Prospex Energy

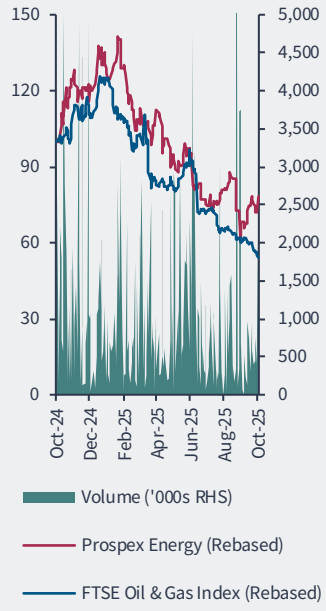
Largest contributor to production – Viura – restarts; Licensing milestone in Poland

GICS Sector	Energy
Ticker	AIM: PXEN
Market cap 21-Oct-25 (US$mm)	25.2
Share price 21-Oct-25 (GBp)	4.5

NAV summary (p/sh)

Asset	Unrisked	Risked
Cash & other	-0.1	-0.1
2P+2C	10.2	8.6
Exploration	30.1	8.0
Total NAV	**40.1**	**16.5**

Source: H&Pe



Source: S&P CapIQ

Viura production restarts with a stronger ramp-up expected to hit 6.4mmcf/d

Prospex Energy ("Prospex") has confirmed the successful restart of gas production from the Viura-1B well in northern Spain, following a six-month shut-in since April. The field is Prospex's largest contributor to net production and will be able to take advantage of current attractive European gas prices. The well was safely brought back online by operator HEYCO Energía ("HEI") and has already ramped to ~4.2 mmcf/d, targeting ~6.4 mmcf/d plateau production this week, versus our earlier estimates of ~5.9mmcf/d. Including production from Q1'25, Viura will produce ~1.26bcf (~190mmcf net to Prospex) for the full year. Prospex holds an effective ~14.5% entitlement to Viura production revenues until recovery of its initial carry plus 10% p.a. in interest, compared to its underlying 7.24% WI, which could give an additional benefit for the first 9 years from just Viura 1B's development. Viura is set to contribute ~€2mm in net revenues to Prospex in 2025, growing to €11mm in 2028 once all three wells are brought onstream.

Strategic expansion in Poland with two potential onshore gas licences

Prospex has applied for two onshore gas exploration licences in Poland – San and Dunajec – both of which were formally published in the Official EU Journal on 14 October 2025. This must follow a competitive process, involving publication in the EU Journal with a 90-day application period during which players may submit their interest to the Polish authorities. Prospex has already pre-qualified for this process, having met the required criteria in October 2024 and now simply needs to wait for the 90-day period to pass. These licences were selected under the company's stringent investment framework, targeting acreage with previously proven gas production, strong prospectivity and the potential to unlock reserves within two to three years. Details of the proposed work programmes remain confidential until final award and licence allocations are expected as early as April–May 2026. With an experienced Country Manager and Reservoir Geologist already in-country, Prospex is well-positioned to advance these applications. Success here would mark a strategic entry into a market with robust domestic gas demand, of which ~80% is supported by pipeline and LNG imports.

Catalysts: several material wells planned to be drilled

Prospex has several impactful wells planned over the next two years. At Viura, the 3B and 3A wells are likely to be drilled in early 2027, which should unlock ~90bcf of gross 2P reserves and are worth a further €11mm unrisked net to Prospex. At Selva, four wells are planned to be drilled and brought on stream in 2027, worth 15.6p/sh (unrisked). At El Romeral, there is the potential for a farm-down and an infrastructure upgrade, alongside five wells (starting the programme as early as mid-2026) targeting 18bcf of prospective resource with an average chance of success of 75%, worth 6.3p/sh unrisked in total.

Valuation: Risked NAV provides a ~265% upside to the current share price

Our risked NAV has dropped by 2% to 16.5p/sh after updating for the production profile at Viura for the rest of the year. The current ramp-up profile is 8% stronger than anticipated; however, this is offset by the delay caused since August, when the April shut-in issue was expected to be resolved. We have pushed the Viura 3A and 3B wells to 2027 from mid-26. We assume Selva's wells will be drilled and brought onstream progressively through 2027, reaching full output by year-end. Prospex is trading on a discount to our 2P reserves valuation, with further upside from the development of contingent resources. Prospex's unrisked value is 40p/sh, 9x upside the current share price.

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Investment Case

Prospex's strategy is to build an energy investment portfolio focused on high impact, onshore and shallow offshore, European natural gas opportunities, in proven hydrocarbon systems. Prospex has a solid financial foundation with no debt and low overheads. The geological characteristics of its target areas, such as foreland basins, often present low geological risk with shallow, therefore inexpensive drilling and avoiding projects needing stimulation. Prospex targets mature markets within Europe that have existing infrastructure and available capacity, low capital intensity opportunities, particularly late-stage exploration, reworking existing fields, or applying new technologies to failed exploration targets. It favours politically stable European countries with a desire to reduce foreign energy dependency on LNG imports. It also has a focus on electricity generation and is exploring renewable energy sources: Prospex views natural gas as a transition fuel in Europe's move towards less carbon-intensive energy sources. Prospex has successfully transitioned to a company with a reliable income stream from its onshore assets in Europe, providing a foundation for further growth and new investments.

Valuation: We see Prospex trading at a ~50% discount to its discovered resource (2P plus 2C) risked valuation of 8.6p/sh. We see a further 6.4p/sh of risked upside from its planned 8 exploration wells over the next two years, which would be worth 22p/sh unrisked. Our risked NAV, on a fully diluted basis, is 16.5p/sh, which implies ~265% upside to the current share price.

Focus on European natural gas – Prospex is one of the few listed European oil and gas companies, which is almost exclusively exposed to European gas prices. Given the current dynamics around European gas, we see this as a key positive attribute. Since Russia's invasion of Ukraine, there has been a significant shift in Europe's priorities towards ensuring energy security and affordability, moving away from the previous focus on decarbonising energy markets. Prospex recognises the role of natural gas as a transition fuel in the move away from more carbon-intensive sources of electricity generation. It aims to help bridge the crucial energy gap while the proliferation of renewable sources continues. For example, onshore gas wells in Spain are considered to have a minimal environmental impact compared to imported LNG. Operating in stable European countries with a focus on indigenous energy security provides a strong investment proposition.

Attractive fiscal terms and low-cost assets – Both Italy and Spain have simple fiscal regimes with low government take, especially for existing producing regions. Royalty rates are low, and companies simply pay corporate tax – there is no extraordinary tax on oil and gas as seen in other countries such as the UK and Norway. In Spain, there is an additional 7% tax ("IVPEE") on the electricity produced and fed into the grid. Onshore gas assets typically have lower opex because they require simpler processing, less equipment, and minimal handling compared to oil. We see high NPV/boe valuations due to the combination of low fiscal take and low costs – for example on Selva at US$10/mcf gas pricing, we estimate a US$19/boe NPV10 on the 2P reserves, which is higher than the valuations on many oil assets.

Growth Potential Through Development and Acquisitions: Prospex is actively pursuing growth through further drilling and potential acquisitions in onshore Europe. It has plans for drilling multiple new gas wells in its existing concessions in Italy (Selva Malvezzi) and Spain (El Romeral and Viura). Last year's acquisition of a stake in the producing Viura gas field has substantially increased its reserves. Prospex is also progressing with two licences in Poland. The acquisition of the remaining 50.1% of Tarba (owner of El Romeral) demonstrates further momentum in building Prospex's investment strategy in European gas: it aligns with the Company's focus on acquiring undervalued projects with tangible value trigger points.

Investment Company Structure: Operating as an AIM-quoted investment company allows it to hold a portfolio of interests rather than solely operating assets directly. This provides flexibility in investment decisions. The company maintains low overhead costs, which are comfortably covered by production income.

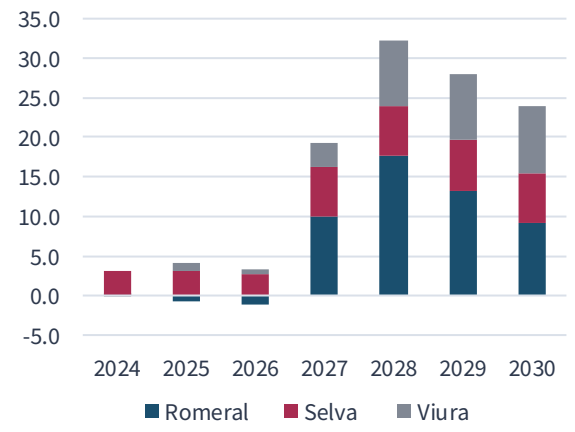
Debt-Free Status: Prospex is currently debt free, which provides a financial advantage compared to peers with substantial debt burdens, allowing it to invest more readily in growth opportunities. We also see the opportunity to take on debt at attractive terms either at the corporate level or individual asset level given the potential for long-term stable production levels and offtake contracts.

Experienced Management Team: Prospex has a highly experienced team of technically-led professionals with a proven track record in the oil and gas industry, including CEO Mark Routh's extensive experience and history of successfully growing energy companies. The team's deep understanding of the upstream gas and resources industry and experience in their operating jurisdictions are crucial. The team has demonstrated an ability to identify and evaluate new investment opportunities that align with their strategy and investment criteria.

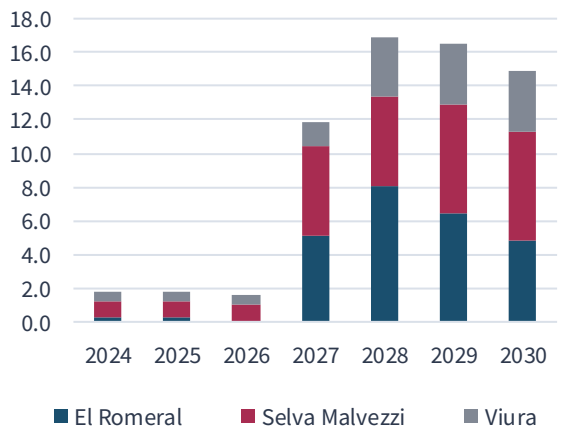
Strong Partnerships and local knowledge: Prospex has built positive working relationships with its partners (like Heyco and Po Valley Energy) and the relevant authorities in Spain and Italy, which is essential for project development and sustainable energy production.

Current assets production and EBITDA potential to 2030

Pro-forma EBITDA (€mm)



Gas production (mmcf/d)



Source: H&Pe; All figures above are net to Prospex

Selva gas field: most valuable asset with most unrisked upside - Prospex has a 37% non-operated stake in the Italian Selva gas field which is producing ~2.8mmcf/d gross. This is an asset with potential flat production from existing 2P reserves of 12bcf (alone worth 3.7p/sh) for a further decade that is generating ~€3mm in net EBITDA at current gas prices given low opex (€1.1/mcf) and taxes. There is potential for further development with plans for drilling four more wells on the Selva Malvezzi concession: Selva North and Selva South (14bcf of gross 2C resources or 5.2bcf net), Selva East (32bcf gross, 12bcf net), and Riccardina (37bcf gross, 13.7bcf net) by 2027. The 2C resource of 14bcf, which is expected to be brought online in 2027 and double production levels, is worth 3.2p/sh unrisked and a further two planned exploration wells targeting ~70bcf are worth 12.4p/sh unrisked (2.8p/sh risked). If just one of these is successful alongside the 2C development, it could take production to ~10mmcf/d gross and EBITDA to >€11mm net to Prospex in 2027.

Viura gas field: producing asset with significant reserves - Prospex has a net 7.24% stake in Spain's largest producing gas field which contains gross 2P reserves of 90bcf with material upside potential. ~US$90mm has been spent on the field and associated infrastructure to date, of which ~US$6.5mm has been invested by Prospex. The field restarted production in October 2025 following workovers of the 1B well with a current production profile of ~6.4mmcf/d and a potential to ramp up to close to 10mmcf/d (gross). Establishing stable rates from the field will facilitate negotiations with the banking syndicates for project financing. The plan is to bring two further wells (3B and 3A) online in early 2027 potentially taking production to 30mmcf/d and growing revenues to >€100mm/y gross. Ahead of this, there will be a well test of a deeper zone that was encountered last year and could contain incremental resource. Prospex entered the asset with an attractive farm-in where it earns interest on its carry and is repaid by taking 15% of the production income. We see the 2P reserves at Viura worth 3.9p/sh unrisked or 3.1p/sh risked

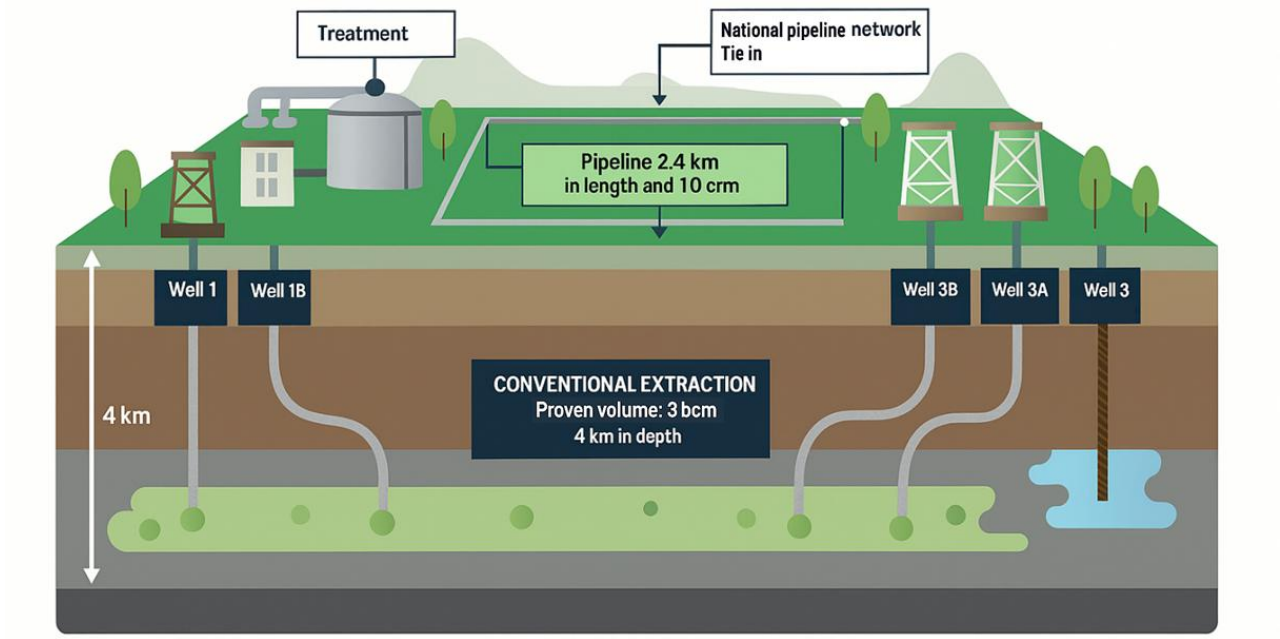
El Romeral: high margin gas and power growth opportunities: El Romeral (100% WI) produces gas that fuels a power plant, generating electricity sold to the grid in Spain. The existing production is approaching end of life, however there are applications submitted to permit five further wells on the El Romeral concessions. These are low-cost wells (total drilling programme cost of €5.5mm), targeting prospects with an average size of 3.6bcf and a high (simple) average chance of success of 75% (more akin to appraisal than exploration). In total they are worth 6.3p/sh unrisked or 3.5p/sh risked with further upside if there is a successful attempt to reduce the overriding royalty. There is also potential to connect directly to the national gas grid, potentially selling at a higher margin. Generally selling gas directly reaps a higher price, given the low efficiency of the power plant but there is also the opportunity to arbitrage the volatile gas and power pricing in Spain. Investments in solar PV projects at El Romeral are diversifying the revenue streams.

Investment risks: We believe that other than macroeconomic risks such as global energy price fluctuations, currency volatility, and broader economic downturns, the main risks to the company are as follows: operational execution challenges, regulatory and permitting uncertainties, financing and capital allocation issues, and potential delays in project timelines. Prospex attempts to mitigate these risks through careful opportunity review, thorough due diligence, diversification of investments, active engagement with operators, and maintaining positive relationships with regulatory authorities.

Viura

The Viura gas field is in the Province of La Rioja, northern Spain within the Ebro Basin. It is one of only three producing onshore gas fields in Spain and accounts for ~80% of Spanish gas production. The field has established pipeline infrastructure to tie into the gas grid. Prospex hold an indirect stake of 7.24% in Viura through its investment in the operator, HEYCO Energy Iberia. The field has ~90bcf (net 8.3bcf, explained below) of gas reserves remaining which we value at €2/mcf that provides an unrisked value of €15mm (3.9p/sh) to Prospex.

Viura project schematic



Source: Prospex Energy, H&Pe

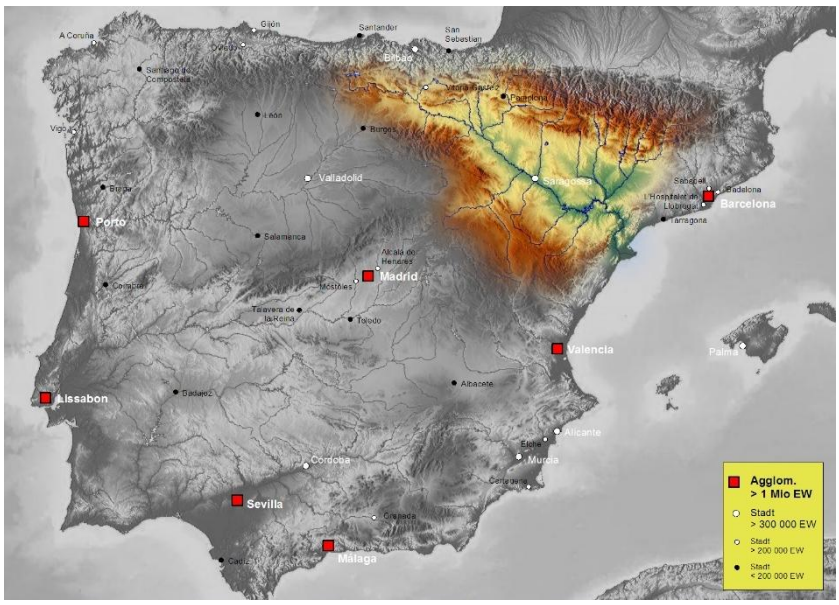
In 2017 an exploitation licence was granted until July 2027 with contract terms stipulating a maximum production rate of 37.3mmcf/d. The reservoir held ~210bcf of gas in place with ~106bcf gas reserves. By end-2024, 16bcf had been produced from the field with remaining reserves of 90bcf, with further upside possible using compression technologies. To date, US$87mm has been spent on Viura's infrastructure which comprises a processing plant and a 30cm pipeline that extends 2.4km to an ENAGAS tie-in point connecting to the gas grid.

Prospex holds a 7.5% interest in HEYCO Energy Iberia ("HEI"), the company that has majority ownership (96.5% acquired in 2022) and operates the Viura gas field. This translates to a 7.24% net interest for Prospex in the Viura concession. Prospex acquired its stake in HEI in August 2024 for US$4.3mm and agreed to fund 15% of the cost of the 2024-2026, three phase, HEI development programme, estimated to cost ~US$70mm. This is not a standard "2:1 Promote" transaction: Prospex will also earn a 10% coupon on its capital investment and will be repaid its capital investment from 15% of the HEI production income (after opex and taxes) until payback. After payback, Prospex's share of net income will revert to 7.5%.

The 2024 development programme costed the company £4mm, which included the Viura-1B well (total cost of £27mm). Prospex's 15% share of the 2026 development programme is estimated at a further £4.84mm, which is planned to be funded by future cash calls or from Phase 1 production or both.

Exploration and development history

Ebro Basin map

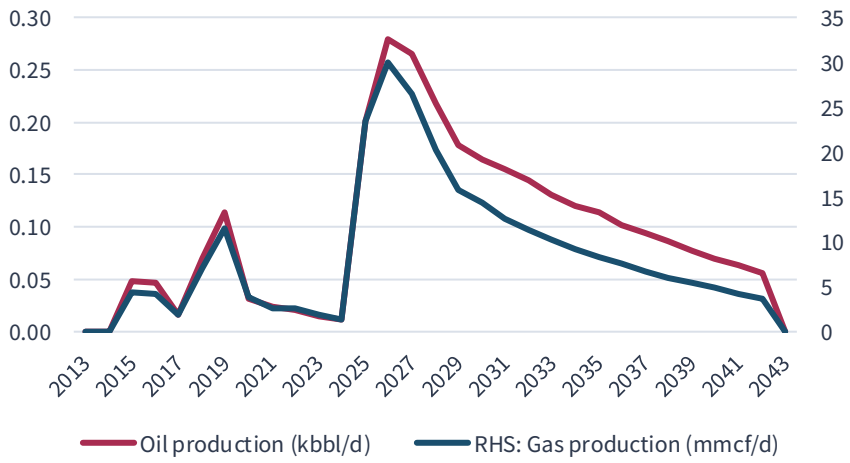


Source: Wikipedia

The Ebro Basin, located in northern Spain, consists in a triangular shape depression lying between three mountain ranges. The basin covers an area of 41,931 km^2. The Upper Cretaceous reservoir (Utrillas formation, ~150m thick) consists of fan-delta sandstones and interlayered shales, with the top at a depth of 3,550m. It has a matrix porosity of 5-8% and permeability of 11-32 mD, likely enhanced by fractures, and is effectively sealed by Tertiary sediments. The reservoir produces gas with a minor condensate cut of 3.5stb/mmcf.

The field was discovered in 2010 with the Viura-1 well, which demonstrated high production rates from a high-pressure (>500 bars), high-temperature reservoir (TD at 3,788m). Viura-1 flowed at a maximum rate of 18mmcf/d and was put into production at 4mmcf/d.

Viura historic and forecast production profile



Source: Prospex Energy, H&Pe

In 2012, the operator submitted a three-phase development plan for the development of Viura. The first phase, which represents the initial development of the Viura field, involved the completion of the Viura 1 and the Viura 3 wells, and installation of a processing plant and export pipelines.

Viura-3 was drilled nearby Viura-1 in 2013 and had excellent gas shows. The well is currently suspended and there were plans to convert it into a water injector (V3 workover) to dispose of produced water from the other Viura wells, however it was found to be unsuitable.

A 3D seismic survey completed in 2013 revealed a presence of a large 4-way closure with estimated gas in place of 210bcf. This 3D seismic data is now being reprocessed for new well optimisation.

The first natural gas sales to the national grid commenced in February 2015, with permanent commercialisation starting in March 2015.

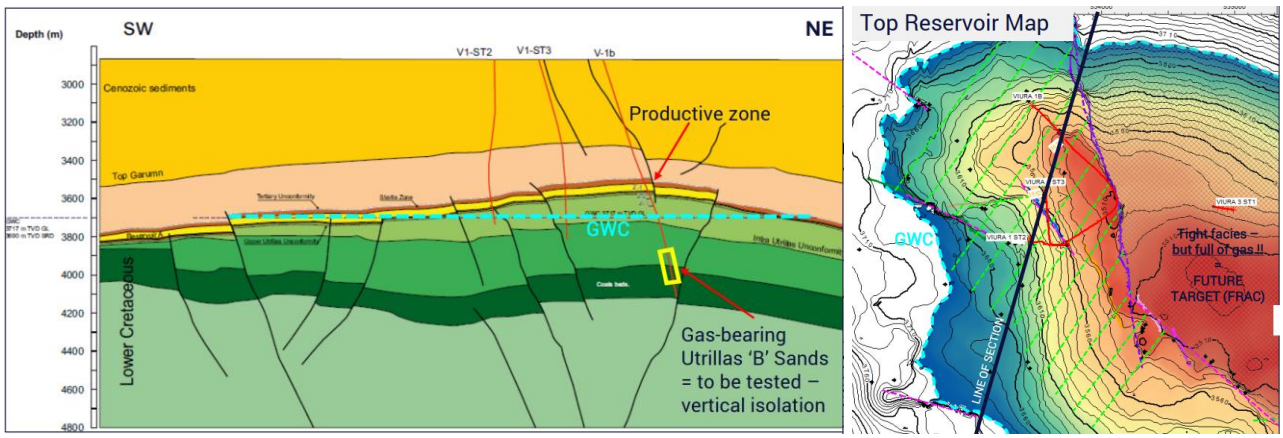
On July 25, 2017, the Spanish official state gazette published the Royal Decree granting the Hydrocarbons Exploitation Licence for the Viura project, covering ~50k acres and is valid until July 25, 2047.

Phase 2 of Viura, to increase production, was approved in late 2017 and comprised a three-well development programme. The first well (Viura 1 ST3) was drilled in early 2018. The Viura-1ST3 well was producing intermittently since mid-October 2024 through December 2024 at rates up to 7.1mmcf/d gross, as water handling issues were being managed.

Gross gas production from the Viura field averaged 11.4mmcf/d in January 2025 but fell to 7.7mmcf/d on average in February and March. The original producing well on the Viura field known as Viura-1 ST3 was not in production in this period. The Viura-3 well was intended for water injection in late 2024/early 2025 but was deemed unsuitable. As a result, current water abatement procedures continue, and the Viura-3 well has been capped and suspended.

Viura 1B well

Viura sub-surface

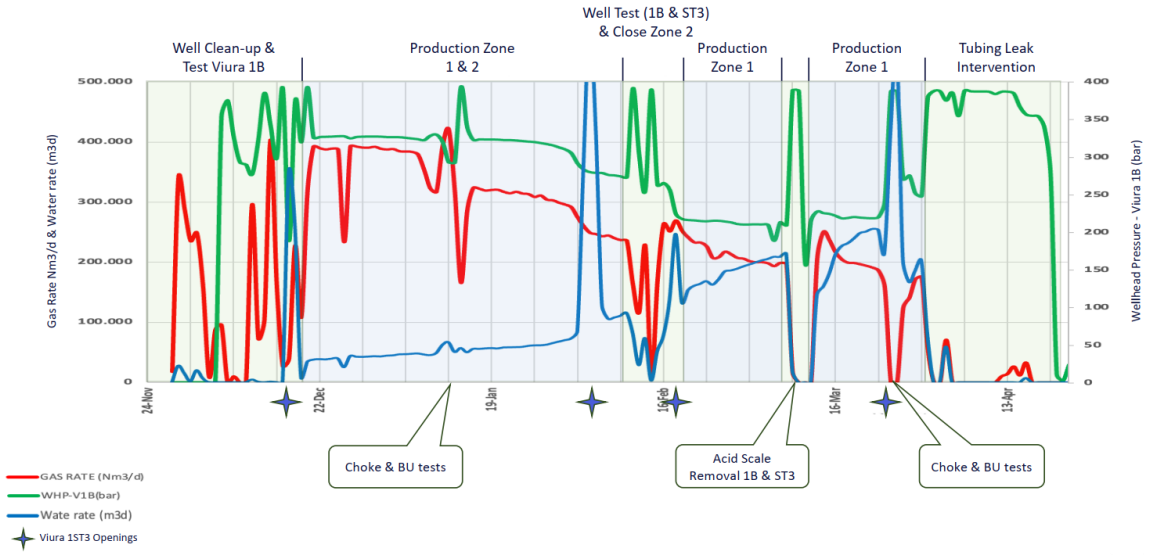


Source: Prospex Energy, Heyco Energy Iberia

The Viura-1B development well was spudded on June 22, 2024. Fundraising for this well was completed in August 2024. It exceeded pre-drill expectations for the main reservoir target the Utrillas-A. High-quality gas reservoirs were encountered during drilling, and new deeper gas-bearing sections were discovered (Utrillas-B).

The well reached the primary Utrillas-A reservoir unit 50m higher than anticipated, encountering the top reservoir with high-quality rock. High indications of gas were present throughout the drilling of the main reservoir target, with gas-bearing formations extending ~30m deeper than in nearby wells within the formation. The well was deepened by 450m, at a gross cost of €2.5mm, to target the deeper Utrillas-B section, which will be tested in Q1'26.

Viura 1B Production & Intervention History Since Start-up



Source: Prospex Energy, Heyco Energy Iberia

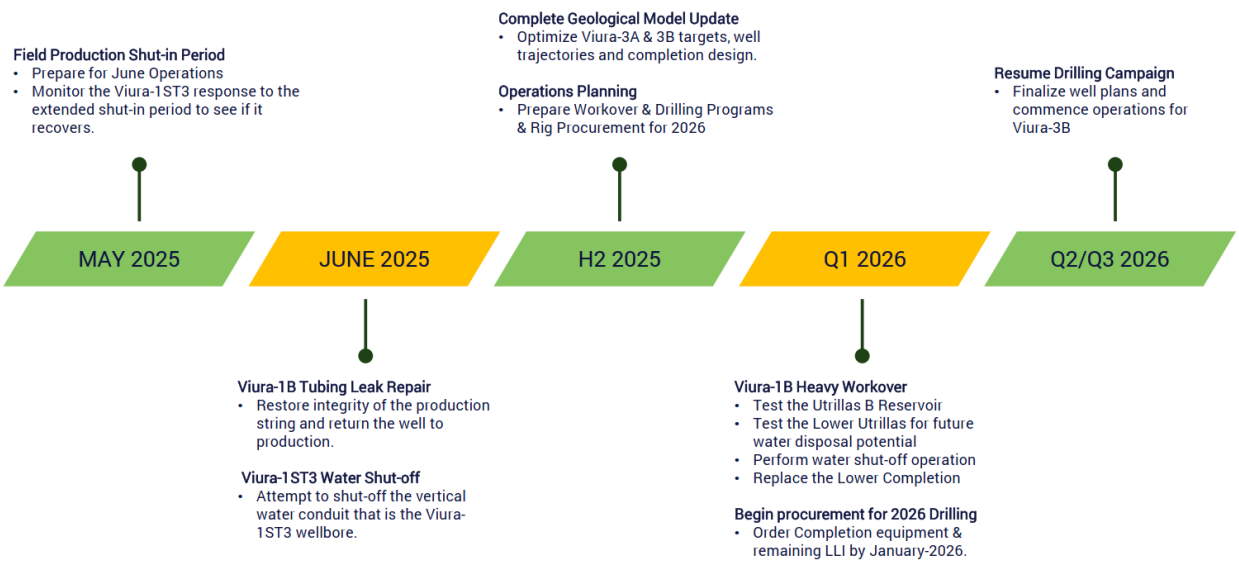
The Viura-1B well was connected to the existing gas processing facilities for a planned flow testing programme, which commenced on 29 November 2024. In December, it was reported that the well test flow rates exceeded expectations, at 18mmcf/d during its initial flow test from the larger than prognosed reservoir section of the main Viura reservoir target. Three zones were completed and tested in the main reservoir target of the Utrillas-A formation in Viura-1B. The well was completed in December 2024, and it was put on production at a stabilised plateau rate of 10.6mmcf/d.

Initial production from Viura-1B demonstrated strong early gas flow, but output has since declined faster than expected, indicating potential near-wellbore damage or formation "skin" effects. In Q1'25 production averaged 8.5mmcf/d.

In April 2025, the 1B well was shut in after HEI detected a leak in the completion tubing and mobilised a workover rig to replace the tubing. The tubing replacement was reported complete by the end of July, but during follow-up tests in August a pressure-control equipment failure meant that a downhole wireline logging cable had to be cut inside the well. As a consequence, further operations were required to retrieve the tool and cable (equipment being mobilised from Aberdeen) before safe production restart could proceed. Production finally came back online in October 2025 with a ramp-up of 6.4mmcf/d.

Development plans

Operations outlook

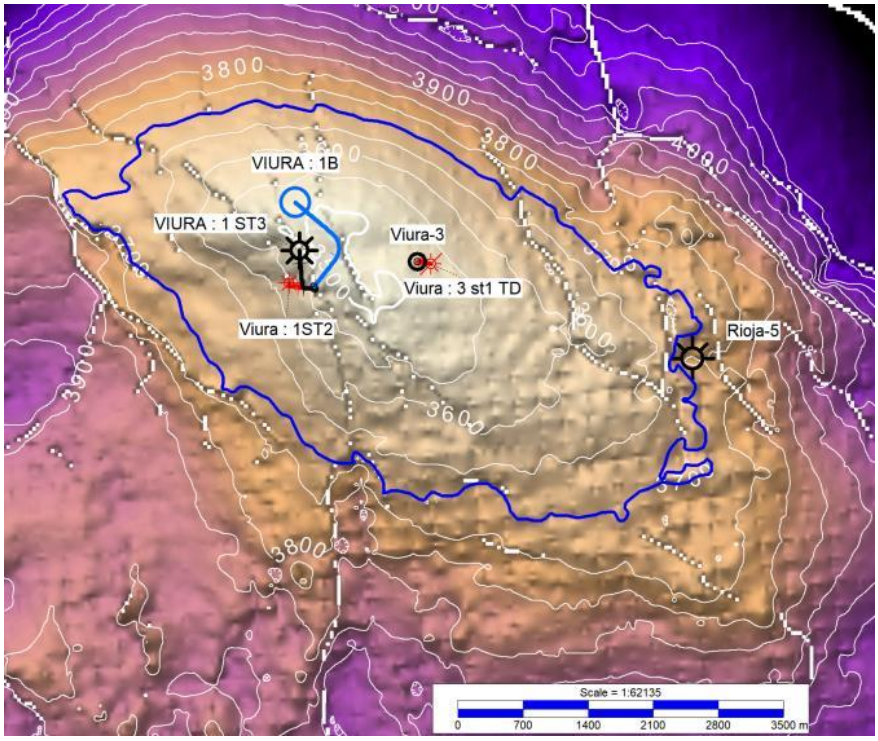


Source: Prospex Energy, Heyco Energy Iberia

In parallel the operator Viura-1 ST3 was plugged and sealed to prevent water from flowing to the top of the reservoir from which it can get into Viura-1B. Concurrently, reprocessed 3-D seismic—now benefitting from sharper facies and fracture definition—is feeding an updated dynamic model that will refine future well targets.

Due to the delays and field shut-in since April 2025, commencement of Viura 3B and 3A would be slightly delayed and may slip into early 2027.

Viura field and well locations



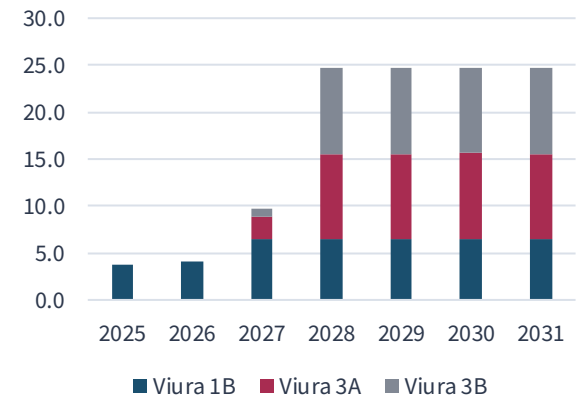
Source: Prospex Energy

Development forecasts

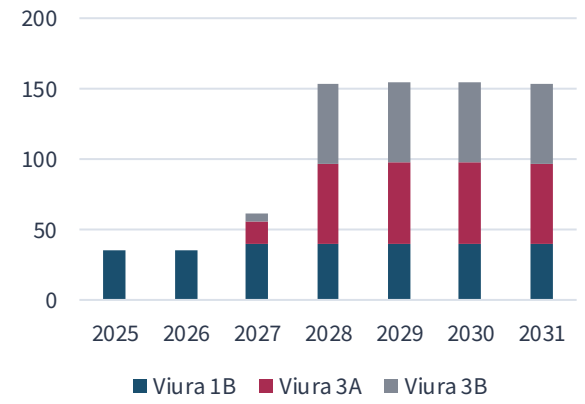
According to Prospex's acquisition agreement for Viura, it will fund 15% of the 2024-2026 capex for a 7.5% WI in HEI. Since HEI owns ~96% of the field, effectively, Prospex's share of full field capex is 14.5% and a 7.24% WI. However, the transactions terms state that Prospex will hold a 14.5% (effective) WI until the additional capex of 7.24% (14.5% less 7.24%) is paid back after which Prospex's WI will revert to the original 7.24%. Each well has a different payback period; we assume all three wells are commercialised, which results in a payback during early 2030.

We model each well individually, including gas and natural gas liquids ("NGL") output. We have adjusted for Viura-1B's production profile based on an Oct'25 restart, using the actual production figures observed during ramp up. During 2026, we assume a lower production rate to account for uncertainty surrounding previous field performance of ~4mmcf/d. From 2027 onwards, we assume plateau production of 6.4mmcf/d and 40bbl/d of NGL. Over the well life, this equates to 21.5bcf of gas and 133kbbl of NGL, with production continuing until 2038.

Viura gas production (mmcf/d)



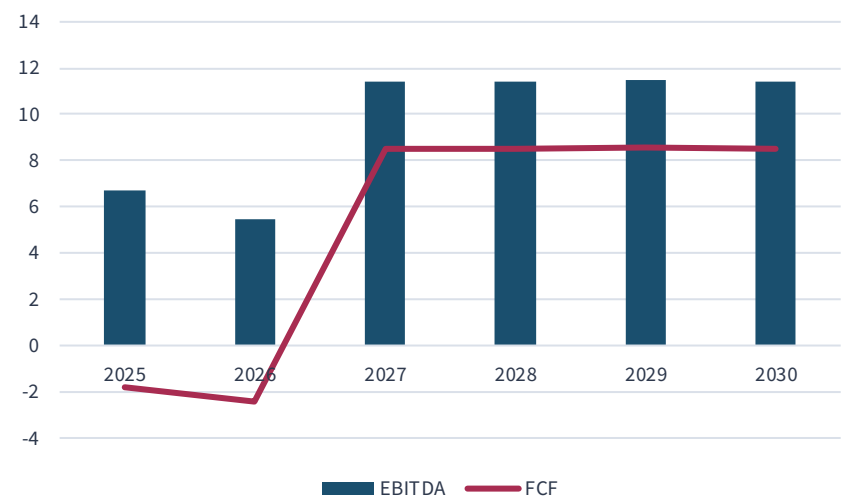
Viura NGL production (bbl/d)



Source: H&Pe

Using our gas price assumptions of €9.1/mcf in 2026 onwards, Viura-1B generates ~€20mm in gross revenue in 2027 once it reaches plateau production. Fixed opex is estimated at €4.9mm per year and variable opex is modelled at €1.2/mcf, which at plateau volumes results in ~€2.6mm per year. This delivers an annual EBITDA of ~€11mm. Capex of €2.9mm is expected in 2025 for the workovers. FCF from 2027 is ~€9mm. Our unrisked NAV for Viura-1B only is 1.3p/sh or 1.2p/sh on a risked basis.

Viura-1B EBITDA and FCF (€mm)

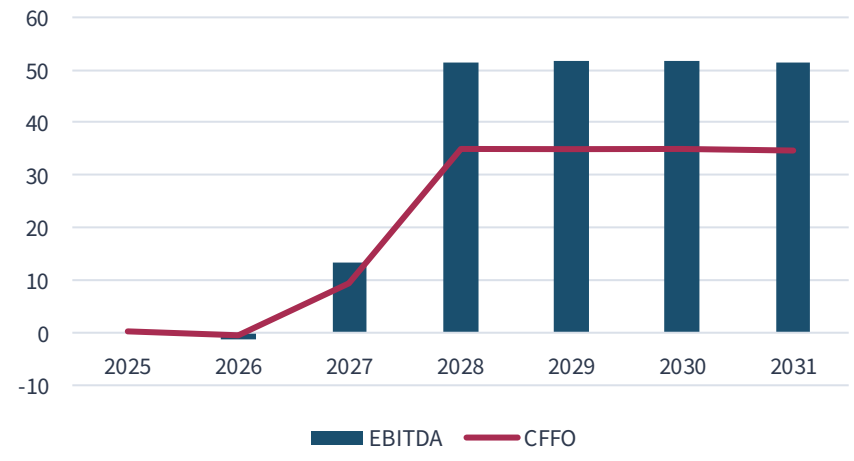


Source: H&Pe

Two development wells are to be drilled in early 2027 to further increase production. Both wells (Viura-3A and Viura-3B) are fully permitted by the Ministry. The operator is waiting for the completion of the 3D seismic reprocessing project and the reinterpretation of that new data, before it starts the drilling programme. This data driven approach will increase the chance of success and further optimise the subsurface well targets. They are expected to be immediately placed on production upon completion, although the wells will be brought on in a phased development during the year. This new well programme is expected to take production to a peak of 30mmcf/d.

Viura-3A and 3B are modelled using the same approach. Both are assumed to start production in 2027. Initial production from Viura-3A is modelled at 2.3mmcf/d and 14bbl/d of NGL, while Viura-3B begins at 0.8mmcf/d and 0.8bbl/d. Based on HEI's guidance, Viura-3A ramps up more quickly but also declines sooner, with production ending in 2037. Viura-3B has a flatter, more extended plateau, with production continuing to 2043.

Viura-3A and 3B EBITDA and FCF (€mm)



Source: H&Pe

At plateau, both wells combined are expected to produce 8.4mmcf/d of gas and ~52bbl/d of NGL. Applying the same fiscal and cost assumptions, these two wells generate EBITDA in the range of €18–20mm per year. Combined capex for both wells is estimated at €38mm.

Overall, this results in a gross unrisked NPV of 1.3p/sh each for Viura 3A and 3B. On a risked basis this is 1p/sh and 0.9p/sh for Viura 3A and 3B respectively.

Exploration upside

The rock formations beneath the producing Viura gas field (Utrillas-B formation) have never been appraised and could be gas-bearing, offering future upside potential. Drilling the Viura-1B well deeper to evaluate the Utrillas-B formation appears to have been a highly successful commercial decision, with good gas shows and several potential reservoir formations encountered in this previously undrilled section and with valuable new data acquired. There are no details at present on prospect size: we are estimating a 25bcf prospect size (1.8bcf net) with a €1.5/mcf NPV, which gives 0.7p/sh unrisked or 0.3p/sh risked.

Valuation and NAV

We view Prospex as undervalued on several metrics with plenty of catalysts outlined above to unlock value over the next year. We see the current producing assets as more than underpinning the current share price, with further upside from the significant low risk growth potential of its undeveloped reserves and resources, as wells as exploration potential.

We forecast that Selva alone will generate €3.1mm in proforma EBITDA in 2025 for Prospex (implying an EV/EBITDA of ~5x) and we see this underpinning Prospex's current valuation given this field should produce flat at this rate for a decade. Our risked valuation of the discovered resource at Selva is 6.1p/sh (~35% premium to the current share price). Furthermore, we see Viura generating €1mm of proforma EBITDA in 2025 from existing producing well, growing to €8.4mm in 2028 from the development of the 2P reserves. Our risked valuation of the discovered resource at Viura is 3.1p/sh.

Just through the development of its 2P and 2C reserves and resources plus the El Romeral exploration prospects (75% geological COS), Prospex has the potential to grow production by >8x by 2028 from an estimated 1.8mmcf/d in 2025, which would see EBITDA expand to €32mm from €3.2mm in 2025E. Using the current EV of €17mm and stable production level (in 2027), Prospex would trade on an EV/EBITDA multiple of ~1x which is a deep discount to producing small cap European E&P players that trade at 2-4x.

There is strong leverage to European gas prices, and we have taken a conservative forecast for 2026 onwards of €9.1/mcf or €30/MWh, which is ~20% below the average year to date in 2025. A 10% increase to our forecast 2026+ price would raise our risked NAV by 9% to 18p/sh and our 2027 EBITDA forecast by 10% to €35mm.

We see Prospex trading at an 52% discount to its discovered resource (2P plus 2C) risked valuation of 8.6p/sh. We see a further 6.3p/sh of risked upside from its planned exploration wells over the next two years, which would be worth 19p/sh unrisked. Our risked NAV, on a fully diluted basis, is 16.5p/sh, which implies ~265% upside to the current share price. Our risked NAV on a basic share basis would be 17p/sh. Overall, we estimate that Prospex's unrisked value is €40.1p/sh which is 9x the current share price.

On a reserves and resources basis, Prospex trades at €6/boe of its 2P and 2C reserves of 18bcf (3mmboe) that are producing or expected to be developed in the next two years. This compares to the average reserves NPV10 of €14/boe.

Financial ratios	2025	2026	2027	2028	2029
Market capitalisation (€mm)	19	19	19	19	19
Net debt/(cash)	-1	-1	-1	-1	-1
EV	17	17	17	17	17
EV/EBITDA	5.3x	7.4x	0.9x	0.5x	0.6x
EV/CFFO	7.3x	10.1x	1.2x	0.7x	0.8x
FCF yield	-1%	-52%	8%	131%	114%
EV per kboe/d	56.0	64.3	8.7	6.0	6.2
EBITDA per kboe/d	10.6	8.7	9.7	11.4	10.1
P/E	17.6x	87.2x	1.6x	0.9x	1.1x

Source: H&Pe

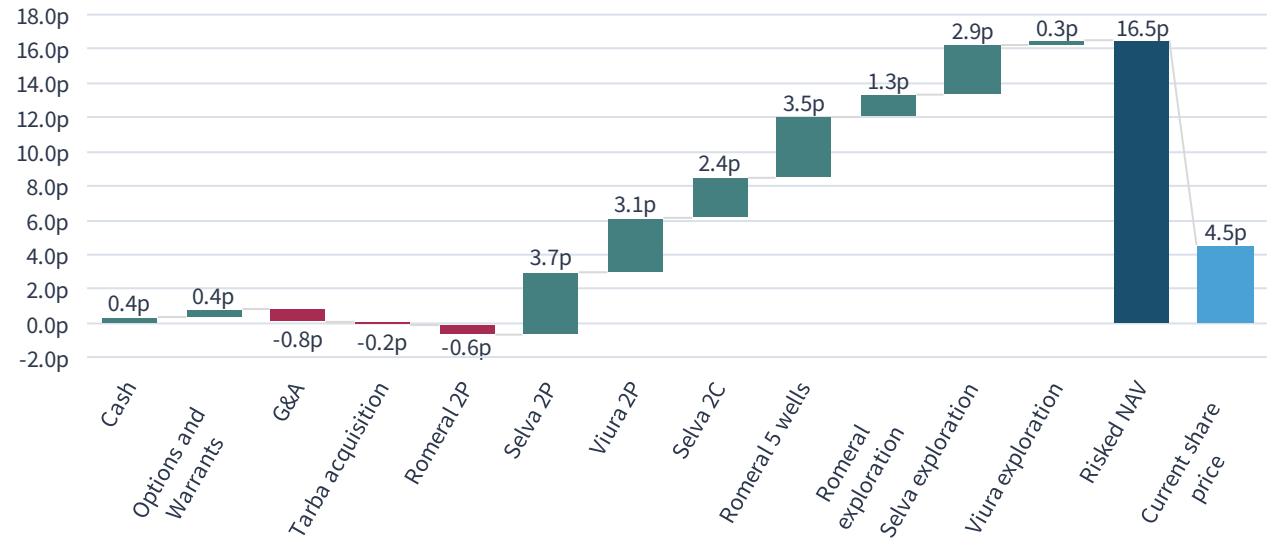
Risked NAV

Our favoured valuation methodology is a bottom-up risked NAV, modelling out the various fields and prospects and applying a geological and commercialisation risk to each. In our base-case scenario, we use a gas price of €35/MWh (€10.3/mcf) in 2025 and a long-term flat gas price of €30/MWh (€8.8/mcf) from 2026, an NGL price of €42/bbl for 2025 onwards and electricity price of €80/MWh in 2025 and a long-term flat price of €75/MWh. We use a USD/EUR FX rate of 1.18 and a USD/GBP FX rate of 1.34 and a 10% discount rate.

Asset	Gross bcf	Propsex W.I.	Net bcf	NPV €/mcf	Unrisked €mm	Unrisked p/sh	Geo. CoS	Comm. CoS	Risked €mm	Risked p/sh
Cash					**€1.4**	**0.4p**			**€1.4**	**0.4p**
Options and Warrants					**€1.7**	**0.4p**			**€1.7**	**0.4p**
Capitalised G&A @2x					**-€2.9**	**-0.8p**			**-€2.9**	**-0.8p**
Tarba acquisition					**-€0.7**	**-0.2p**			**-€0.7**	**-0.2p**
Romeral 2P	0.1	100%	0.1	-€21.9	-€2.2	-0.6p	100%	100%	-€2.2	-0.6p
Viura 2P (well 1B)	23	13.5%	3.1	€1.6	€5	1.3p	100%	90%	€4.5	1.2p
Viura 2P (well 3B)	38	7.5%	2.9	€1.7	€5	1.3p	100%	75%	€3.7	1.0p
Viura 2P (well 3A)	23	10.5%	2.4	€2.0	€5	1.3p	100%	75%	€3.6	0.9p
Selva 2P	12	37%	4.5	€3.2	€14	3.7p	100%	100%	€14.2	3.7p
Selva 2C	14	37%	5.2	€2.4	€12	3.2p	100%	75%	€9.1	2.4p
Total 2P and 2C	**111**	**16%**	**18.2**	**€2.1**	**€39.0**	**10.2p**	**100%**	**85%**	**€33.0**	**8.6p**
Romeral: Sevilla 3 East	0.9	100%	0.9	€1.3	€1.2	0.3p	85%	96%	€1.0	0.3p
Romeral: Santa Clara 2	2.3	100%	2.3	€1.3	€3.0	0.8p	80%	95%	€2.3	0.6p
Romeral: Nuevo Gamo	1.5	100%	1.5	€1.3	€2.0	0.5p	72%	95%	€1.3	0.4p
Romeral: Santa Rita	3.8	100%	3.8	€1.3	€5.0	1.3p	86%	86%	€3.7	1.0p
Romeral: Romeral 2S	9.7	100%	9.7	€1.3	€12.7	3.3p	51%	78%	€5.0	1.3p
Romeral: Exploration	60.2	100%	60.2	€0.5	€30.1	7.9p	34%	49%	€5.1	1.3p
Selva East	32	37%	11.9	€1.9	€23	6.0p	40%	75%	€6.9	1.8p
Selva: Riccardina	37	37%	13.7	€1.8	€24	6.4p	21%	75%	€3.8	1.0p
Selva: Fondo Perino	14	37%	5.3	€2.0	€11	2.8p	34%	10%	€0.4	0.1p
Viura Ullitras B	25.0	7%	1.8	€1.5	€2.7	0.7p	50%	75%	€1.0	0.3p
Total exploration value	**187**	**59%**	**111**	**€1.0**	**€115**	**30.1p**			**€30.5**	**8.0p**
Total NAV	**298**		**129**	**€1.2**	**€153**	**40.1p**			**€63.0**	**16.5p**

Source: H&Pe

Risked NAV build-up



Source: H&Pe

Our valuation shows that Prospex's project economics are heavily influenced by the prevailing gas prices. We have sensitised Prospex's risked value to our long-term gas price estimate and discount rate to show the range of values based on movements in the macro environment.

Sensitivity of risked NAV to gas price and discount rate

		Long term gas price				
€/mcf		€2.9	€5.9	€8.8	€11.7	€14.7
€/MWh		€10	€20	€30	€40	€50
Discount Rate	5.0%	5.9p	14.4p	22.6p	30.5p	38.0p
	7.5%	4.9p	12.2p	19.2p	26.0p	32.4p
	10.0%	4.1p	10.4p	**16.5p**	22.4p	28.0p
	12.5%	3.4p	9.0p	14.3p	19.6p	24.4p
	15.0%	2.9p	7.8p	12.6p	17.2p	21.5p

Sensitivity of risked 2P reserves valuation to gas price and discount rate

		Long term gas price (€/MWh)				
		€10	€20	€30	€40	€50
Discount Rate	5.0%	0.8p	4.7p	8.2p	11.4p	14.3p
	7.5%	0.7p	4.1p	7.1p	10.0p	12.5p
	10.0%	0.6p	3.6p	**6.3p**	8.8p	11.0p
	12.5%	0.5p	3.1p	5.5p	7.8p	9.7p
	15.0%	0.5p	2.7p	4.9p	6.9p	8.7p

Sensitivity of risked 2P+2C reserves valuation to gas price and discount rate

		Long term gas price (€/MWh)				
		€10	€20	€30	€40	€50
Discount Rate	5.0%	1.5p	6.8p	11.6p	16.3p	20.5p
	7.5%	1.2p	5.7p	10.0p	14.0p	17.7p
	10.0%	1.0p	4.9p	**8.6p**	12.2p	15.4p
	12.5%	0.8p	4.2p	7.5p	10.7p	13.5p
	15.0%	0.6p	3.6p	6.6p	9.4p	11.9p

Source: H&Pe

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