

Prospex Energy

Poland: Material Oil Development worth ~US\$70mm

Mniszów oil discovery upgraded to 3.7mmbbl, with a low-cost development

Prospex Energy holds 100% of the San and Dunajec onshore licences in southern Poland (awarded Q2'26 for <€300k) in the proven Carpathian Foredeep Basin. San is on a Miocene gas trend (up to 200bcf in place) and Dunajec hosts the Mniszów oil discovery; having reworked the historic well and database material, Prospex has materially upgraded this shallow fractured-carbonate discovery, to ~13mmbbl of oil in place from just ~2mmbbl and now sees ~3.7mmbbl of recoverable oil. It plans a staged, low-cost 15-well "factory" development at ~€2mm per well, with crude trucked to a local depot leading to no additional infrastructure cost and first oil expected in 2027. The combination of low costs and capex (<\$15/bbl combined), speed to market and attractive fiscal terms leads to an NPV10 of ~US\$70mm. Production is expected to peak at 1.3kbb/d, generating FCF of ~€20mm in 2029. 100% ownership leaves room to farm-down to fund the programme without equity dilution, however capex to first oil is <US\$2.5mm. Next steps are to shoot 2D seismic and commission an independent CPR to qualify the reserves and resources with the potential for this discovery to support debt financing.

Poland: Energy security key issue and a natural fit for Prospex

Europe's pivot to energy security has hardened since Russia's invasion of Ukraine, and the closure of the Strait of Hormuz. The issue is particularly acute in Poland, which imports close to 97% of the crude it consumes. Poland has made energy sovereignty an explicit policy priority, giving domestic oil production strategic value. Poland actively supports onshore development through a faster-moving licensing regime. Prospex's Polish oil position fits this backdrop: a low-cost, quick-to-cash development in a jurisdiction that needs the barrels, executable at speed and under the company's own control. It also captures Prospex's strategy: recycling near-term oil cash flow into additional wells and, over time, the wider exploration acreage, with farm-downs (rather than equity) funding growth and compounding value per share.

Focus on growing value per share, which compounds through re-investment

During its AGM, Prospex updated on corporate strategy rather than individual assets. It focused on three key areas: real assets that hold value through inflation, energy demand driven by digital infrastructure growth and Europe's energy security. The goal is to build a "cash compounding machine" that recycles growing cashflow into new assets and compounds equity value across multiple investment cycles, with every investment decision assessed against value added per share. Critically, management intends to fund growth through partnerships rather than equity issuance. Two key growth assets – Romeral (Spain) and Poland, are 100% owned, which allows for dilution at the asset level, not equity. It confirmed that its investment-company status can be maintained, even while holding assets outright. Prospex presented a "full potential" analysis for each asset with an unrisks upper-value range (no permitting or funding barriers, unrisks volumes and a flat €35/MWh gas price) shown against each asset's historic investment cost and carry value, which shows a potential of ~€340mm of upside relative to the current market capitalisation of just ~€14mm and our unrisks valuation of €250mm.

Valuation: risks NAV of 16p/sh provides ~420% upside

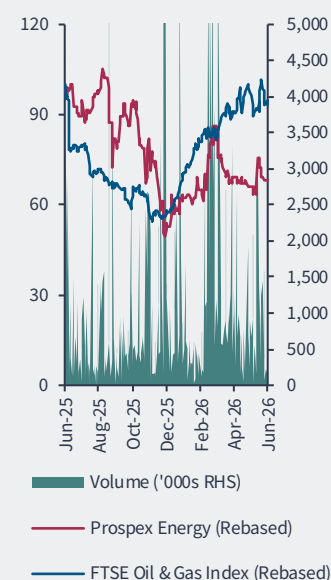
Our risks NAV increases by 18% to 16p/sh after including the value of the Polish oil asset. We have only included the value of Mniszów's oil and not the >200bcf of gas potential on the San licence, where we await details on potential. The Polish oil asset offers high margins, resulting in an unrisks NPV of €60mm (~US\$70mm or \$18.5/bbl) and a ~60% IRR. We risk this at a 50% geological and 50% commercial CoS, reflecting the lack of an independent CPR and potential for asset level dilution to fund development, for a risks NAV of 2.5p/sh (alone is ~80% of the share price).

GICS Sector	Energy
Ticker	AIM: PXEN
Market cap 24-Jun-26 (US\$mm)	17
Share price 24-Jun-26 (GBP)	3.1

NAV summary (p/sh)

Asset	Unrisks	Risks
Cash & other	0.1	0.1
2P+2C	8.9	7.5
Exploration	32.4	8.4
Total NAV	41.4	16.1

Source: H&P



Source: S&P CapIQ

Anish Kapadia

Research Analyst

T +44 (0) 207 907 8500

E anish@hannam.partners

Roger Bell

Managing Director, Research

T +44 (0) 207 907 8534

E rb@hannam.partners

Taher Shehabi

Research Analyst

Leif Powis

Partner

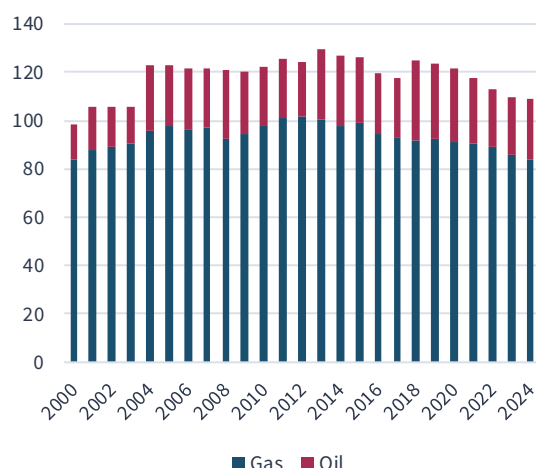
T +44 (0) 207 907 8580

E lp@hannam.partners

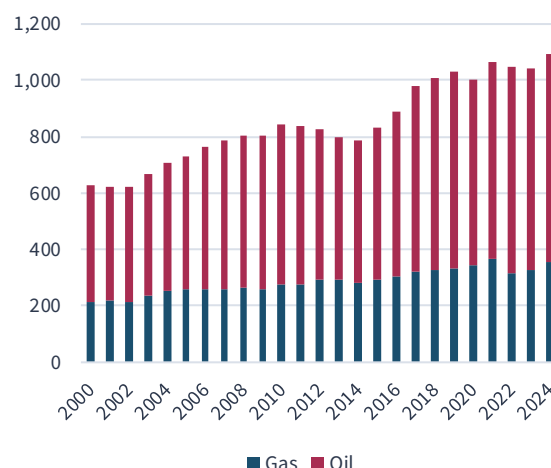
H&P Advisory Ltd
7-10 Chandos Street
London W1G 9DQ

Poland

Poland oil and gas production (kboe/d)



Poland oil and gas consumption (kboe/d)



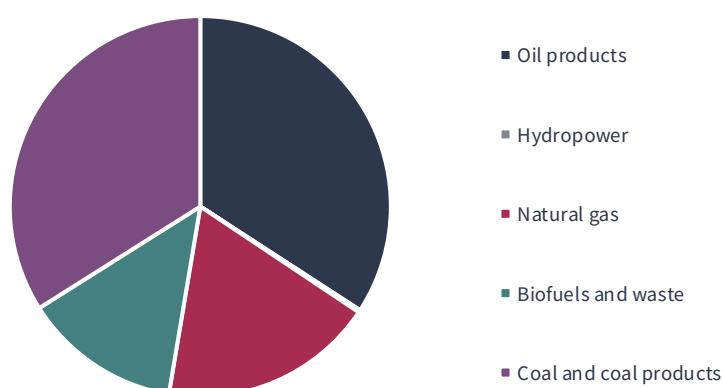
Source: Statbase

Poland is one of Europe's most energy-hungry and, historically, most import-dependent economies. The country produces only a small fraction of the crude it consumes (~30kbb/d production in 2024 vs imports of around 550 kbb/d), while coal continues to dominate the wider energy mix and domestic gas output drifts lower (around ~0.4bcf/d bcm against demand of ~2.1bcf/d).

Crude historically arrived from Russian via the Soviet-era Druzhba pipeline, but the Russian share of imports collapsed from around 63% in 2021 to roughly 5% by 2023, and the last Russian crude contract was severed in 2025, replaced by seaborne barrels from Saudi Arabia, Norway and the US landed through the Naftoport terminal at Gdańsk.

Poland ended Russian pipeline gas imports in Q1'23 after six decades of dependency. In its place it has built one of the most diversified import systems in the region with the Świnoujście LNG terminal, the Baltic Pipe carrying Norwegian gas via Denmark, a planned Gdańsk FSRU, and new interconnectors with Lithuania and Slovakia with LNG alone now covering roughly 40% of national gas demand. The net effect is a market in which domestic barrels carry a clear strategic value, and where security of supply domestic production is government policy.

Poland total energy supply mix, 2024



Source: IEA; Note: the total energy supply includes all the energy produced in or imported to a country, minus that which is exported or stored. It represents all the energy required to supply end users in the country.

Background

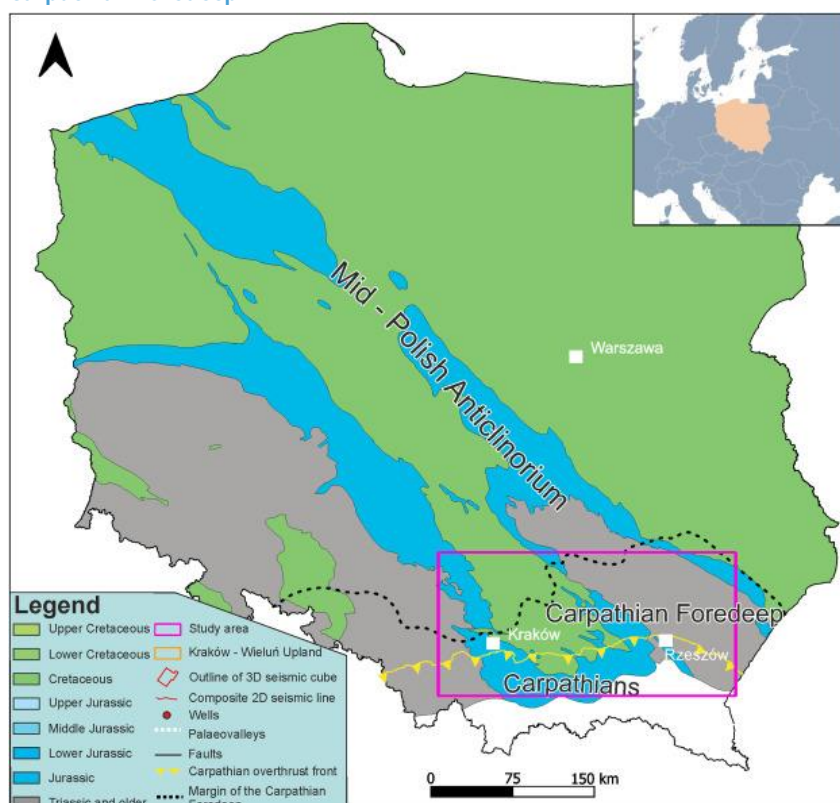
Poland is the birthplace of the modern oil industry: Ignacy Łukasiewicz drilled what is widely regarded as the world's first industrial oil well at Bóbrka in the Carpathian foothills in 1854, and the region has produced oil and gas continuously ever since. That long history has left behind a mature, well-mapped set of basins, extensive legacy well data, and a domestic oilfield-services industry that remains active and available.

The early-2010s shale boom proved a false dawn, with ExxonMobil, Chevron, Marathon and others acquiring acreage and then exiting as results disappointed, but conventional activity has continued. Currently, the country's largest producer is ORLEN group, following its merger with PGNiG in 2022. ORLEN dominates domestic production, also holding significant control over gas imports, distribution pipelines, and underground storage facilities, making it a major force in Poland's gas sector.

The ORLEN group runs the country's two main refineries including Płock, one of the largest in Central Europe and through its Orlen Upstream arm is also the principal domestic E&P operator. With modest national crude output, the refineries run almost entirely on imported feedstock, and beneath the incumbent sits only a few smaller independents.

Production history and geology

Carpathian Foredeep



Source: Science Direct

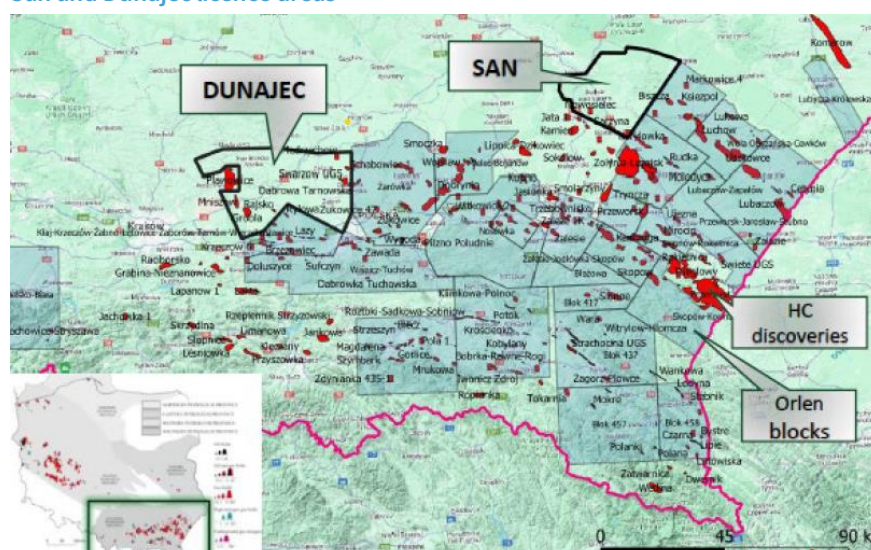
According to Welligence, as of Jan'26, Poland holds ~250mmboe of oil and condensate reserves and domestic oil production is split across a handful of provinces. The Polish Lowlands in the west host the country's larger onshore accumulations: the BMB complex, the biggest onshore oil field and the LMG field, while the Baltic offshore has long produced modest volumes from the B3 and B8 fields.

In July 2025, offshore potential was sharply enhanced when Central European Petroleum (CEP) announced Poland's largest ever conventional hydrocarbon discovery, with 200mmboe in the Wolin East discovery and over 400mmboe in total recoverable resources across the licence.

The other relevant province, where Prospex holds its licences, is the Carpathian Foredeep in the south-east, part of the country's original oil heartland (home to the historic Bóbrka field). Here, shallow Miocene gas including Przemyśl, Poland's largest gas field, overlies older Jurassic/Cretaceous oil plays. This shallow setting is well-understood, infrastructure- and services-rich and under a more supportive and faster-moving permitting regime. It hosts the company's San and Dunajec licences and the Mniszów oil discovery.

San and Dunajec licences

San and Dunajec licence areas



Source: Prospex

Prospex holds 100% of two onshore exploration licences in southern Poland, San and Dunajec, formally awarded in Q2'26 for a consideration of <€300k. Both sit within the Carpathian Foredeep but each has seen very little exploration since 2000, leaving open the opportunity to apply modern imaging to prospectivity that earlier operators overlooked.

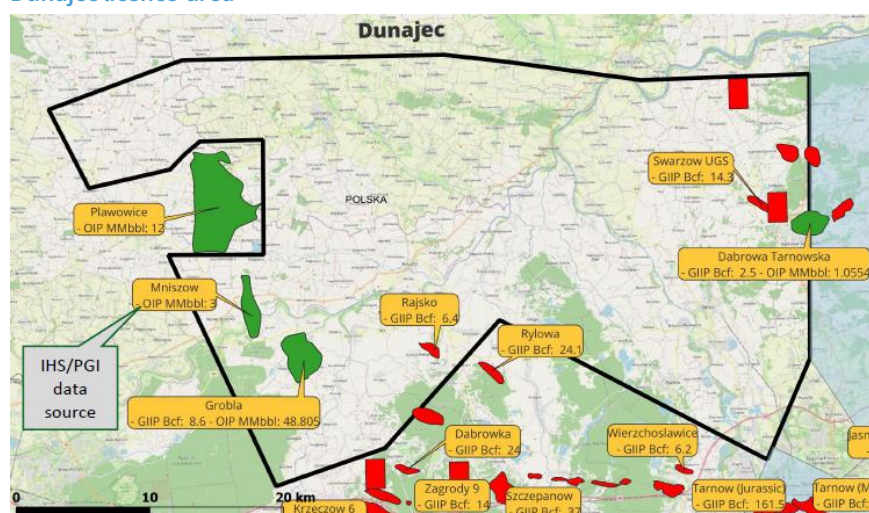
The Carpathian Foredeep is a Miocene basin, which supports two stacked play types that map neatly onto Prospex's two licences. The first is shallow, biogenic gas, dry methane held in Badenian–Sarmatian turbiditic sandstones, which has made the fairway between Kraków and Przemyśl one of Europe's more prolific onshore gas provinces, with >100 gas fields discovered, including Przemyśl itself. The second is conventional oil in the older Mesozoic (Jurassic/Cretaceous) carbonates that subcrop beneath the Miocene, the play that sourced the nearby Grobla and Pławowice oil fields.

Geologically the two blocks offer distinct but complementary plays. San lies on a clear Miocene gas trend, on the same fairway as a series of historical gas discoveries holding up to around 200bcf of gas in place. Dunajec, the south-western block, is the more layered of the two: it is surrounded by both Miocene gas accumulations and older Cretaceous/Jurassic oil plays and crucially, it hosts the Mniszów oil discovery.

On the wider exploration licences, the forward plan involves a licence-obligation high-resolution AeroGravMag survey, budgeted at €400k for the two blocks, which will map the underlying sedimentary basins and highlight priority areas. From there the company would build a lead inventory and look to tie in existing seismic to delineate drillable prospects, ahead of a drill-or-drop decision within a three-year window (earliest drilling around H2'27).

Mniszów

Dunajec licence area

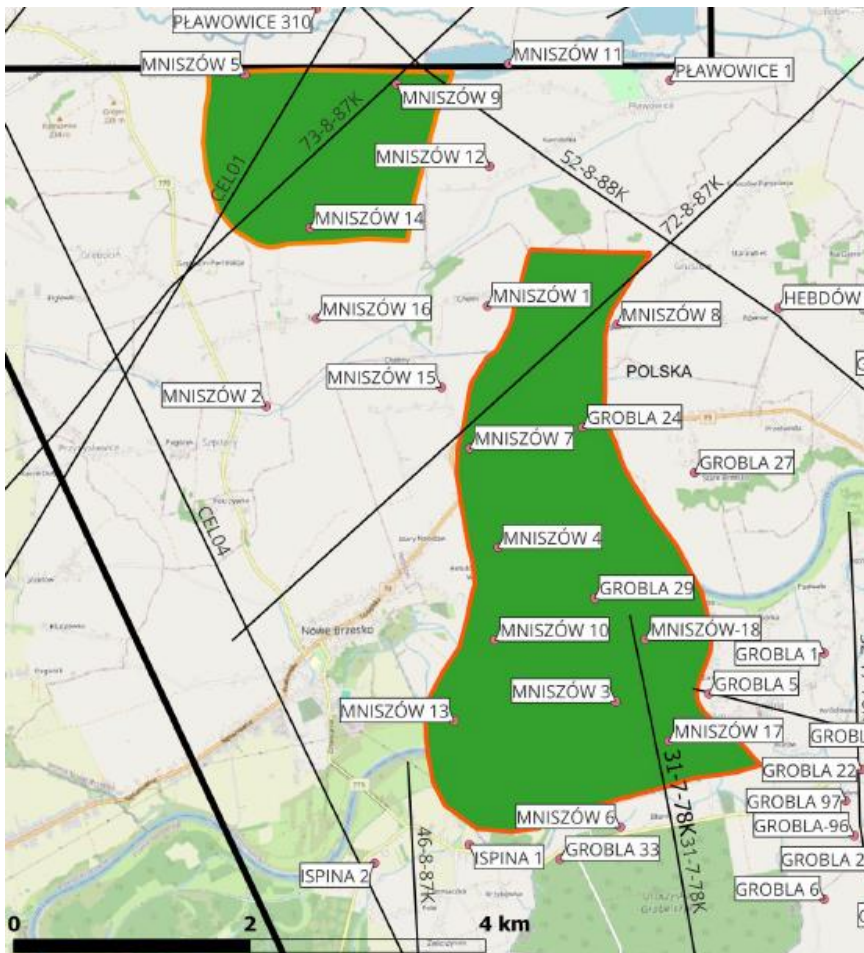


Source: Prospex

Mniszów is a shallow, fractured-carbonate oil accumulation discovered in 1966 at a depth of ~600m, with 13m of oil pay and a cased-hole test that flowed ~45bbl/d. It was left undeveloped at the time because it was considered too small relative to the larger Grobla and Pławowice fields nearby. Prospex has reworked the historic well and database material (sourced via IHS and the Polish Geological Institute) and materially upgraded the oil in-place volumes to 13mmmbbl (STOIIP), well above the ~2mmmbbl estimated previously. Combining modern multilateral drilling techniques, unavailable in the 1960s, which lift the recovery factor, this supports ~3.7mmmbbl of recoverable reserves. Prospex is looking to acquire 2D seismic over the structure and then commission a new CPR to independently qualify the reserves and resources.

Development plan

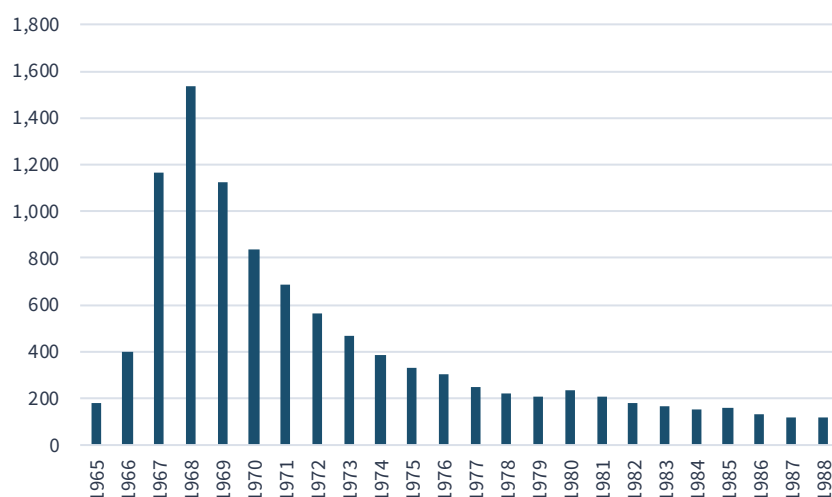
Mniszow development area



Source: Prospex

The development concept is a phased, repeatable "factory" model. Prospex estimates that draining the ~3.7mmbbl recoverable would require ~15 wells at an estimated EUR of ~250kbbbl per well, each drilled, completed and connected for ~€2mm, with oil trucked to a local aggregation depot rather than piped. The company would drill a single well first to establish and test the factory model, with the remaining wells split across two further programmes. We assume a two phased development of 8 wells in the second phase and 6 additional wells in the third phase. The phases are built so that each phase is large enough to attract partnership capital while leaving a later programme to adapt well design to learnings from the first batch. If the initial well outperforms, Prospex could choose to drill continuously to completion; capital and permits allowing.

Plawowice production profile (bbl/d)

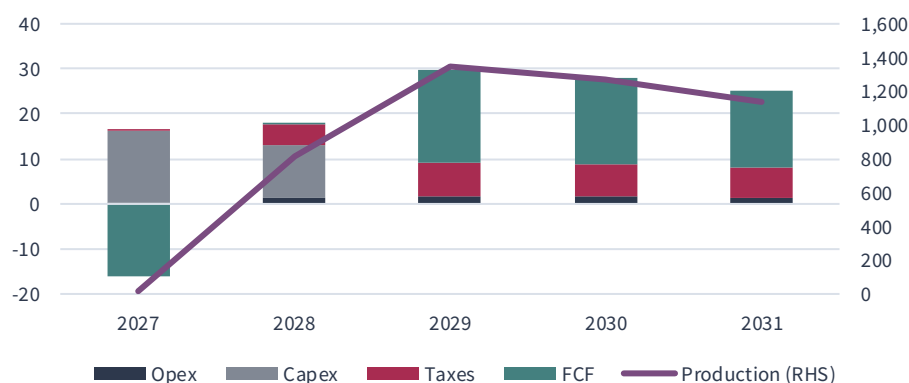


Source: Prospex

We model a production profile, on a mid-case basis, at an initial (IP) rate of ~100bbl/d per well, declining at 10% per annum from year two. Most fractured reservoirs normally see a steep initial decline followed by a low decline but we have assumed a simple 10% p.a. decline over the life of the well. A nearby field drilled with 1960s technology shows a sharp initial fall followed by roughly fifty years of little further decline, so we believe a flat 10% is reasonable for the mid-case. Prospex expects its own profiles to differ, targeting a higher ultimate recovery per well through modern multilateral drilling.

Economics

Poland full field development: Cashflow split (€mm) versus oil production (bbl/d)



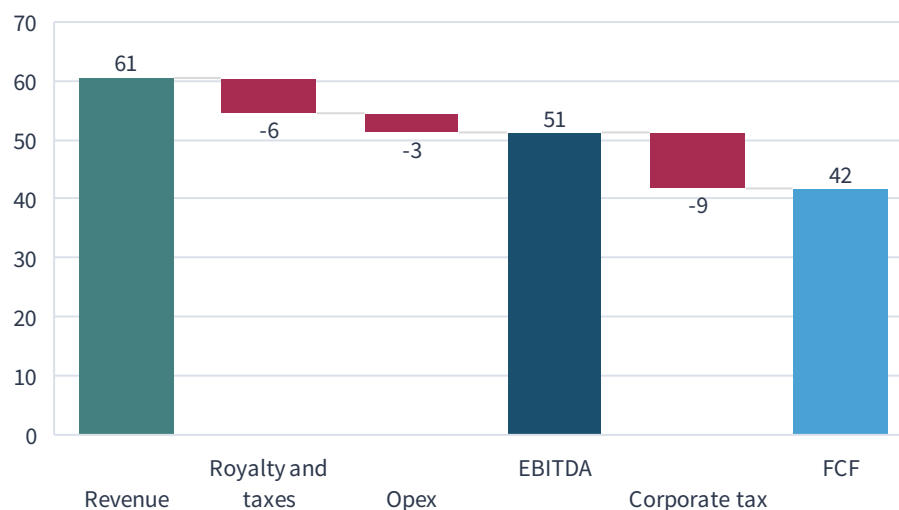
Source: H&Pe

We assume a staged 15-well development, with the first well drilled in 2027, Phase 2 (8 wells) in 2028 and Phase 3 (6 wells) in 2029. In aggregate this delivers net production of ~810bbl/d in 2028 as Phase 2 is drilled, and peaking at ~1,350bbl/d in 2029 once all 15 wells are on production.

We assume a flat Brent price of US\$70/bbl (€60.6/bbl) from 2027 onwards, which translates into gross revenue of ~€0.4m in 2027, rising with each drilling phase to a peak of ~€30m in 2029. A 6% royalty is applied to gross oil revenues. Two further Polish taxes apply: an oil-and-gas extraction tax levied volumetrically at ~€2.3/bbl, and a real-estate tax charged at 2% per year on the value of immovable surface infrastructure, which we approximate as 20% of cumulative capex (~€0.12mm a year at full build).

There is a fixed opex component of €250k a year for the first programme, with each subsequent programme adding proportionately less per well as economies of scale come through (total fixed opex builds to ~€0.85mm a year at full field), plus a variable transport cost of ~€1.5/bbl to truck crude from the wellsite to the local aggregation depot.

FCF build up in 2029 (€/bb)



Source: H&Pe

This drives EBITDA of ~€15mm in 2028, rising to ~€25mm in 2029. Total capex to drill all 15 wells is around €30mm, phased across 2026–2028, with no additional infrastructure or plant cost since the oil is trucked rather than piped. Income is taxed at 19% in Poland. Post-tax operating cash flow reaches ~€12mm in 2028 and ~€20mm in 2029; on a free-cash-flow basis 2028 is broadly breakeven as the final phase of drilling capex is spent, before FCF steps up to ~€20mm in 2029 once the programme is complete.

Discounting at 10%, this generates an unrisks NPV of €60mm (~US\$70mm or \$18.5/bbl), equivalent to ~9.9p/share, with an IRR of ~60%. We carry a geological chance of success of 50%, reflecting the relatively early stage in development and the need to shoot 2D seismic plus an independent CPR, and a commercial chance of success of 50%, given the wider programme is contingent on early-well success and on securing capital. Applying both, we arrive at a riskd NAV of €15mm, or 2.5p/share.

Sensitivity of Poland's riskd NAV to Brent price and discount rate (€mm)

		Brent price (US\$/bbl)				
		\$50	\$60	\$70	\$80	\$90
Discount Rate	5.0%	€12	€17	€21	€26	€30
	7.5%	€10	€14	€18	€22	€26
	10.0%	€8	€12	€15	€18	€22
	12.5%	€7	€10	€13	€16	€19
	15.0%	€5	€8	€11	€13	€16

Source: H&Pe

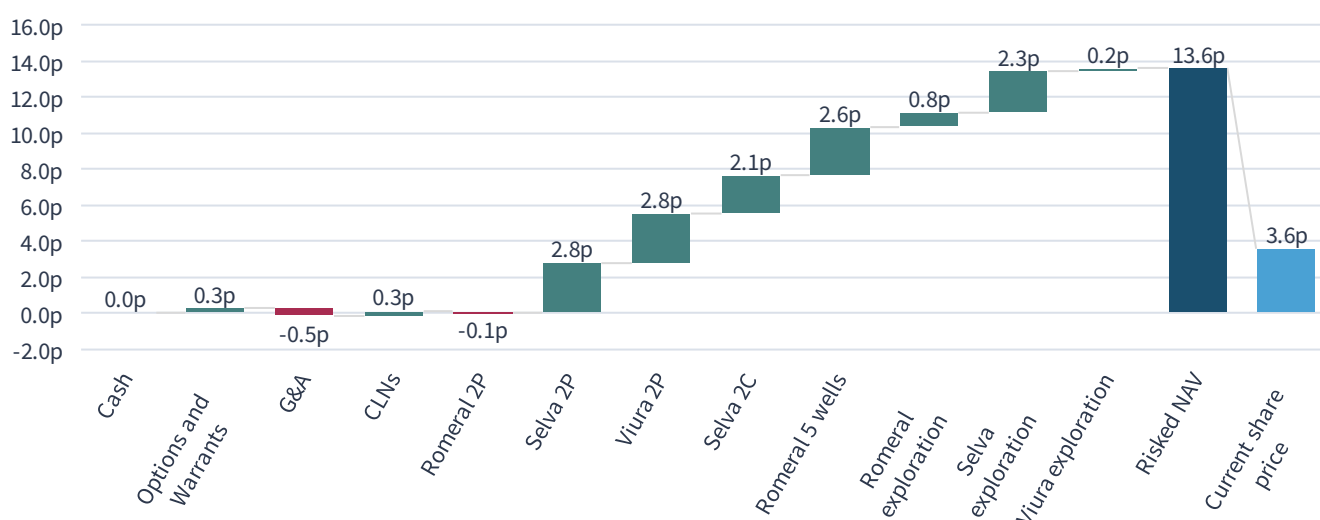
Valuation and NAV

Our favoured valuation methodology is a bottom-up riskd 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 long-term flat gas price of €36/MWh (€12/mcf) from 2026, an NGL price of €50/bbl, and for Poland we use a flat Brent price of US\$70/bbl from 2027. We use an electricity price of €100/MWh for 2026 and €75/MWh from 2027 onwards. We use a USD/EUR FX rate of 1.16 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	Riskd €mm	Riskd p/sh
Cash					€0.2	0.0p			€0.2	0.0p
Options and Warrants					€1.6	0.3p			€1.6	0.3p
Capitalised G&A @2x					-€2.9	-0.5p			-€2.9	-0.5p
CLNs (Dec 2025)					€2.0	0.3p			€2.0	0.3p
Romeral 2P	0.2	100%	0.2	-€3.8	-€0.7	-0.1p	100%	100%	-€0.7	-0.1p
Viura 2P	85	9.2%	7.8	€2.7	€21	3.4p	100%	80%	€16.6	2.7p
Selva 2P	12	37%	4.5	€3.8	€17	2.8p	100%	100%	€16.8	2.8p
Selva 2C	14	37%	5.2	€3.3	€17	2.8p	100%	75%	€12.7	2.1p
Total 2P and 2C	111	16%	17.6	€3.1	€53.8	8.9p			€45.4	7.5p
Romeral: 5 Wells	18	100%	18.3	€1.6	€29.0	4.8p	65%	84%	€15.8	2.6p
Romeral: Other	60	100%	60.2	€0.5	€30.1	5.0p	34%	49%	€5.1	0.8p
Selva	82	37%	30.2	€2.5	€74.0	12.2p	31%	61%	€13.8	2.3p
Viura	25	7%	1.8	€1.5	€2.7	0.4p	50%	75%	€1.0	0.2p
Poland: oil	22.5	100%	22.5	€2.7	€60.0	9.9p	50%	50%	€15.0	2.5p
Total exploration value	208	64%	133	€1.5	€196	32.4p			€51	8.4p
Total NAV	319		151	€1.7	€250	41.4p			€97	16.1p

Source: H&Pe

Riskd 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 riskd 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		€7.3	€8.8	€10.6	€11.7	€14.7
€/MWh		€25	€30	€36	€40	€50
Discount Rate	5.0%	15.8p	18.2p	21.3p	23.4p	28.6p
	7.5%	13.6p	15.7p	18.4p	20.2p	24.7p
	10.0%	11.9p	13.7p	16.1p	17.6p	21.6p
	12.5%	10.5p	12.0p	14.2p	15.6p	19.1p
	15.0%	9.3p	10.7p	12.6p	13.9p	17.0p

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

		Long term gas price (€/MWh)				
		€25	€30	€36	€40	€50
Discount Rate	5.0%	4.4p	5.3p	6.7p	7.6p	9.9p
	7.5%	4.0p	4.8p	6.0p	6.8p	8.9p
	10.0%	3.6p	4.3p	5.4p	6.1p	8.0p
	12.5%	3.3p	3.9p	4.9p	5.6p	7.3p
	15.0%	3.0p	3.6p	4.5p	5.1p	6.6p

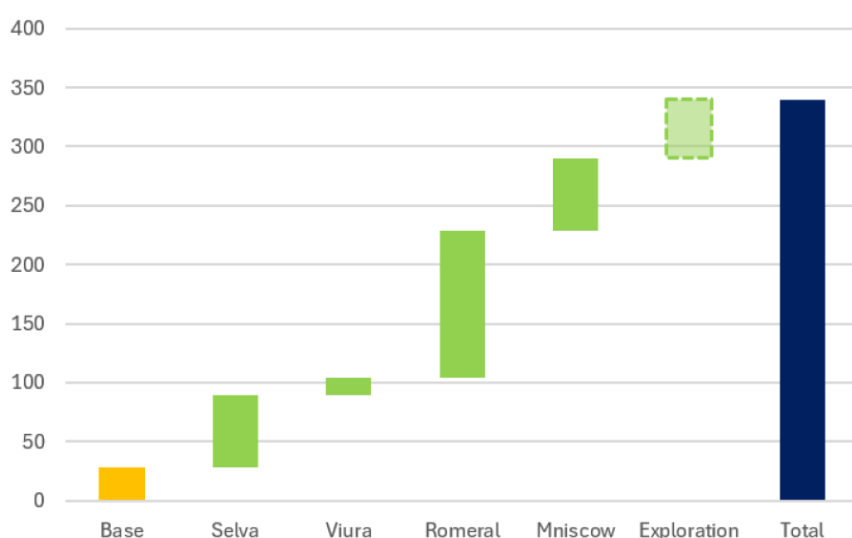
Sensitivity of risked 2P+2C reserves valuation to gas price and discount rate

		Long term gas price (€/MWh)				
		€25	€30	€36	€40	€50
Discount Rate	5.0%	6.3p	7.7p	9.6p	10.9p	14.1p
	7.5%	5.6p	6.8p	8.4p	9.6p	12.4p
	10.0%	5.0p	6.0p	7.5p	8.5p	11.0p
	12.5%	4.5p	5.4p	6.7p	7.6p	9.9p
	15.0%	4.0p	4.9p	6.1p	6.9p	8.9p

Source: H&Pe

Prospex's "full potential"

All assets unrisked potential (€mm)

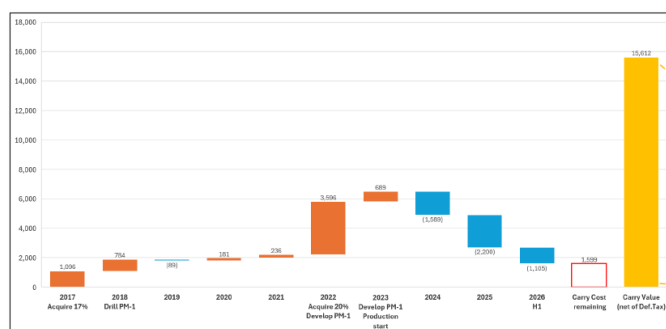


Source: Prospex

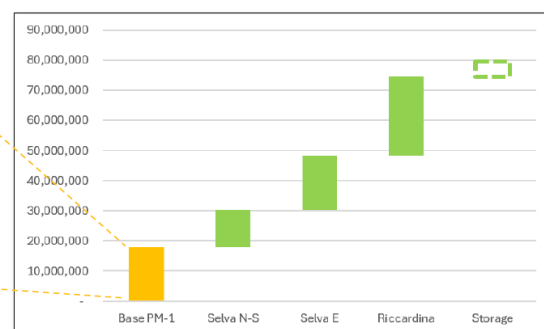
During its AGM, Prospex updated its corporate strategy and presented a "full potential" analysis for each asset with an unrisked upper-value range (no permitting or funding barriers, unrisked volumes and a flat €35/MWh gas price) shown against each asset's historic investment cost and carry value, which shows a potential of ~€340mm of upside relative to the current market capitalisation of just ~€14mm and our unrisked valuation of €250mm.

Selva unrisks potential

Investment history – costs repayment & carry value (GBP)

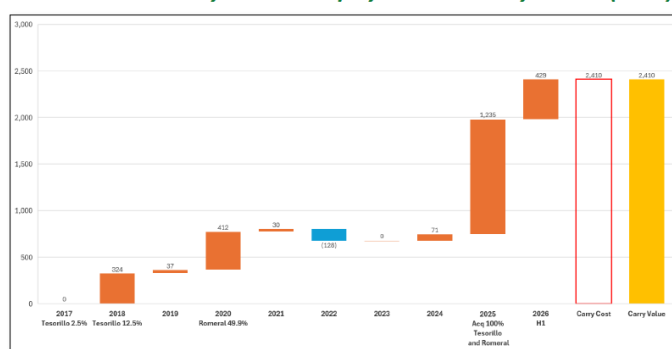


Full potential broken down by activity (EUR)



El Romeral unrisks potential

Investment history – costs repayment & carry value (GBP)

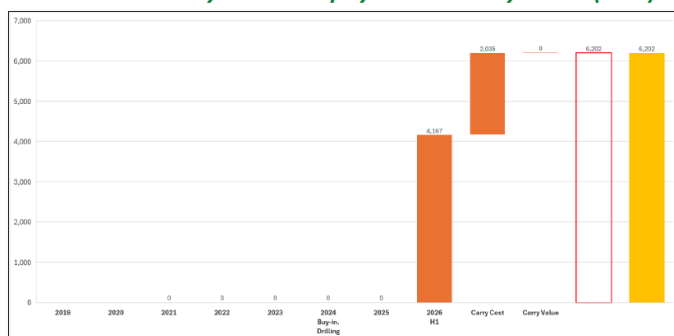


Full potential broken down by activity (EUR)

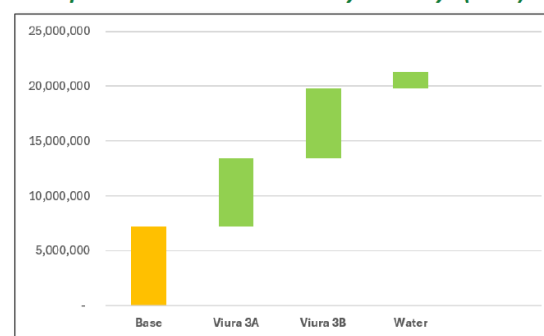


Viura unrisks potential

Investment history – costs repayment & carry value (GBP)

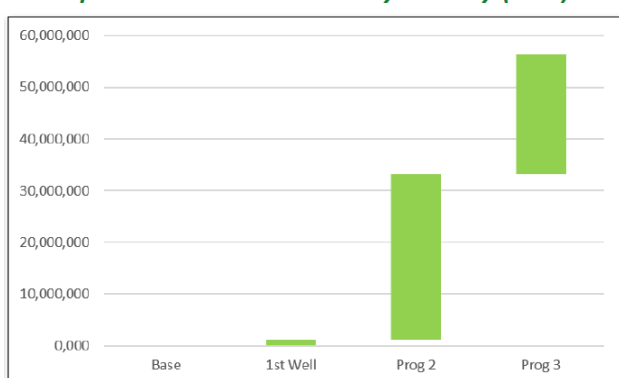


Full potential broken down by activity¹ (EUR)



Mniszów unrisks potential

Full potential broken down by activity (EUR)



Source: Prospex

Disclaimer

This Document has been prepared by H&P Advisory Limited ("H&P"), which is authorised and regulated by the Financial Conduct Authority (Firm Reference Number 805667) and is incorporated in England & Wales with no. 11120795. The Document is protected by international copyright laws and may not be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed (in whole or in part) without H&P's prior written permission.

The information contained herein does not constitute an offer or solicitation to sell or acquire any security or fund the acquisition of any security by anyone in any jurisdiction where such an offer or solicitation would be illegal, nor should it be regarded as a contractual document. Under no circumstances should the information provided in this Document, or any other written or oral information made available in connection with it, be considered as investment advice or as a sufficient basis on which to make investment decisions. This Document does not constitute a personal recommendation and, if appropriate, you should seek professional advice, including tax advice, before making investments decisions.

The information in this Document does not purport to be comprehensive and has been provided by H&P (and, in certain cases, third party sources such as credit rating agencies) and has not been independently verified. The information set out herein and in any related materials reflects prevailing conditions and our views as at this date and is subject to updating, completion, revision, verification and amendment, and such information may change materially. H&P is under no obligation to provide the recipient with access to any additional information or to update this Document or any related materials or to correct any inaccuracies in it which may become apparent.

Marketing Communication

This Document does not represent investment research for the purposes of the rules of the Financial Conduct Authority ("FCA Rules"). To the extent it constitutes a research recommendation, it takes the form of NON-INDEPENDENT research for the purposes of the FCA Rules. As such it constitutes a MARKETING COMMUNICATION, has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of dissemination of investment research.

Statements Relating to Performance

All statements of opinion and/or belief contained in this Document and all views expressed and all projections, forecasts or statements regarding future events or possible future performance represent H&P's own assessment and interpretation of information available to it as at the date of this Document. This Document and any related materials may include certain forward-looking statements, beliefs, or opinions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that any of the results and events contemplated by the forward-looking statements contained in the information can be achieved or will, in fact, occur. Past performance cannot be relied on as a guide to future performance.

Distribution Restrictions

This document is directed only at persons who: (i) are Qualified Investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, (as amended); and (ii) have professional experience in matters relating to investments who fall within the definition of "Investment Professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or are persons falling within Article 49(2)(a) to (d) (High Net Worth Companies, Unincorporated Associations, etc.) of the Order, or fall within another exemption to the Order (all such persons referred to in (i) and (ii) above together being referred to as "Relevant Persons"). This Document is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation and persons into whose possession this Document comes are required to inform themselves about, and observe, any such restrictions.

Valuation Assumptions/Risks

Please note our valuation estimates provide an assessment of the value of the issuer at a specific point in time, based on public information as well as assumptions and forecasts made by H&P, which are subject to change at any time. It should be noted that the prices of listed equities often deviate significantly from assessments of their fundamental value. Our valuation estimates should not be interpreted as a prediction of the price at which the issuer's shares will trade in future.

Company/Issuer Disclosures

H&P may from time to time have a broking, corporate finance advisory, or other relationship with a company which is the subject of or referred to in the Document.