,476
Other income		14,116	5,388
Revenue and other income		155,100	130,864

### Accounting policy for Revenue and other income

## Revenue – Sale of Oil and Gas

Revenue is measured at fair value of the consideration received. Amounts disclosed as revenue are net of returns, trade allowances and rebates. All revenue is measured at the point in time. Revenue is recognised when the Group is notified of its proportionate share from operators of each production asset project.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

**Note 5. Income tax**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense/(benefit)</i>		
Current tax	116,887	(2,074,114)
Deferred tax - origination and reversal of temporary differences	24,468	266,413
	<u>141,355</u>	<u>(1,807,701)</u>
Deferred tax included in income tax expense/(benefit) comprises:		
Increase in deferred tax liabilities	24,468	266,413
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Loss before income tax (expense)/benefit	(1,225,954)	(522,749)
Tax at the statutory tax rate of 30%	(367,786)	(156,825)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	4,122	208
Return to provision	60,193	(2,074,114)
Rate impact	1,179	(63,727)
Change in unrecognised tax assets	443,647	486,757
	<u>141,355</u>	<u>(1,807,701)</u>
	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	17,076,905	15,081,393

The Group has an accumulated estimated tax losses and deductible temporary differences of \$17,076,905 (30 June 2024: \$15,081,393). Utilisation of the carried forward tax losses and deductible temporary differences is subject to satisfaction of the Continuity of Ownership Test (COT) or, failing that, the Same Business Test (SBT).

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2025 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Group continues to comply with conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure.

**Note 5. Income tax (continued)**

	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	618,508	522,613
Non capital losses	(327,627)	(256,200)
Deferred tax liability	<u>290,881</u>	<u>266,413</u>
Amount expected to be settled after more than 12 months	<u>290,881</u>	<u>266,413</u>
Movements:		
Opening balance	266,413	-
Charged to profit or loss	24,468	266,413
Closing balance	<u>290,881</u>	<u>266,413</u>
	<b>Consolidated</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Provision for income tax</i>		
Provision for income tax	<u>(56,223)</u>	<u>-</u>

*Accounting policy for income tax*

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## Note 6. Cash and cash equivalents

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Cash at bank - AUD accounts	3,661,017	4,308,335
Cash at bank - USD accounts	894,066	300,085
Cash at bank - CAD accounts	542,726	1,254,593
Deposit in trust account	179,579	377,162
	<u>5,277,388</u>	<u>6,240,175</u>

### Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Note 7. Trade and other receivables

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Trade receivables	341,669	443,470
Other receivables (i)	289,245	286,558
Less: Allowance for expected credit losses	(245,344)	-
	<u>43,901</u>	<u>286,558</u>
	<u>385,570</u>	<u>730,028</u>

(i) In March 2023, the Company entered into a Promissory Note agreement with Superb Operating Company Ltd. ("Superb") to advance a loan of CAD\$370,000 (equivalent to AUD371,000). The loan was to be repaid from the marginal net production on the properties related to the workovers. By June 2023, CAD\$77,311 (equivalent to AUD86,192) had been received as production-based repayments. These repayments were stopped thereafter.

In March 2024, the Company and Superb entered into a Debt Consolidation Agreement under which Superb agreed to make monthly repayments. After paying CAD\$29,654 (equivalent to AUD32,693) in July 2024, Superb made no further payments due to production and financial difficulties.

As at 30 June 2025, the unpaid loan balance was approximately AUD245,344, for which full impairment provision has been provided.

### Allowance for expected credit losses

The Group has recognised a loss of \$245,344 (2024: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

## Note 7. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Consolidated	%	%	\$	\$	\$	\$
Not overdue	-	-	385,570	730,028	-	-
Over 6 months overdue	100%	100%	245,344	-	245,344	-
			<u>630,914</u>	<u>730,028</u>	<u>245,344</u>	<u>-</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Opening balance	-	-
Additional provisions recognised	245,344	-
Closing balance	<u>245,344</u>	<u>-</u>

### Accounting policy for trade and other receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## Note 8. Financial assets at fair value through profit or loss

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Listed Shares - BRK:ASX	<u>351,000</u>	<u>540,000</u>

The Company holds 900,000 BRK shares. The fair value of these fully paid ordinary shares at 30 June 2025 was based on the ASX quoted market value. These shares are classified as Tier 1 financial assets, changes in the value of the listed shares are charged to profit or loss accounts.

Refer to note 18 for further information on fair value measurement.

## Note 9. Other current assets

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Prepayments	105,845	3,560
Term deposit (i)	1,139,507	20,724
	<u>1,245,352</u>	<u>24,284</u>

The amount represented cash deposits in reputable financial institutions, with maturities of more than three months. The interest rates on these deposits ranged from 2.8% to 5.12% (2024: 5.12%).

## Note 10. Exploration and evaluation

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Exploration and evaluation - at cost	650,157	650,157
Less: Impairment	(650,157)	-
	<u>-</u>	<u>650,157</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	\$	Total \$
Balance at 1 July 2023	<u>650,157</u>	<u>650,157</u>
Balance at 30 June 2024	650,157	650,157
Impairment of assets	<u>(650,157)</u>	<u>(650,157)</u>
Balance at 30 June 2025	<u>-</u>	<u>-</u>

The exploration and evaluation assets represent the Company's 25% working interest in the Myall Creek project, located in the Surat Basin, Queensland. Development of the project has been delayed following the project operator, Armour Energy, being placed into administration and subsequently acquired by ADZ Energy Pty Ltd.

Due to the extended delays and uncertainties surrounding the project, a full impairment provision has been recognised.

### Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas.

## Note 11. Producing assets

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Oil & Gas producing assets	14,748,963	14,748,962
Less: Accumulated amortisation	(7,665,868)	(7,505,953)
	<u>7,083,095</u>	<u>7,243,009</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	\$
Balance at 1 July 2023	3,886,026
Additions	5,051,783
Write off of assets	(110,674)
Amortisation expense	<u>(1,584,126)</u>
Balance at 30 June 2024	7,243,009
Exchange differences	104,666
Amortisation expense	<u>(264,580)</u>
Balance at 30 June 2025	<u>7,083,095</u>

### Accounting policy for producing assets

Producing assets represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which production has commenced or is in the process of commencing. When further development expenditure is incurred in respect of operating wells after the commencement of production, such expenditure is carried forward as part of the producing asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit of production basis which results in a write-off of the cost proportional to the depletion of the proven and probable oil reserves.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

## Note 12. Trade and other payables

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Trade payables	176,742	42,568
Accruals	75,297	36,500
Other payables	19,847	57,021
	<u>271,886</u>	<u>136,089</u>

Refer to note 17 for further information on financial instruments.

## Note 12. Trade and other payables (continued)

### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 13. Provisions

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Annual leave	27,820	6,274

### Accounting policy for employee benefits

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

## Note 14. Issued capital

	Consolidated			
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	684,460,287	684,460,287	35,505,381	35,505,381

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

### Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Note 15. Reserves

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Foreign currency reserve	90,540	(47,190)
Share-based payments reserve - performance rights	10,186	642,879
	<u>100,726</u>	<u>595,689</u>

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

	2025 No.	2025 \$	2024 No.	2024 \$
Balance at 1 January	12,000,000	642,879	12,000,000	556,126
Performance rights granted during the year	17,000,000	-	-	-
Performance rights lapsed during the year	(12,000,000)	-	-	-
Share-based payments recognised during the year	-	10,186	-	86,753
Share-based payments reversed during the year	-	(642,879)	-	-
	<u>17,000,000</u>	<u>10,186</u>	<u>12,000,000</u>	<u>642,879</u>

2025 – Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Pursuant to shareholder approval on 29 November 2024, the Company has issued 17,000,000 Performance Rights to the directors. The Performance Rights are split into three tranches and vest as follows:

Class	Performance Rights	Vesting Milestone	Expiry Date	Vested securities
Tranche A	5,666,666	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.02 or more	27 December 2027	Nil
Tranche B	5,666,667	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.04 or more	27 December 2027	Nil
Tranche C	5,666,667	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.06 or more	27 December 2027	Nil

The key inputs for the valuation models are as follows:

**Note 15. Reserves (continued)**

	Class A	Class B	Class C
Valuation grant date	29 November 2024	29 November 2024	29 November 2024
Share price at grant date	\$0.007	\$0.007	\$0.007
Exercise price	Nil	Nil	Nil
Share price targets	\$0.02	\$0.04	\$0.06
Implied barrier price	\$0.0273	\$0.0546	\$0.0818
Volatility	90%	90%	90%
Interest rate	3.84%	3.84%	3.84%
Dividend yield	Nil	Nil	Nil
Fair value	\$0.00482	\$0.00332	\$0.00250
Total value of Performance Rights	\$27,313	\$18,813	\$14,167

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights.

During the financial year, the Group charged share-based payment expenses of \$4,614 for Performance Rights Class A, \$3,178 for Performance Rights Class B, and \$2,394 for Performance Class C to the profit or loss accounts. As at 30 June 2025, maximum value yet to vest were \$22,699, \$15,635, and \$11,773 for Performance Rights Class A, Performance Rights B, and Performance Rights C, respectively.

*2021 – Performance Rights over ordinary shares in the capital of the Company have been granted as follows:*

Pursuant to shareholder approval on 30 November 2021, the Company has issued 12,000,000 Performance Rights to the directors. The Performance Rights are split into three tranches and vest as follows:

Class	Performance Rights	Vesting Milestone	Expiry Date	Vested securities
Tranche A	4,000,000	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.04 or more	30 November 2024	Nil
Tranche B	4,000,000	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.06 or more	30 November 2024	Nil
Tranche C	4,000,000	Vest upon the company achieving and maintaining a 20-day VWAP of \$0.08 or more	30 November 2024	Nil

The assessed fair value of the performance rights was determined using a Trinomial Barrier option pricing model, taking into account the term of performance rights, the share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate of the term of the option.

The fair value of the performance rights is recognised over the vesting period of the options, as follows:

	Class A	Class B	Class C
Valuation grant date	30 November 2021	30 November 2021	30 November 2021
Fair value	\$0.0166	\$0.0158	\$0.0134
Total value of Performance Rights	\$66,400	\$63,200	\$53,600

The 2022 Performance Rights were lapsed on 30 November 2024. The previously recognised share-based payment expenses were transferred from share-based payment reserve to accumulated losses.

## Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Note 17. Financial instruments

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	5,277,388	6,240,175
Term deposits	1,139,507	20,724
Listed shares	351,000	540,000
Trade and other receivables	385,570	730,028
	<u>7,153,465</u>	<u>7,530,927</u>
<b>Financial liabilities</b>		
Insurance premium funding	9,561	-
Trade and other payables	271,886	136,089
	<u>281,447</u>	<u>136,089</u>

### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Financial Assets		Financial Liabilities	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	\$	\$	\$	\$
US dollars	1,223,201	377,265	81,051	-
Canadian dollars	1,890,219	1,018,766	92,205	134,758
	<u>3,113,420</u>	<u>1,396,031</u>	<u>173,256</u>	<u>134,758</u>

The Group had net financial assets denominated in USD of \$748,107 as at 30 June 2025 (2024: \$245,222), and \$1,608,526 in CAD as at 30 June 2025 (2024: \$813,287).

Based on this exposure, had the Australian dollars weakened/strengthened by 1% (2024: weakened/strengthened by 1%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$29,533 stronger/weaker \$29,533 and equity would have been \$29,533 higher/\$29,533 lower.

## Note 17. Financial instruments (continued)

### Interest rate risk

At the end of the reporting period, the interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company included the term deposit at fixed rates, ranging from 2.8% to 5.12%.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

At reporting date, there was no significant concentration of credit risk at Group level as all cash and cash equivalents and term deposits were held in AA & A+ credit rated banks (S&P). The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the statement of financial position.

### Allowance for expected credit losses

The Group has recognised a loss of \$245,344 (2024: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025 (refer to note 7).

### Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 30 June 2025	%	\$	\$	\$	\$	\$
<i>Non-interest bearing</i>						
Trade payables	-	271,886	-	-	-	271,886
<i>Interest-bearing - fixed rate</i>						
Other loans	10.52%	9,561	-	-	-	9,561
Total non-derivatives		281,447	-	-	-	281,447

**Note 17. Financial instruments (continued)**

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
<b>Consolidated - 30 June 2024</b>	%	\$	\$	\$	\$	\$
<i>Non-interest bearing</i>						
Trade payables	-	136,089	-	-	-	136,089
Total non-derivatives		136,089	-	-	-	136,089

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 18. Fair value measurement**

*Fair value hierarchy*

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
<b>Consolidated - 30 June 2025</b>	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares	351,000	-	-	351,000
Total assets	351,000	-	-	351,000
	Level 1	Level 2	Level 3	Total
<b>Consolidated - 30 June 2024</b>	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares	540,000	-	-	540,000
Total assets	540,000	-	-	540,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

*Accounting policy for fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## Note 19. Key management personnel disclosures

### Directors

The following persons were directors of Stonehorse Energy Limited during the financial year:

Robert Gardner	Executive Chairman
David Deloub	Executive Director
Jay Stephenson	Non-Executive Director
Michael McFadyen	Non-Executive Director
Nicholas Ong	Non-Executive Director

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
Short-term employee benefits	334,235	246,874
Post-employment benefits	24,788	18,608
Share-based payments	10,186	86,753
	<u>369,209</u>	<u>352,235</u>

## Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Australia Audit (WA), the auditor of the Company, and its network firms:

	Consolidated	
	30 June 2025	30 June 2024
	\$	\$
<i>Audit services - Moore Australia Audit (WA)</i>		
Audit or review of the financial statements	<u>59,000</u>	<u>-</u>
<i>Audit services - : Hall Chadwick Audit (WA) Pty Ltd)</i>		
Audit or review of the financial statements	<u>-</u>	<u>58,088</u>

## Note 21. Contingent liabilities and commitments

The Group had no contingent liabilities as at 30 June 2025 (30 June 2024: nil).

The Group had no commitments as at 30 June 2025 (30 June 2024: nil).

## Note 22. Related party transactions

### Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

### Transactions with related parties

The Company engaged Minerva Corporate Pty Ltd ("Minerva Corporate"), of which Nicholas Ong is a director, to provide company secretarial and accounting services. During the year, the Company incurred \$2,567 for these services. As at 30 June 2025, the fee payable was \$2,567.

## Note 22. Related party transactions (continued)

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax	(1,953,266)	(1,181,234)
Total comprehensive income	(1,953,266)	(1,181,234)

### Statement of financial position

	Parent	
	30 June 2025	30 June 2024
	\$	\$
Total current assets	5,265,379	11,966,675
Total assets	11,034,923	12,987,371
Total current liabilities	138,916	148,284
Total liabilities	138,916	148,284
Equity		
Issued capital	35,505,381	35,505,381
Share-based payments reserve - performance rights	10,186	595,689
Accumulated losses	(24,619,560)	(23,261,983)
Total equity	10,896,007	12,839,087

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

## Note 24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2025 %	30 June 2024 %
Lone Star Energy Limited	Australia	100.00%	100.00%
LS Operating Pty Ltd	Australia	100.00%	100.00%
Lonestar Exploration & Production Inc	USA	100.00%	100.00%
Stonehorse Canada Corporation	Canada	100.00%	100.00%

## Note 25. Events after the reporting period

On 4 September, the Company announced that David Deloub resigned from Executive Director.

On 13 September 2025, the Company announced that 12,000,000 performance rights lapsed.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Note 26. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated	
	30 June 2025 \$	30 June 2024 \$
Profit/(loss) after income tax (expense)/benefit for the year	(1,367,309)	1,284,952
Adjustments for:		
Depreciation and amortisation	264,580	1,584,126
Impairment of assets	895,501	110,674
Net fair value loss on financial assets	189,000	45,000
Share-based payments	10,186	86,753
Change in operating assets and liabilities:		
Increase in trade and other receivables	(4,254)	(724,338)
Increase in trade and other payables	101,120	230,748
Increase/(decrease) in income tax provision and deferred tax liabilities	24,467	(1,807,701)
Net cash from operating activities	<u>113,291</u>	<u>810,214</u>

## Note 27. Earnings per share

	Consolidated	
	30 June 2025 \$	30 June 2024 \$
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Profit/(loss) after income tax attributable to the owners of Stonehorse Energy Limited	<u>(1,367,309)</u>	<u>1,284,952</u>

**Note 27. Earnings per share (continued)**

	2025 Number	2024 Number
Weighted average number of ordinary shares used in calculating diluted earnings per share	684,460,287	684,460,287
	Cents	Cents
Basic earnings per share	(0.20)	0.19
Diluted earnings per share	(0.20)	0.19

As at 30 June 2025, the potential shares were excluded to calculate the diluted earnings as they were anti-dilutive.

**Accounting policy for earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Stonehorse Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Consolidated entity disclosure statement

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Stonehorse Energy Limited (the Parent)	Body Corporate	Australia	N/A	Australia
Lone Star Energy Limited	Body Corporate	Australia	100.00%	Australia
LS Operating Pty Ltd	Body Corporate	Australia	100.00%	Australia
Lonestar Exploration & Production Inc	Body Corporate	USA	100.00%	Australia/USA*
Stonehorse Canada Corporation	Body Corporate	Canada	100.00%	Canada

\*: LS Operating Pty Ltd has a branch for tax purposes in the United States by holding assets and procuring income in the United States.

### Basis of Preparation

This consolidated entity disclosure statement has been prepared in accordance with the s295 (3A)(a) of the Corporations Act 2001 and includes the required information for Stonehorse Energy Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

### Tax Residency

2295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

#### *Australian tax residency*

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

#### *Foreign tax residency*

Where appropriate, independent tax advisors have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "R. Gardner", written over a horizontal line.

Robert Gardner  
Chairman

30 September 2025

## **Independent Audit Report**

### **To the members of Stonehorse Energy Limited**

## **Report on the Audit of the Financial Report**

### **Opinion**

We have audited the financial report of Stonehorse Energy Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Key audit matter**
**How the matter was addressed in our audit**
**Revenue**
**Refer to Note 4 Revenue and other income**

For the year ended 30 June 2025, revenue from sales of oil and gas was \$3,457,808.

The Group's revenue primarily relates to the net revenue received from the sale of oil and gas which is recognised when the Group is notified of its proportionate share from operators of each production asset.

Revenue recognition is a key audit matter given the significance and materiality of revenue to the Group.

Our procedures included, amongst others, the following:

- Discussed with management and obtained understanding of the policy, procedures and controls in relation to revenue recognition.
- Ensured that accounting policies with respect to revenue comply with Australian Accounting Standards and consistent with prior periods.
- Performed walkthrough of the revenue transactions and substantively tested samples of revenue transactions to supporting evidence.
- Compared the revenue recorded to external information including production volumes and commodity prices to determine the reasonableness of revenue recorded.
- Assessed the appropriateness of the relevant disclosures in the financial statements.

**Carrying value of the capitalised exploration & evaluation assets and producing assets**
**Refer to Note 10 Exploration and evaluation asset and Note 11 Producing assets**

As at 30 June 2025 the Group had capitalised exploration and evaluation expenditure of \$nil after impairment and producing assets of \$7,083,095.

The oil and gas reserves of the producing assets are amortised on a unit of production basis proportional to the depletion of the proven and probable oil reserves.

The carrying values of the capitalised exploration and evaluation assets and producing assets were key audit matters given the significance of these assets to the Group's balance sheet, and the judgement involved in the assessment of their values, including the use of management experts when estimating the proved and probable oil and gas reserves.

In determining whether there was an indicator of impairment or impairment reversal the Group considered whether there was a significant change in the factors, key assumptions, judgements and estimates as set out in Note 10

Our procedures included, amongst others, the following:

- Discussed with management and obtained understanding of the policy, procedures and controls in relation to recognition, measurement and impairment of these assets.
- Assessed the methodologies used by management and management's expert to estimate recoverable amounts of the producing assets, including testing the integrity of the information provided, and assessing the appropriateness of the key assumptions adopted.
- Tested expenditures and other additions to the producing assets during the year on a sample basis against supporting documentation
- Reviewed the Group's rights to tenure to its areas of interest and ensured capitalised expenditures relating to areas of interest which have been discontinued or non-budgeted for are appropriately impaired.
- Checked the calculation of the amortisation expenses of the producing assets.
- Evaluated whether there had been significant changes in the external or internal factors considered by the Group in assessing whether indicators of impairment or reversal

and Note 11 of the financial statements. The assessment of impairment indicators is also complex and highly judgemental and includes assessing a range of internal and external factors.

of impairment existed. This included consideration of commodity prices, current and expected production levels and foreign exchange rates.

- Considered the circumstances which might indicate impairment testing was required, including compared the Group's recent market capitalisation to its net asset position, noting that market capitalisation below net assets is an indicator of possible impairment, thereby requiring further consideration.
- Assessed the appropriateness of the relevant disclosures in the financial statements.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Stonehorse Energy Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Neil Pace  
Partner – Audit and Assurance  
Moore Australia Audit (WA)



Moore Australia Audit (WA)  
Chartered Accountants

Perth  
30<sup>th</sup> day of September 2025

## Corporate Governance Statement

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (4th Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them. The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	Complying	<p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.</p>
<b>Recommendation 1.2</b> A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	Complying	<p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p>
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.
<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.
<b>Recommendation 1.5</b> A listed entity should: Have and disclose a diversity policy; through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and disclose in relation to each reporting period: the measurable objectives set for that period to achieve gender diversity; either: the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for	Complying	<p>The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>The Diversity Policy allows the Board to set measurable gender diversity objectives and to continually monitor both the objectives and the Company's progress in achieving them. The measurable diversity objectives for each financial year (if any), and the Company's progress in achieving them, will be detailed in the Company's Annual Report</p> <p>The Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans;</p> <p>If it becomes necessary to appoint any new Directors or senior executives, the Board will consider the application of the measurable diversity objectives and determined whether, given the small size of the Company and the Board, requiring specified objectives to be met will unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing the best person for the job; and</p>

achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

The respective proportions of men and women on the Board, in senior executive roles, and across the entire organisation (including the entity's definition of 'senior executive' for these purposes) will be disclosed in the Company's Annual Report each financial year. As of the end of the financial year, the Company had no female Board members, while 2 out of 3 executives based in Canada were women

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan. .</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.</p> <p>The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complying	<p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p>

**Principle 2: Structure the board to add value**

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION																																		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Complying	<p>Due to the size and nature of the existing Board and the magnitude of the Company’s operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company’s Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee. The duties of the Nomination Committee are outlined in Schedule 5 of the Company’s Corporate Governance Plan available online on the Company’s website. The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company’s nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p>																																		
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Complying	<table><tr><th>Board Skills Matrix</th><th>Number of Directors that Meet the Skill</th></tr><tr><td>Executive &amp; Non- Executive experience</td><td>3</td></tr><tr><td>Industry experience &amp; knowledge</td><td>3</td></tr><tr><td>Leadership</td><td>3</td></tr><tr><td>Corporate governance &amp; risk management</td><td>3</td></tr><tr><td>Strategic thinking</td><td>4</td></tr><tr><td>Desired behavioural competencies</td><td>4</td></tr><tr><td>Geographic experience</td><td>2</td></tr><tr><td>Capital Markets experience</td><td>3</td></tr><tr><td>Subject matter expertise:</td><td></td></tr><tr><td>- accounting</td><td>3</td></tr><tr><td>- capital management</td><td>3</td></tr><tr><td>- corporate financing</td><td>3</td></tr><tr><td>- industry taxation <sup>1</sup></td><td>0</td></tr><tr><td>- risk management</td><td>3</td></tr><tr><td>- legal<sup>2</sup></td><td>0</td></tr><tr><td>- IT expertise <sup>2</sup></td><td>0</td></tr></table> <p>(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.</p> <p>(2) Skill gap noticed however an external legal firm is employed to maintain legal requirements.</p> <p>Skill gap noticed however an external legal and IT firm is engaged on an adhoc basis.</p>	Board Skills Matrix	Number of Directors that Meet the Skill	Executive & Non- Executive experience	3	Industry experience & knowledge	3	Leadership	3	Corporate governance & risk management	3	Strategic thinking	4	Desired behavioural competencies	4	Geographic experience	2	Capital Markets experience	3	Subject matter expertise:		- accounting	3	- capital management	3	- corporate financing	3	- industry taxation <sup>1</sup>	0	- risk management	3	- legal <sup>2</sup>	0	- IT expertise <sup>2</sup>	0
Board Skills Matrix	Number of Directors that Meet the Skill																																			
Executive & Non- Executive experience	3																																			
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Corporate governance & risk management	3																																			
Strategic thinking	4																																			
Desired behavioural competencies	4																																			
Geographic experience	2																																			
Capital Markets experience	3																																			
Subject matter expertise:																																				
- accounting	3																																			
- capital management	3																																			
- corporate financing	3																																			
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- IT expertise <sup>2</sup>	0																																			

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b>Recommendation 2.3</b> <b>A listed entity should disclose:</b> (a) the names of the directors considered by the board to be independent directors; (b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each Director	Complying	(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports and Company website. (b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website. (c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.
<b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.	Complying	The Board Charter requires that where practical the majority of the Board will be independent. Michael McFadyen and Nicholas Ong are independent directors. Details of each Director's independence are provided in the Annual Reports and Company website.
<b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not complying	The Board Charter provides that where practical, the Chairman of the Board will be an independent director. The current Chairman is not an independent director. If the Chairman ceases to be independent then the Board will consider appointing a lead independent Director.
<b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Complying	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.
<b>Principle 3: Act ethically and responsibly</b>		
<b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.	Complying	(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.
<b>Recommendation 3.2</b> A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code	Complying	(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees. (b) The Company's Corporate Code of Conduct is in the Corporate Governance Plan. which is summarised on the Company's website.
<b>Recommendation 3.3</b> A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complying	The Company has a whistleblowing policy which is outlined in the Company Corporate Governance Plan. The board is informed of any material incidents reported under the policy.
<b>Recommendation 3.4</b> A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.	Complying	The Company has an anti-corruption policy which is outlined in the Company Corporate Governance Plan. The board is informed of any material incidents reported under the policy.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<b>Recommendation 4.1</b> The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Complying	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p>
<b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complying	<p>The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
<b>Recommendation 4.3</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Complying	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>
<b>Principle 5: Make timely and balanced disclosure</b>		
<b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Complying	<p>The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>The summary of the Corporate Governance Plan is available on the Company website.</p>
<b>Recommendation 5.2</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complying	<p>Each member of the board receives copies of all material market announcements promptly after they have been made.</p>
<b>Recommendation 5.3</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complying	<p>All substantive investor or analyst presentations are released on the ASX Market Announcement Platform ahead of the presentation.</p>
<b>Principle 6: Respect the rights of security holders</b>		

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Complying	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website. Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.
<b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders. The Shareholder Communications Strategy can be found in Schedule 10 of the Board Charter which is available on the Company website.
<b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complying	The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
<b>Recommendation 6.4</b> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complying	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands
<b>Recommendation 6.5</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
<b>Recommendation 7.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</li> </ul>	Complying	Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website. The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<b>Recommendation 7.2</b> The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</li> <li>(b) disclose in relation to each reporting period, whether such a review has taken place.</li> </ul>	Complying	<ul style="list-style-type: none"> <li>(a) The Company process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls.</li> <li>(b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report.</li> </ul>
<b>Recommendation 7.3</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ul>	Complying	<ul style="list-style-type: none"> <li>(b) Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</li> </ul>
<b>Recommendation 7.4</b> A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complying	Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
<b>Principle 8: Remunerate fairly and responsibly</b>		
<b>Recommendation 8.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a remuneration committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>	Complying	<p>Due to the size and nature of the existing board and the magnitude of the Company's operations the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive</p>
<b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	Complying	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report as well as being disclosed on the Company's website.

## Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

### 1 Shareholding as at 24 September 2025

#### a. Distribution of Shareholders 24 September 2025

Range	Total holders	Units	% Units
1 - 1,000	114	34,202	0.00
1,001 - 5,000	82	223,428	0.03
5,001 - 10,000	72	561,114	0.08
10,001 - 100,000	484	24,733,207	3.61
100,001 Over	389	658,908,132	96.27
<b>Rounding</b>			<b>0.01</b>
<b>Total</b>	<b>1,141</b>	<b>684,460,083</b>	<b>100.00</b>

#### b. Unmarketable Parcels

Minimum Parcel Size	Holders
Minimum \$ 500.00 parcel at \$ 0.006 per unit	83,333
	646

#### c. Voting Rights

The voting rights attached to each class of equity security are as follows:

**Ordinary shares:** Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

#### d. 20 Largest Shareholders — Ordinary Shares as at 24 September 2025

Rank	Name	Units	% Units
1	WATCH HILL HOLDINGS LIMITED	70,000,000	10.23
2	ROCA INVESTMENTS LIMITED	65,000,000	9.50
3	NORFOLK BLUE PTY LTD <NORFOLK BLUE A/C>	39,895,000	5.83
4	FASTWITCH ENTERPRISES PTY LTD	39,500,000	5.77
5	MR NIGEL PAUL HOPKINSON + MRS MAUREEN JEAN HOPKINSON <HOPKINSON SUPERFUND A/C>	31,500,000	4.60
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	21,500,000	3.14
7	MASTER WILLIAM HENRY MORRISH FREEBORN	19,581,958	2.86
8	MR PETER HUBERT OTTA	14,603,750	2.13
9	MR KEVIN JOHN HENDERSON	14,500,000	2.12
10	WORLD TREND LIMITED	12,300,000	1.80
11	MR MICHAEL JOHN ANDERSON	10,567,656	1.54
12	MR BENJAMIN MOK	7,500,000	1.10
13	BROOKSIDE ENERGY LIMITED	7,466,666	1.09
14	MR JASON TANG	6,922,644	1.01
15	WORLD TREND LIMITED	6,549,875	0.96
16	MR BRETT JUSTIN BEYER	6,403,335	0.94
17	MS LUCY KOPPE	6,000,000	0.88
18	CASTLEBELL PTY LTD <SILVER CLOUD SUPER FUND A/C>	5,590,692	0.82
19	AIRDEN INVESTMENTS PTY LTD <AIRDEN INVESTMENT A/C>	5,580,000	0.82
20	HAROLD CRIPPS HOLDINGS PTY LTD	5,308,333	0.78
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>382,645,351</b>	<b>57.90</b>

### 2 Company Secretary

The name of the Company Secretary is Nicholas Ong.

### 3 Principal registered office

As disclosed in the Corporate Directory of this Annual Report.

## Additional information for listed public companies

### 4 Registers of securities are held at the following addresses

As disclosed in the Corporate Directory of this Annual Report.

### 5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory on page 1 of this Annual Report.

### 6 Unquoted securities

The Company has no options on issue over Unissued shares. During the year, the Company issued 5 million performance right under an incentive scheme.

### 7 On-market buy-back / purchase

No on-market buy-back occurred during the reporting period nor is an on-market buy-back currently being undertaken by the Company.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme, or to satisfy the entitlements of the holders of options or other rights to acquire securities under an employee incentive scheme.