
AUCTUS ON FRIDAY: AXL LN/AXL CN, SEI CN, SQZ LN, CHAR LN, ENQ LN, FDE FP, GEO LN, QHE LN, TNP CN, TTE FP, UJO LN

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AUCTUS PUBLICATIONS

Arrow Exploration (AXL LN/AXL CN)^C; Target price of £0.40 per share: High flow rate at first Mateguafa H2 well firms-up the upside case – M-HZ7, the first horizontal well at Mateguafa Attic, has been brought onstream in the C9 zone. It is producing on a very small choke (25/128) at a gross oil rate of 1,694 bbl/d (847 bbl/d net to Arrow), with oil quality of 30.6° API and a 4% water cut. This initial rate is approximately double that of the M-6 vertical well. This is a highly encouraging result, as it demonstrates the potential to develop the Mateguafa Attic field with horizontal wells. It suggests the field is larger than previously anticipated and that well economics will be stronger. Arrow plans to drill 2–3 additional horizontal development wells. The M-HZ7 well also encountered 20 feet of net oil pay in the C7 formation, which is already producing at M-6. Gross oil production at M-5 has increased from 550 bbl/d to 800 bbl/d (400 bbl/d net to Arrow). Arrow believes this improvement reflects the removal of “skin” from the formation. Total corporate production now stands at 4,510 boe/d, excluding 400 bbl/d net from M-5, which is currently shut in for a mandated 7-day pressure test. We have made only minor adjustments to our forecasts, pending the YE25 reserves update, which will incorporate results from Mateguafa Attic.

[See website for full report](#)

Serica Energy (SQZ LN)^C; Target price of £3.05 per share: Another accretive gas acquisition – Serica is acquiring a Southern North Sea (SNS) asset package from Spirit Energy for ~US\$74 mm, with an effective economic date of 1 January 2025. The assets produced 13.5 mboe/d in 1H25 (96% gas) and hold 18.7 mmboe of 2P reserves. Completion is expected in 2H26, with an expected modest cash payment at closing. Key assets acquired include: (1) a 15% WI in Cygnus, one of the UK's largest gas fields (operated by Ithaca), contributing 8.6 mmboe net 2P reserves and 4 mboe/d net production, (2) operated positions in the Greater Markham Area, delivering 7 mboe/d net production, including 100% of Chiswick (5.6 mmboe net 2P reserves) and 92.5% of Grove (1.2 mmboe), (3) a 54% WI in Eris and 90% WI in Ceres, with net production of 1 mboe/d and (4) a 25% non-operated WI in Clipper South, contributing 1.4 mmboe net 2P reserves and 1.2 mboe/d production. Spirit Energy will retain decommissioning liabilities for the operated assets, capped at 115% of current estimated costs. The acquisition is being executed via the recently acquired Prax, which holds substantial tax losses (we estimate RCT of ~US\$0.74 bn, SCT of US\$0.63 bn, and EPL of US\$0.34 bn). The transaction showcases the company's ability to create value in the UK North Sea. It is immediately accretive and the acquired assets are expected to generate ~US\$100 mm in free cash flow over 2027–2028, following the modest upfront payment. Residual pre-tax decommissioning liabilities of US\$60–70 mm are anticipated in the early to mid-2030s. We have increased our target price from £3.05/sh to £3.15/sh.

[See website for full report](#)

Sintana Energy (SEI.V CN)^c; Target price of £0.50 per share: Materiality and diversification – The completion of the acquisition by Sintana of Challenger creates one of the largest listed exploration-focused companies with a market cap of ~US\$155 mm. The group benefits from a dual listing in London and Toronto. The enlarged platform offers exposure to a geographically diverse set of exploration and appraisal assets, unified by common geological themes on both sides of the South Atlantic conjugate margin. Each jurisdiction provides material scale and the potential for high-impact news flow. Sintana's 4.9% indirect interest in the giant Mopane discovery in the Orange basin of Namibia underpins the company's value, with WI contingent resources of ~43 mmboe. With TotalEnergies becoming operator, further exploration and appraisal drilling is expected in 2026. This could increase the size of the prize. Sintana's stake in Mopane becomes more attractive to counterparties such as QatarEnergy (often a partner to TotalEnergies). Additional drilling with Chevron at PEL 82 and PEL 90, together with a farm-down at PEL 87 anticipated by YE26 or early 2027, would further de-risk Sintana's other three Namibian offshore blocks. The entire Uruguay offshore acreage is now licensed across seven exploration blocks, drawing increasing interest from majors and supermajors including Chevron, Shell, Apache, YPF, and, since November, Eni. Sintana holds interests in two blocks with prospective resources of 1.18 bn boe - potentially the company's most material assets. Chevron is partnered with Sintana at OFF-1, while a farm-out process is underway for OFF-3. Apache may drill a first exploration well at adjacent OFF-6 in 2026. Sintana's onshore Angola entry is anticipated to close in 1Q26. Drilling at KON-16 is expected to commence by YE26. Our target price is C\$1.55/sh in line with our ReNAV.

[See website for full report](#)

IN OTHER NEWS

AMERICAS

Quantum Helium (QHE LN): Resources update in USA – The Coyote Wash project is estimated to hold 0.97 bcf 2U gross prospective resources of helium.

ASIA PACIFIC

TotalEnergies (TTE FP): Selling assets in Malaysia – Total has sold a 9.998% interest in its producing Block SK 408 offshore Sarawak to PTT. The assets produce 750 mmcf/d of natural gas and 15 mbbbl/d of condensates.

EUROPE

EnQuest (ENQ LN): Operating update – Production for YTD 30 November in the UK, Vietnam and Malaysia was 45,487 boe/d. FY25 production is expected to be at or above the top of the 40-45 mboe/d FY25 guidance. In Malaysia, EnQuest has completed the Seligi 1b gas expansion project, nine months ahead of schedule and only 10 months after project sanction. Delivery of gas commenced in December; full production of ~70 mmcf/d is expected in January. Net production in Vietnam averaged ~5.6 mboe/d in October and November.

La Francaise de l'Energie (FDE FP): Licence cancelled in France – The Bleue Lorraine gas concession in Lorraine has been cancelled.

Tenaz Energy (TNP CN): 2026 guidance – Tenaz expects to produce 19.5-22.5 mboe/d with C\$250-275 mm capex in 2026. Production could reach 27 mboe/d at YE26.

Union Jack Oil (UJO LN): Withdrawing planning appeal onshore UK. Licences to be relinquished – The planning appeal in relation to the refusal of planning consent for a side-track drilling operation and oilfield development at Biscathorpe, contained within PEDL253 has been withdrawn. The licence is expected to be relinquished.

SUB-SAHARAN AFRICA

Chariot (CHAR LN): Financial close on Wind projects in South Africa – Chariot has reached financial close on two wind generation projects in South Africa (Zen and Bregriver) with a total export capacity of 190 MW. These Projects are co-owned by Acciona Energia, the largest pure play renewable energy company in the world and lead sponsor, with 51% and H1 Holdings with 25%. 24% is held by Chariot Generation and Trading. Chariot owns 65% of Chariot Generation and Trading with Mahlako A Phahla holding the balance. This results in Chariot holding a net interest of 15.6% in the projects. Construction is commencing immediately. Etana Energy (Chariot Generation and Trading: 34% economic interest) has signed a 20-year Power Purchase Agreement for the entire supply of electricity generated from these projects. The financing package includes US\$284 mm project finance (at project level), US\$17 mm cash equity investment from Mahlako (in return for a 35% stake in Chariot Generation and Trading) and US\$9 mm mezzanine debt to Chariot Generation and Trading.

Geo Exploration (GEO LN): Raising new equity for exploration in Namibia – Geo is raising £1.25 mm of new equity priced at 0.18 p per share. The proceeds will fund exploration activities at the Gorge Project, advance the next phase of Juno drilling campaign anticipated in early 2026, and support PEL 94 (Namibia) farm-out.

EVENTS TO WATCH NEXT WEEK

FINANCIAL METRICS FOR AUCTUS' COVERAGE UNIVERSE

Date: 19/12/2025

Company	Ticker	Share price	Core NAV	ReNAV	CF (US\$ mm)		FCF (US\$ mm)		P/CNAV	P/ReNAV	EV/DACF (x)		FCF/EV (%)	
					2025	2026	2025	2026	(x)	(x)	2025	2026	2025	2026
ADX Energy	ADX AU	A\$0.02	A\$0.01	A\$0.202	0	0	1	4	171%	12%	-10.9	-30.3	n.a.	n.a.
Arrow Exploration	AXL LN	£0.14	£0.28	£0.39	36	40	-18	15	48%	35%	1.5	0.9	-33%	39%
Condor Energies	CDR CN	C\$1.67	C\$1.00	C\$5.82	14	37	-16	-24	167%	29%	4.5	2.5	n.a.	n.a.
Corcel	CRCL LN	0.39p	n.a.	1.41p	n.a.	n.a.	n.a.	n.a.	n.a.	28%	n.a.	n.a.	n.a.	n.a.
Criterium Energy	CEQ CN	C\$0.10	C\$0.30	C\$0.32	3	6	0	2	32%	30%	3.7	3.2	1%	8%
New Zealand Energy	NZ.V CN	C\$0.24	C\$0.01	C\$1.75	-1	0	-1	50	2777%	13%	n.a.	n.a.	n.a.	n.a.
Panoro Energy	PEN NO	NOK 19.48	NOK 32.90	NOK 46.08	68	94	28	54	59%	42%	3.7	2.4	10%	20%
PetroTal	PTAL LN	£0.20	£0.61	£0.80	171	73	95	-27	33%	25%	0.9	2.1	38%	-11%
Pharos Energy	PHAR LN	£0.20	£0.31	£0.51	32	59	-7	27	65%	39%	3.3	1.5	-7%	33%
Pulsar Helium	PLSR LN	£0.40	£0.00	£0.77	-8	-3	-16	-23	n.a.	52%	n.a.	864.6	n.a.	-19%
Serica Energy	SOZ LN	£1.69	£2.83	£3.13	225	553	-25	440	60%	54%	4.3	1.1	-2%	68%
Sintana Energy	SEIV CN	C\$0.43	C\$0.75	C\$1.55	n.a.	n.a.	n.a.	n.a.	58%	28%	n.a.	n.a.	n.a.	n.a.
Southern Energy	SOU CN	£0.05	£0.15	£0.24	1	8	-2	-4	30%	19%	13.3	4.7	-4%	-8%
VAAICO Energy	EGY US	\$3.41	\$5.50	\$9.55	94	200	-158	-60	62%	36%	3.9	2.6	-33%	-11%
Valeura Energy	VLE CN	C\$8.07	C\$10.00	C\$12.40	245	266	58	91	81%	65%	1.2	1.0	18%	33%
Zephyr Energy	ZPHR LN	£0.03	£0.07	£0.16	5	15	-3	-15	38%	16%	20.1	6.3	-3%	-13%

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