31 July 2025

VSA Morning Flow Test

This Morning's News

Prospex Energy (PXEN LN)#

Prospex Energy (PXEN LN) has provided a trading update highlighting continuing robust performance at Selva. However, the restart of production at Viura has been further delayed.

Having successfully fixed the leak that initially halted production at Viura, the operator has identified a residual mud blockage which must now be cleared. This was unexpected and specialist equipment is due to arrive on site in mid-August to enable this to be completed, with production resuming thereafter.

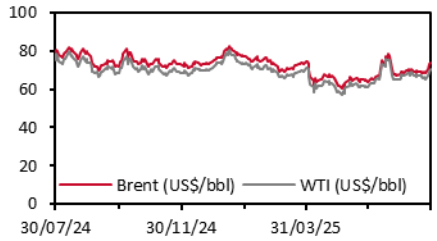
Selva production was up 3.2% QoQ to 79.8kscmd with 37% net to PXEN. Although production increased modestly, net revenues were down due to lower pricing which averaged €0.39/scm, 22% lower QoQ. Having hit a peak in early February, prices eased barring a rally in late June as tensions in the Middle East rose. Therefore, net revenue to PXEN was €1m, down 14% QoQ.

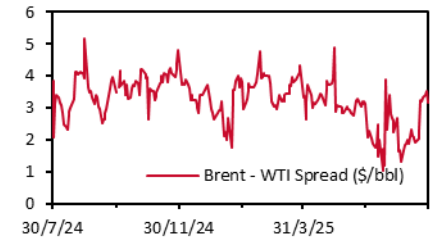
Preparations for a seismic programme are underway which is expected to begin in October 2025. Meanwhile, permitting for the drilling which will follow this is ongoing. In May this year, further requests were made by the authorities for environmental-related studies and the local communities and relevant authorities have requested drill pads be relocated due to noise and flood risk concerns. PXEN is modifying its plans accordingly and expects the initial field work programme to continue as planned. The exploration work is one of the key organic growth streams for PXEN.

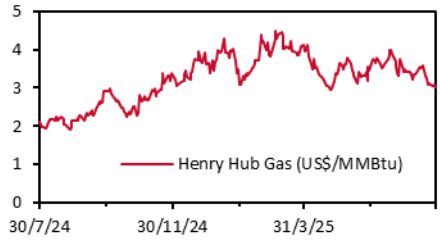
At El Romeral, production is temporarily halted pending the arrival of a new transformer. Due to delays not the fault of PXEN, the company is receiving compensation of €4k per day. The maintenance is intended to provide a long-term fix to the issue which caused a production interruption earlier in the year.

We reiterate our BUY recommendation and target price of 21p/sh..

One-Year Charts







NOTE: *#Indicates VSA house stock.*
SOURCE*: Workspace LSEG, as of last close.*

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Stock Information

Stock	BBG Ticker	Exchange	Currency	Market Cap (Curr m)	Last Close (Curr)	Rec	TP	Date of Recommendation
Prospex Energy	PXEN	LSE AIM	£/p	18.65	4.1	BUY	21	06/09/22

***NOTE:** #VSA house stock. **SOURCE:** Eikon data, VSA Capital estimates. Pricing as of last close.*

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