

17 March 2026

Stonehorse Production & Wells Update for the Drumheller Development in Alberta, Canada

KEY HIGHLIGHTS:

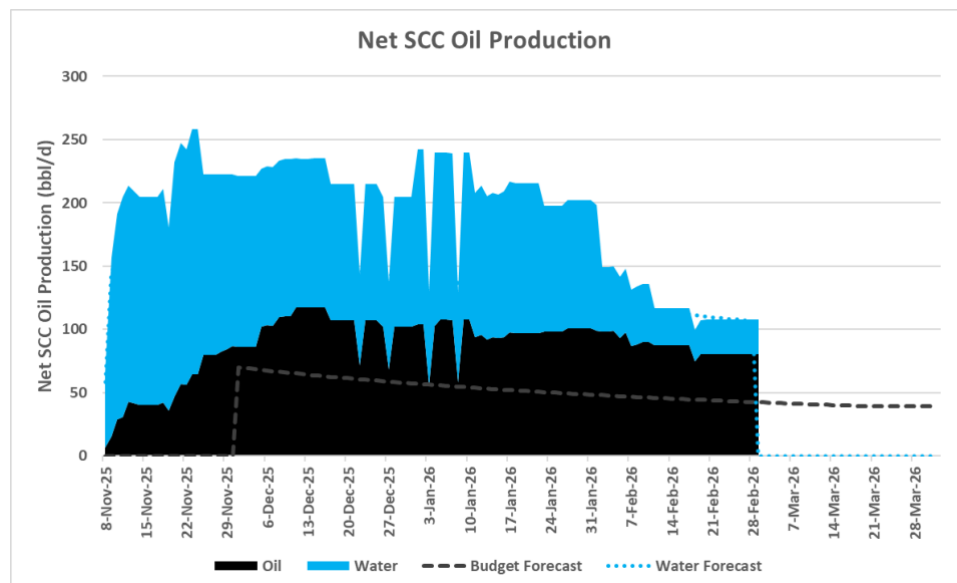
The first well, Drumheller #1, was brought online in Q4 2025 and continues to outperform budget expectations at 123 BOEPD (84 BOPD & 236 Mcf/d) net to Stonehorse Canada.

The Drumheller #2 well successfully reached total drilling depth of 4,494 meters. The partnership has agreed to drill a third and fourth well in direct continuation. Drumheller # 3 is currently underway, with a planned depth of 4,405 meters. Once well #3 completes drilling, the rig will move to another pad location and spud well #4.

Drumheller #2 and #3 will be completed back-to-back (once well #3 has finished the planned drilling operation). Drumheller #4 will be drilling to a planned depth of ~4,200 meters simultaneous to well #2 & #3 completion operations. The operator plans to complete Drumheller #4 following wells #2 and #3.

This will be the fourth of a four-well agreement with the same operator. As part of the agreement, Stonehorse will invest \$1.85 million CAD per well to earn its 35% working interest.

Below is the latest Drumheller #1 Production profile vs budget forecast.



The development wells are in an area of light oil production with high liquids ratio and are targeting the Ellerslie Reservoir, which is producing over 40,000 boe/d (77% liquids) with an 18% annual growth rate since 2017.

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Michael McFadyen, Non-Executive Director

Rick Lu, Non-Executive Director

Nicholas Ong, Non-Executive Director and Company Secretary

Issued Capital (ASX: SHE)

684.4m Ordinary Shares

Investor Hub

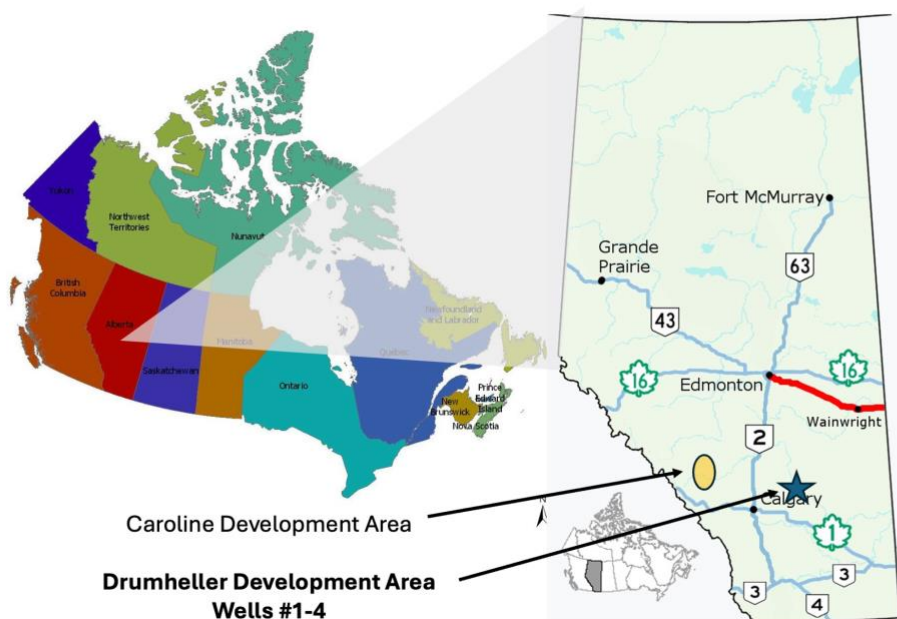
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SCAN ME



Stonehorse Drumheller Farm-in Area



The three new wells are on existing well pads with facilities connected to flow the wells to production and sales soon after completion operations. The 3 wells are anticipated to come online with oil production early in the second quarter of 2026.

Stonehorse has the option to extend the current agreement with the operator to allow for additional joint wells under similar terms. Based on current market conditions there is a strong likelihood of more wells to follow later in the year. The operator has over 80 potential new well locations.

Stonehorse Executive Chairman, Mr Robert Gardner said, “We are excited to participate in these 3 new wells to follow up a previous success that exceeded expectations. The development wells support our strategy to partner with a basin expert in the area and to continue to grow value through increased oil weighted production in Western Canada.”

This announcement is approved for release by the Company Secretary.

- ENDS –

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About Stonehorse Energy

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

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