



# Stonehorse Energy Limited

And Its Controlled Entities

**ABN 13 086 972 429**

**Half Year Report - 31 December 2025**

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**Stonehorse Energy Limited**  
**Corporate directory**  
**31 December 2025**



Directors	Mr Robert Gardner - Executive Chairman Mr Michael McFadyen - Non-Executive Director Mr Nicholas Ong - Non-Executive Director Mr Rick Lu - Non-Executive Director
Company secretary	Mr Nicholas Ong
Registered office	Suite 4, 182 Claisebrook Road Perth WA 6000
Postal address	PO Box 52 West Perth WA 6872
Principal place of business	Suite 4, 182 Claisebrook Road Perth WA 6000
Telephone	+61 (0)8 6141 3500
Facsimile	+61 (0)8 6141 3599
Email	info@stonehorseenergy.com.au
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	www.stonehorseenergy.com

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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 half-year ended 31 December 2025.

### **Directors**

The following persons were directors of Stonehorse Energy Limited during the whole of the financial half-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
Rick Lu	Non-Executive Director (appointed 5 February 2026)
David Deloub	Executive Director (resigned 4 September 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.

### **Review of operations**

The loss for the Group after providing for income tax amounted to \$293,030 (31 December 2024: \$2,143,034).

### **Operational Highlights**

- The Company has had good operational performance over the first 6 months with minimal production downtime and no safety or environmental incidents. Company production averaged 444 BOEPD or 81,744 BOE's.
- Stonehorse Canada Corporation entered into a multi-well farm-in agreement prior to year end 2025 with a private Canadian based E&P company. The arrangement allows Stonehorse the right to participate as a partner in future oil well development in the Drumheller area of Alberta, Canada. The first well was successfully completed below budget and producing above pre-drill estimates.
- The Caroline well had another strong 6 months of solid production with minimal downtime.
- [Production from the US portfolio remains consistent with legacy production contributing more than 136 BOEPD or 24,977 BOE of net production for the 6-month period](#)

### **CANADIAN ASSETS**

Drumheller 1 was completed and came on production November 9<sup>th</sup>, 2025. The well has produced at an average rate of 130 BOEPD for a total of 5,800 BOE through December 2025. The well has exceeded pre-drill expectations and has proved up additional offset development well locations.

The Wapiti well has been challenged with increased gas production and lack of gas egress in the area. The well continues to produce intermittently but at minimal rates of 2.6 BOEPD or 483 BOE's over the six-month period.

The Caroline well produced at an average rate of 226 BOEPD or 41,534 BOE's for July through December 2025. The well continues to yield strong results and is performing above budget expectations.

Canadian production for the first half of the year was 260 BOEPD or 47,817 BOE total with 49% liquids (Oil & NGLs).

### **US ASSETS**

The current oil and gas well portfolio consisting of 11 operating wells in US continues to perform strongly delivering seasoned production. During the reporting period, the US wells produced a total of 24,977 BOE net to the Company.

## AUSTRALIAN ASSETS

### Myall Creek-2 (Surat Basin, QLD)

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.

## CURRENT PORTFOLIO OF OIL AND GAS WELL ASSETS

The Company currently has non-operated working interests in 14 wells including the 2 new wells located in Alberta, Canada and the highly productive Jewell well located in Oklahoma.

Well Name	Reference Number	Working Interest	County, State	Operator
<b>Stonehorse US</b>				
Burgess	28-1	96.81%	Ellis, OK	Black Mesa Energy
Sutton	2H-52	25.00%	Hansford, TX	Strat Land Exploration
Bullard	1-18-07UWH	15.60%	Garvin, OK	Rimrock Resources
Henry Federal	1-8-5XH	2.30%	Blaine, OK	Continental Resources
Randolph	1-34-27XHM	0.21%	Blaine, OK	Continental Resources
Randolph	3-34-27XHM	0.21%	Blaine, OK	Continental Resources
Randolph	4-34-27XHM	0.21%	Blaine, OK	Continental Resources
Jewell	1-13-12SXH	41.50%	Carter, OK	Black Mesa Energy
Newberry	12-1	21.70%	Carter, OK	Black Mesa Energy
Mitchell	12-1	50.00%	Carter, OK	Black Mesa Energy
Thelma	1-32	50.00%	Murray, OK	Black Mesa Energy
<b>Stonehorse Canada</b>				
Drumheller #1	Drumheller #1	20.00%	Red Deer River Valley	Persist
Caroline	1-27-33	26.25%	Sundre, AB	Certus
Wapiti	16-02-65-08	18.75%	Wapiti, AB	Gryphon
<b>Stonehorse Australia</b>				
Myall Creek	Myall Creek-2	25.00%	Surat Basin, Qld	ADZ

### 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 half-year.

### Matters subsequent to the end of the financial half-year

On 24 February 2026, the Company announced that it was participating in a second well in the Drumheller area, the second of a three well agreement with the same operator behind the first successful Drumheller #1 well. The Company will invest \$1.85 million CAD in the well to earn a 35% working interest.

No other matter or circumstance has arisen since 31 December 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.

### 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.

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This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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

Robert Gardner  
Chairman

16 March 2026

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Stonehorse Energy Limited is a member of the Stonehorse Group. The Stonehorse Group is a group of companies controlled by Stonehorse Energy Limited.

**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 half-year ended 31 December 2025, there have been:

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



NEIL PACE  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 16<sup>th</sup> day of March 2026.

**Stonehorse Energy Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2025**



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	Note	Consolidated	
		31 Dec 2025 \$	31 Dec 2024 \$
<b>Revenue</b>			
Revenue	3	1,285,660	1,287,220
Production cost		<u>(765,740)</u>	<u>(748,555)</u>
Gross profit		<u>519,920</u>	<u>538,665</u>
Other income	3	47,590	46,286
<b>Expenses</b>			
Professional fees		(151,073)	(341,010)
Employee benefits expense		(83,600)	(198,993)
Share-based payment expense		(2,956)	(1,718)
Depreciation and amortisation expense		(322,712)	(1,800,623)
Insurances		(39,516)	(11,962)
Compliance costs		(23,671)	(203,818)
Project development		(207,341)	-
Change in fair value on financial assets	6	81,000	(148,500)
Other expenses		<u>(39,454)</u>	<u>(21,361)</u>
<b>Loss before income tax expense</b>		(221,813)	(2,143,034)
Income tax expense		<u>(71,217)</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of Stonehorse Energy Limited</b>		(293,030)	(2,143,034)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(151,951)</u>	<u>129,694</u>
Other comprehensive income for the half-year, net of tax		<u>(151,951)</u>	<u>129,694</u>
<b>Total comprehensive income for the half-year attributable to the owners of Stonehorse Energy Limited</b>		<u>(444,981)</u>	<u>(2,013,340)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(0.04)	(0.31)
Diluted earnings per share	14	(0.04)	(0.31)

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

Stonehorse Energy Limited  
Consolidated statement of financial position  
As at 31 December 2025



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		Consolidated	
	Note	31 Dec 2025 \$	30 Jun 2025 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,122,796	5,277,388
Trade and other receivables	5	568,258	385,570
Financial assets at fair value through profit or loss	6	432,000	351,000
Other current assets	7	885,307	1,245,352
<b>Total current assets</b>		<b>6,008,361</b>	<b>7,259,310</b>
<b>Non-current assets</b>			
Plant and equipment		-	2,188
Producing assets	8	7,684,060	7,083,095
<b>Total non-current assets</b>		<b>7,684,060</b>	<b>7,085,283</b>
<b>Total assets</b>		<b>13,692,421</b>	<b>14,344,593</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		199,398	271,886
Insurance premium funding		-	9,561
Tax payable (paid in advance)		(156,501)	(56,223)
Provisions		-	27,820
<b>Total current liabilities</b>		<b>42,897</b>	<b>253,044</b>
<b>Non-current liabilities</b>			
Deferred tax		290,881	290,881
<b>Total non-current liabilities</b>		<b>290,881</b>	<b>290,881</b>
<b>Total liabilities</b>		<b>333,778</b>	<b>543,925</b>
<b>Net assets</b>		<b>13,358,643</b>	<b>13,800,668</b>
<b>Equity</b>			
Issued capital	9	35,505,381	35,505,381
Reserves	10	(55,459)	100,726
Accumulated losses		(22,091,279)	(21,805,439)
<b>Total equity</b>		<b>13,358,643</b>	<b>13,800,668</b>

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

Stonehorse Energy Limited  
Consolidated statement of changes in equity  
For the half-year ended 31 December 2025



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	Issued capital \$	Share-based payment reserves \$	Foreign translation reserve \$	Accumulated losses \$	Total equity \$
<b>Consolidated</b>					
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 half-year	-	-	-	(2,143,034)	(2,143,034)
Other comprehensive income for the half-year, net of tax	-	-	129,694	-	129,694
Total comprehensive income for the half-year	-	-	129,694	(2,143,034)	(2,013,340)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	1,718	-	-	1,718
Lapse of Performance rights	-	(642,879)	-	642,879	-
Balance at 31 December 2024	<u>35,505,381</u>	<u>1,718</u>	<u>82,504</u>	<u>(22,581,164)</u>	<u>13,008,439</u>
<b>Consolidated</b>					
Balance at 1 July 2025	35,505,381	10,186	90,540	(21,805,439)	13,800,668
Loss after income tax expense for the half-year	-	-	-	(293,030)	(293,030)
Other comprehensive income for the half-year, net of tax	-	-	(151,951)	-	(151,951)
Total comprehensive income for the half-year	-	-	(151,951)	(293,030)	(444,981)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	2,956	-	-	2,956
Lapse of Performance rights	-	(7,190)	-	7,190	-
Balance at 31 December 2025	<u>35,505,381</u>	<u>5,952</u>	<u>(61,411)</u>	<u>(22,091,279)</u>	<u>13,358,643</u>

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 half-year ended 31 December 2025



	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	997,127	1,679,980
Payments to suppliers and employees	(1,427,670)	(1,524,983)
Interest received	47,590	46,286
Income taxes paid	(171,496)	-
	<u>(554,449)</u>	<u>201,283</u>
Net cash from/(used in) operating activities		
<b>Cash flows from investing activities</b>		
Payments for investments in producing assets	(1,067,445)	(2,320)
Proceeds from release of deposits	485,048	-
	<u>(582,397)</u>	<u>(2,320)</u>
Net cash used in investing activities		
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(9,561)	-
	<u>(9,561)</u>	<u>-</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	(1,146,407)	198,963
Cash and cash equivalents at the beginning of the financial half-year	5,277,388	6,240,175
Effects of exchange rate changes on cash and cash equivalents	(8,185)	58,319
	<u>4,122,796</u>	<u>6,497,457</u>
Cash and cash equivalents at the end of the financial half-year		

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

## Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early 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.

## Note 2. 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 2. Operating segments (continued)**

*Operating segment information*

<b>Consolidated - 31 Dec 2025</b>	Oil & Gas \$	Corporate \$	Total \$
<b>Revenue</b>			
Sales to external customers	1,285,660	-	1,285,660
<b>Total revenue</b>	<u>1,285,660</u>	<u>-</u>	<u>1,285,660</u>
<b>Gross profit</b>			
Depreciation and amortisation	(322,712)	-	(322,712)
Fair value gain on financial assets	-	81,000	81,000
Share-based payment expense	-	(2,956)	(2,956)
Other expenses	-	(544,655)	(544,655)
<b>Profit/(loss) before income tax expense</b>	<u>197,208</u>	<u>(419,021)</u>	<u>(221,813)</u>
Income tax expense			(71,217)
<b>Loss after income tax expense</b>			<u>(293,030)</u>
<b>Assets</b>			
Segment assets	8,127,915	1,441,710	9,569,625
<i>Unallocated assets:</i>			
Cash and cash equivalents			4,122,796
<b>Total assets</b>			<u>13,692,421</u>
<b>Liabilities</b>			
Segment liabilities	145,244	54,154	199,398
<i>Unallocated liabilities:</i>			
Tax paid in advance			(156,501)
Deferred tax liability			290,881
<b>Total liabilities</b>			<u>333,778</u>

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Note 2. Operating segments (continued)

Consolidated - 31 Dec 2024	Oil & Gas \$	Corporate \$	Total \$
<b>Revenue</b>			
Sales to external customers	1,287,220	-	1,287,220
<b>Total revenue</b>	<u>1,287,220</u>	<u>-</u>	<u>1,287,220</u>
<b>Gross profit</b>	538,665	46,286	584,951
Depreciation and amortisation	(1,800,623)	-	(1,800,623)
Fair value loss on financial assets	-	(148,500)	(148,500)
Share-based payment expense	-	(1,718)	(1,718)
Other expenses	-	(777,144)	(777,144)
<b>Loss before income tax expense</b>	<u>(1,261,958)</u>	<u>(881,076)</u>	<u>(2,143,034)</u>
Income tax expense			-
<b>Loss after income tax expense</b>			<u>(2,143,034)</u>

Consolidated - 30 Jun 2025

<b>Assets</b>			
Segment assets	7,508,555	1,558,650	9,067,205
<i>Unallocated assets:</i>			
Cash and cash equivalents			5,277,388
<b>Total assets</b>			<u>14,344,593</u>
<b>Liabilities</b>			
Segment liabilities	132,502	176,765	309,267
<i>Unallocated liabilities:</i>			
Tax paid in advance			(56,223)
Deferred tax liability			290,881
<b>Total liabilities</b>			<u>543,925</u>

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2025 \$	31 Dec 2024 \$	31 Dec 2025 \$	30 Jun 2025 \$
Canada	691,689	768,863	5,725,680	4,971,222
United States	593,971	518,357	1,958,380	2,111,873
Australia	-	-	-	2,188
	<u>1,285,660</u>	<u>1,287,220</u>	<u>7,684,060</u>	<u>7,085,283</u>

Note 3. Revenue and other income

	Consolidated	
	31 Dec 2025 \$	31 Dec 2024 \$
Revenue:		
Sale of oil and gas (point in time)	<u>1,285,660</u>	<u>1,287,220</u>

**Note 3. Revenue and other income (continued)**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
Interest income	47,590	46,286

**Note 4. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Cash at bank - AUD accounts	3,076,005	3,661,017
Cash at bank - USD accounts	347,736	894,066
Cash at bank - CAD accounts	680,313	542,726
Deposit in trust account	18,742	179,579
	<u>4,122,796</u>	<u>5,277,388</u>

**Note 5. Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Trade receivables	365,570	341,669
Other receivables	448,032	289,245
Less: Allowance for expected credit losses (i)	(245,344)	(245,344)
	<u>202,688</u>	<u>43,901</u>
	<u>568,258</u>	<u>385,570</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. The unpaid loan balance was approximately AUD245,344, for which full impairment provision has been provided.

**Note 6. Financial assets at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	\$	\$
Listed Shares - BRK:ASX	432,000	351,000

**Note 6. Financial assets at fair value through profit or loss (continued)**

The Company holds 900,000 BRK shares. The fair value of these fully paid ordinary shares at 31 December 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.

**Note 7. Other current assets**

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Prepayments	125,003	105,845
Term deposit	760,304	1,139,507
	<u>885,307</u>	<u>1,245,352</u>

**Note 8. Producing assets**

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Oil & Gas producing assets	15,640,678	14,748,963
Less: Accumulated amortisation	<u>(7,956,618)</u>	<u>(7,665,868)</u>
	<u>7,684,060</u>	<u>7,083,095</u>

*Reconciliations*

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

Consolidated	\$
Balance at 1 July 2025	7,083,095
Additions	1,067,445
Exchange differences	(143,768)
Amortisation expense	<u>(322,712)</u>
Balance at 31 December 2025	<u>7,684,060</u>

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.

**Note 9. Issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>\$</b>	<b>\$</b>
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.

**Note 10. Reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>30 Jun 2025</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(61,411)	90,540
Share-based payments reserve - performance rights	5,952	10,186
	<u>(55,459)</u>	<u>100,726</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.

	31 Dec 2025	31 Dec 2025	30 Jun 2025	30 Jun 2025
	No.	\$	No.	\$
Beginning balance	17,000,000	10,186	12,000,000	642,879
Performance rights granted during the period/year	-	-	17,000,000	-
Performance rights lapsed during the year	(12,000,000)	-	(12,000,000)	-
Share-based payments recognised during the period/year	-	2,956	-	10,186
Share-based payments reversed during the period/year	-	(7,190)	-	(642,879)
	<u>5,000,000</u>	<u>5,952</u>	<u>17,000,000</u>	<u>10,186</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:

**Note 10. Reserves (continued)**

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:

	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 period, 12,000,000 performance rights lapsed following the termination of employment of David Deloub.

**Note 11. Dividends**

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

**Note 12. Contingent liabilities and commitments**

The Group had no contingent liabilities as at 31 December 2025 (30 June 2025: nil).

The Group had no commitments as at 31 December 2025 (30 June 2025: nil).

**Note 13. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in the annual financial 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 period, the Company incurred \$42,000 for these services.

*Terms and conditions*

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



**Note 14. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Stonehorse Energy Limited	(293,030)	(2,143,034)
	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating diluted earnings per share	684,460,287	684,460,287
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.04)	(0.31)
Diluted earnings per share	(0.04)	(0.31)

As at 31 December 2025, the potential shares were excluded to calculate the diluted earnings as they were anti-dilutive.

**Note 15. Events after the reporting period**

On 24 February 2026, the Company announced that it was participating in a second well in the Drumheller area, the second of a three well agreement with the same operator behind the first successful Drumheller #1 well. The Company will invest \$1.85 million CAD in the well to earn a 35% working interest.

No other matter or circumstance has arisen since 31 December 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.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink that reads "R. Gardner".

Robert Gardner  
Chairman

16 March 2026

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF STONEHORSE ENERGY LIMITED****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the accompanying half-year financial report of Stonehorse Energy Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**Responsibility of the Directors for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF STONEHORSE ENERGY LIMITED (CONTINUED)**

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



NEIL PACE  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 16<sup>th</sup> day of March 2026.