

SINTANA ENERGY INC (TSX-V:SEI)

April 25, 2025

Share price: C\$0.53

Target: C\$1.80

Oil discovery adjacent to two Sintana's blocks

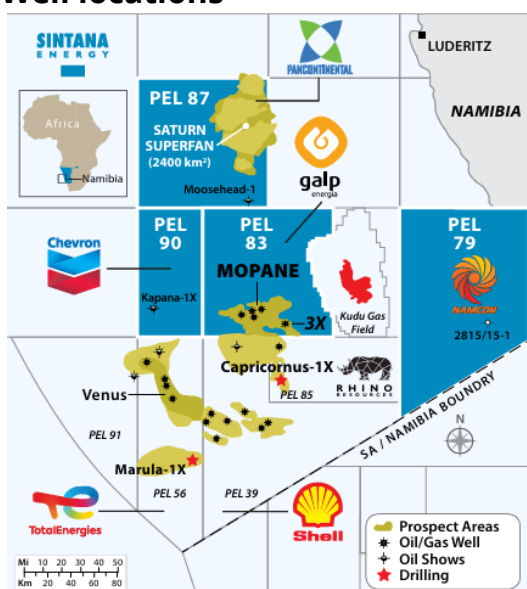
- The Capricornus 1-X exploration well on PEL 85 (bp/Eni/Rhino) found 38 m of net pay, with the reservoir showing good petrophysical properties and no observed water contact. The well achieved a surface-constrained flow rate in excess of 11,000 bbl/d. The light 37° API oil exhibited limited associated gas with less than 2% CO₂ and no hydrogen sulphide.
- There are potential readthroughs for Sintana's assets. Capricornus-1X is located ~40-50 km south of Mopane-3X that encountered light oil and condensate at AVO-10 and light oil at AVO-13 and in a new reservoir. The proportion of gas has been an area of risk for Mopane. The quality of the reservoir on the Shell discoveries 40 km south-south west [of Capricornus] is low. None of these issues appear to apply to Capricornus.
- Sintana holds 16.2% interest in PEL 79. This block is located directly to the east of PEL 85.
- We reaffirm our target price of C\$1.80/sh.

Rating & target	Old	New	
Target	C\$1.80	n.c.	
Yield		0%	
Implied total return		240%	
Share data	2023	2024e	2025e
Shares dil., mm	395	399	399
Mkt cap (FD), US\$m	\$103	\$223	\$150
EV, US\$m	\$99	\$202	\$140
Financial data	2023	2024e	2025e
CFO, US\$m	(\$3)	(\$4)	(\$3)
Net capex, US\$m	\$0	\$0	\$8
Net debt, US\$m	(\$4)	(\$21)	(\$10)
CFPS dil., US\$/shr	(\$0.01)	(\$0.01)	(\$0.01)
EPS dil., US\$/shr	(\$0.02)	(\$0.02)	(\$0.01)
Valuation	2023	2024e	2025e
Share price, C\$/shr	\$0.35	\$0.75	\$0.53
EV/DACF	n.a.	n.a.	n.a.
Net asset value			
CNAV, C\$/shr			\$1.22
RENAV, C\$/shr			\$1.79
Unrisked NAV, C\$/shr			\$4.39
P/CNAV			0.4x
P/RENAV			0.3x
P/Unrisked NAV			0.1x

All figures in US\$ unless otherwise noted

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Well locations



Source: Sintana

Upcoming drilling

Drilling at PEL 90 with Chevron is expected to start in 4Q25, with an unrisked NAV of C\$0.81/sh for the asset. A well on PEL 82 in the Walvis Basin is anticipated in early 2026, where Sintana is carried by Chevron. The unrisked NAV for PEL 82 stands at C\$0.24/sh. Galp securing a partner at PEL 83 would provide a clear valuation benchmark for the assets. We currently value Mopane at C\$1.22/sh.

Valuation

Our total unrisked NAV for Sintana is ~C\$4.39/sh.

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Figure 1. Financial & operating information

Sintana Energy Inc. (SEIV)		Historical & Auctus Advisors Outlook					
Financial & Operating Information		2022	2023	2024e	2025e	2026e	2027e
Commodity Prices							
Brent	US\$/bbl	\$99.60	\$82.10	\$83.00	\$74.97	\$70.00	\$70.00
Henry Hub	US\$/mcf	\$6.42	\$3.00	\$4.38	\$5.50	\$5.50	\$5.50
USD / CAD	US\$/C\$	0.770	0.748	0.745	0.710	0.763	0.750
Production							
Oil & Gas	boe/d	0	0	0	0	0	0
Financials							
Cash Flow (CFO)	US\$mm	(\$6)	(\$3)	(\$4)	(\$3)	(\$6)	(\$6)
CFPS - diluted	US\$/shr	(\$0.06)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.02)
EBITDAX	^a US\$mm	(\$5)	(\$4)	(\$7)	(\$5)	(\$8)	(\$8)
E&D Capex	US\$mm	\$0.00	\$0.17	\$0.12	\$7.89	\$0.00	\$0.00
A&D Capex, Net	US\$mm	\$0.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Net Capex	US\$mm	\$0.86	\$0.17	\$0.12	\$7.89	\$0.00	\$0.00
Total Net Capex/CFO	x	-0.1x	-0.1x	0.0x	-2.3x	0.0x	0.0x
Leverage							
Net Debt	US\$mm	(\$6)	(\$4)	(\$21)	(\$10)	(\$4)	\$0
Net debt/CFO (Trailing)	x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Entry Net Debt/CFO	x	(\$0)	n.a.	n.a.	n.a.	n.a.	n.a.
Capital Structure							
Basic Shares o/s @ YE	mm	270	282	374	374	374	374
Diluted Shares o/s @ YE	mm	270	395	399	399	399	399
Market Capitalization (fully diluted)	US\$mm	\$23	\$103	\$223	\$150	\$161	\$158
Enterprise Value	US\$mm	\$17	\$99	\$202	\$140	\$158	\$158
Dividends & Sustainability							
Dividends	US\$mm	0	0	0	0	0	0
Dividends	C\$/shr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Yield	%	0%	0%	0%	0%	0%	0%
Free Cash Flow	US\$mm	(\$7)	(\$3)	(\$4)	(\$11)	(\$6)	(\$6)
Cash Use/CFO	%	-14%	-5%	-3%	-228%	0%	0%
Performance							
Prod. Per Shr Growth (Y/Y) - dil.	%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PPS Growth (Y/Y) DDA - dil.	^b %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CFPS Growth (Y/Y) - dil.	%	52771%	-47%	34%	-19%	77%	0%
CFPS Growth (Y/Y) DDA - dil.	^b %	13970%	-85%	14%	-26%	69%	-4%
ROCE	%	-2%	-38%	-63%	-63%	-33%	-33%
Net Asset Value							
CNAV (Atax) - diluted	^c C\$/shr	\$1.22					
RENAV (Atax) - diluted	C\$/shr	\$1.79					
Unrisked NAV (Atax) - diluted	C\$/shr	\$4.39					
P/CNAV	x	0.4x					
P/RENAV	x	0.3x					
P/Unrisked NAV	x	0.1x					
Valuation							
Share Price, YE/Current	C\$/shr	\$0.11	\$0.35	\$0.75	\$0.53	\$0.53	\$0.53
P/CF	x	-1.4x	-23.3x	-47.3x	-41.2x	-25.1x	-24.6x
EV/DACF	x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Target EV/DACF	x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

a) EBITDAX = Pre-Int. & Pre-Tax Cash Flow; b) DDA = Debt-and-Dividend-Adjusted

c) CNAV incl. 2P reserves, RENAV incl. 2P reserves + Risked LT inventory upside, ENAV incl. 2P reserves + Unrisked LT inventory upside

Source: Auctus advisors, Company Disclosures

**Futures strip as of 25-Apr-25

Figure 3. NAV Table

Asset Valuation	WI Reserves and Resources (mmbob)	CoS (%)	Unrisked (US\$mm)	EMV (US\$mm)	C\$/Share (Risky)	C\$/Share (Unrisked)	% Total
Net Cash/Debt YE25			7	7	0.02	0.02	1%
G&A			-10	-10	-0.03	-0.03	-2%
Options and Warrants exercise			3	3	0.01	0.01	1%
PEL 83 - Mopane (Namibia Offshore)	42.9	100%	345	345	1.22	1.22	68%
Total Core NAV			345	345	1.22	1.22	68%
PEL 90 (Namibia Offshore)	n.a.	35%	230	80	0.28	0.81	16%
PEL 87 (Namibia Offshore)	167.9	10%	514	42	0.15	1.81	8%
PEL 82 (Namibia Offshore)		35%	69	24	0.09	0.24	5%
PEL 79 (Namibia Offshore)			69	2	0.01	0.24	0%
PEL 103 (Namibia Onshore)			0	0	0.00	0.00	0%
VMM 37 (Colombia)		80%	16	13	0.05	0.06	3%
Total Risked Exploration			897	161	0.57	3.17	32%
Total			1,242	506	1.79	4.39	100%
Unrisked NAV					4.39		
P/Core NAV				36%			
P/NAV				25%			
P/Unrisked NAV				10%			

Source: Auctus Advisors, Company Reports

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