

15 June 2023

NEW CONTINGENT RESOURCES ADDED TO HALF MOON PROSPECT IN THE PERMIAN BASIN

Black Mountain Energy Ltd (the Company; ASX: BME) is pleased to provide an update on its Half Moon Prospect in the Permian Basin.

- The first reported contingent resources from the 3rd Bone Spring (3BS) interval have been added to the Company’s portfolio from the T19S R26E Half Moon block. See *Table 1*.
- With favorable drilling results from the MIA 64 FEE 2H well, there are an estimated 20 gross horizontal drilling candidates available for follow-up development.

Table 1: Half Moon Net Contingent Resources¹

Category	Contingent Resource (volumes)			
	Net Oil (bbls)	Net NGL (bbls)	Net Gas (MMscf)	Total (boe)
Low Estimate (1C)	347,000	94,000	752	561,000
Best Estimate (2C)	831,000	322,000	2,577	1,564,000
High Estimate (3C)	1,587,000	782,000	6,253	3,366,000

Subject to results, partner preferences and the formation of additional Working Interest Units (WIU’s) the Company believes that a reasonable field development plan (FDP) could see up to 20 horizontal wells drilled and fracture stimulated across its northern interest, designated as Focus Area #1 in Figure 1. The Company’s average working interest across this inventory is anticipated to be 14.1%.

Should the performance of the MIA 64 FEE 2H well align approximately to the Best Estimate (2C) numbers, the Company will look to convert resources into reserves categories.

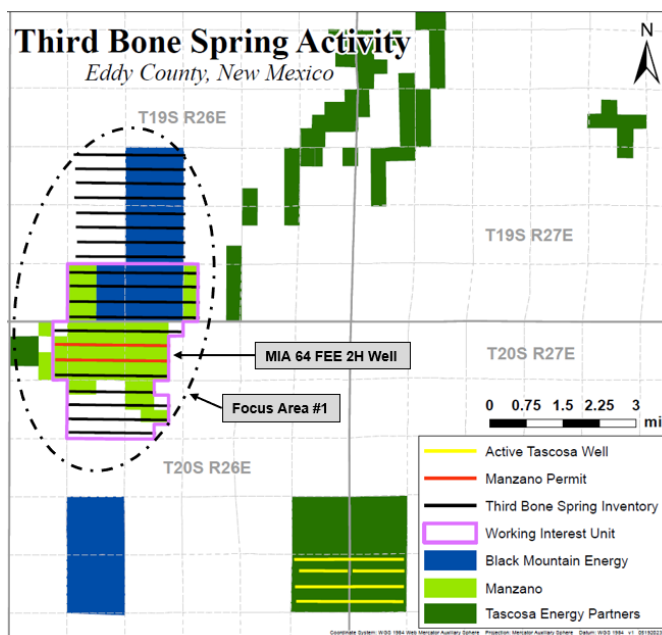


Figure 1: Half Moon Prospect - Potential FDP

HALF MOON PROSPECT TECHNICAL WORKFLOW

Since acquiring the acreage, the Company has been maturing technical workflows across the prospect. While the Half Moon area benefits from the Permian/Delaware Basin’s stacked pay potential (see figure 2), the focus has been on the 3rd Bone Spring interval, as area operators have begun routinely targeting the channel margin with success. Presently, there are over 100 3BS horizontal wells on production within 25 miles (~40 km) of the Half Moon Prospect. This area data, which represents a wide range of outcomes, has been incorporated into the Company’s technical workflows. (See BME’s ASX 1 June 2023 announcement for more information).

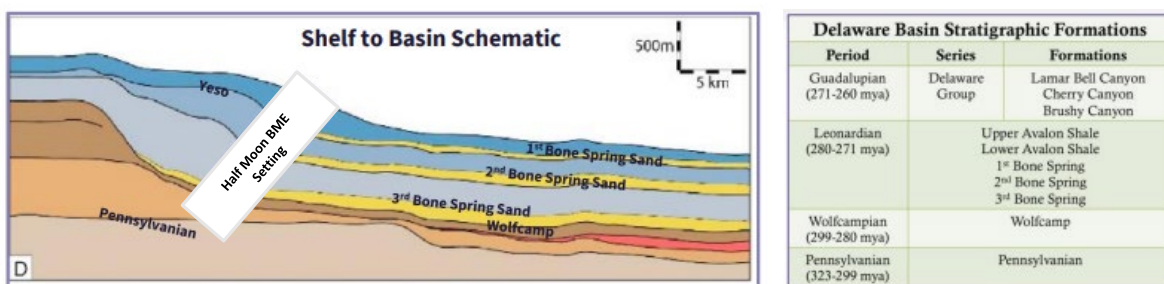


Figure 2: Basin Schematic & Stratigraphic Formations

The Company’s Half Moon acreage sits in an ideal position up dip of areas with increased structural complexity and higher water cuts. Additionally, the acreage exhibits equivalent net pay thickness to multiple areas of active development. Geological and engineering workflows

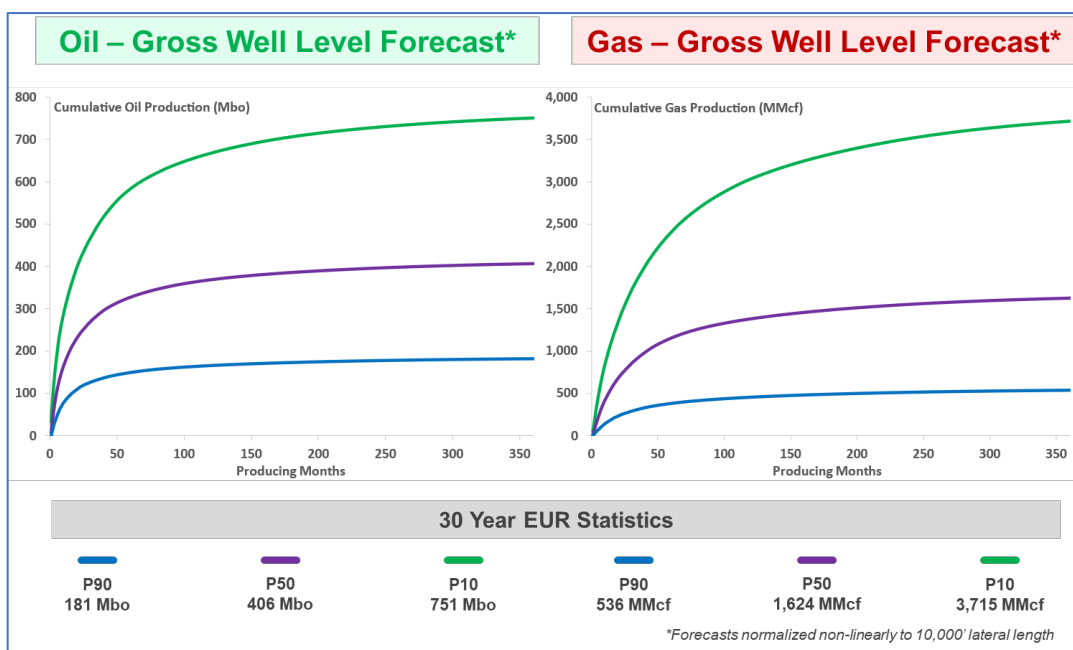


Figure 3: Third Bone Spring Cumulative Production Plots²

using existing and derived technical data have been used to substantiate net resource numbers in accordance with the Society of Petroleum Engineers – Petroleum Resources Management System (SPE-PRMS) guidelines. Low, best, and high estimates have been internally prepared at both a well level and across the Company’s net acreage position. See *Figure 3 and Table 1*. It is important to note that performance across the Company’s acreage will vary and may range from low to high outcomes, which represents both commercial and uncommercial propositions.

HALF MOON ACTIVITY AND NEXT STEPS

BME along with its partners have formed a 3,538-acre Working Interest Unit (WIU) in 19S-26E and 20S-26E. The unit includes 416 acres from BME. See *Figure 1*. Manzano has commenced drilling this June and the well is designed to appraise the 3rd Bone Spring (3BS) interval with a 1.75 mile (~2.8 km) horizontal lateral. The project is estimated to cost \$12.3 million USD (gross) to drill, fracture stimulate, complete and tie-in. The Company’s working interest is 11.7% or approximately \$1.44 million USD. First production is anticipated in approximately 90 days and the acquired appraisal data will ultimately help steer the future development plan.

Additionally, the Company will continue to mature technical work streams on its remaining acreage in T20S R26E as well as investigate potential upside within other intervals, such as the 2nd Bone Spring interval.

Executive Chairman Rhett Bennett commented *“Having a development plan, a drilling well inventory and booking our first contingent resources are important milestones that have been accomplished in short order on the Half Moon Prospect. The first well on our acreage is being drilled this June and is a material step forward to unlocking the full potential that exists on our acreage.”*

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This announcement has been authorized for release by the Board of Black Mountain Energy Ltd.

ABOUT BLACK MOUNTAIN ENERGY

Black Mountain Energy Ltd (ASX: BME) is focused on sustainable development of oil and gas projects onshore Australia and the USA, led by a team of highly experienced upstream oil and gas professionals.

The Black Mountain Group is a major shareholder of BME, specializing in identifying and capturing high-growth opportunities in the global energy sector.

Note 1: Conversion factors are: 1 bbl oil = 1 boe; 1 bbl NGL = 0.94 boe; 1 MMscf gas = 167 boe

Note 2: Area well data is sourced from state public resources. FAQ: Oil & Gas (nmt.edu)

Notes on calculation of Contingent Resources

The Company prepares its petroleum Contingent Resources Estimates in accordance with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS).

The estimates of Contingent Resources contained in this statement are as at 6 June 2023. This is the first time that the Company has reported Contingent Resources and the Company is not aware of any new information or data that materially affects the estimates of reserves and contingent resources, and the material assumptions and technical parameters underpinning the estimates.

Unless otherwise stated, all references to Contingent Resources quantities in this document are the Company's net revenue interest share and are reported net of fuel, flare and vent volumes.

The Company has completed its own estimation of Contingent Resources for the stated area in this announcement. Additional Reserves and Contingent Resources estimation work and results have not been reviewed by the Company for other acreage currently under the operating agreement.

Contingent Resource estimates described here rely on analogous well performance from existing producing wells in analogous reservoirs in close proximity to the company's prospect. Subsurface work indicates that the reservoirs are expected to be contiguous from the analogue area to the company's prospect. Contingent Resources are prepared using deterministic and probabilistic methods. The Contingent Resources estimate methodologies incorporate a range of uncertainty relating to each of the analogous producing wells to predict the likely range of outcomes. Drilling results consistently aligning approximately to the Best Estimate (2C) numbers, along with lower execution costs are required to begin maturing resources to the reserves category.

Field totals are aggregated by arithmetic summation by category. Aggregated 1C estimates may be conservative and aggregated 3C estimates may be optimistic due to the effects of arithmetic summation.

Throughout this announcement, totals may not exactly reflect arithmetic addition due to rounding.

Contingent Resources

Under the SPE PRMS 2018, “Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies”.

The Contingent Resources assessment shown above includes resources in the Half Moon Prospect in the Permian Basin.

Qualified petroleum Reserves and resources evaluator statement

The information contained in this report regarding the Company’s Contingent Resources was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr Michael Laurent, Chief Operating Officer, Black Mountain Energy Ltd. Mr Laurent’s qualifications include being a professionally registered engineer in both Australia and Canada, a member of the Society of Petroleum Engineers and over 25 years of diverse oil and gas industry experience. His career spans a number of sectors and includes expertise in reservoir, drilling, facilities, production and operations with particular emphasis on resource development. Experience is underpinned with strong strategic, commercial, and technical acumen in both conventional and unconventional reservoirs. Mr Laurent has sufficient experience that is relevant to the Company’s reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Laurent has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

The contents of this announcement reflects various technical and economic conditions at the time of writing. Given the nature of the industry in which BME operates, these conditions can change significantly over relatively short periods of time. Consequently, actual results may vary from those expressed or implied in this presentation.

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions.

Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to risks and uncertainties outside the control of BME and may change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied on as guarantee of future performance. Forward-looking statement may be affected by a range of variables that could cause actual results to differ from estimated results and may cause BME’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. Therefore, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law, BME does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement.