

# SINTANA ENERGY INC (TSX-V:SEI)

April 10, 2025

Share price: C\$0.50

**Target: C\$1.80**

## Galp reports ~875 mmboe 3C contingent resources at PEL 83

- Galp's independent auditor estimated approximately 700 mmboe of 3C contingent resources net to Galp for Namibia as of the end of November 2024, translating to ~875 mmboe gross 3C contingent resources or 43 mmboe net to Sintana
- The resources estimate is based on AVO-1, AVO-2 and AVO-3 and does not include the impact of the results of the Mopane-2A and Mopane-3X wells. Mopane-2A confirmed the lateral extent of AVO-3 and encountered a hydrocarbon column of light oil at AVO-4. Mopane-3X encountered columns of light oil and gas condensates in two new intervals (AVO-10 and AVO-13). This suggests that the contingent resources reported by Galp probably underestimates the volumes of hydrocarbons encountered so far.
- Even assuming only US\$3-4/boe would value Sintana's share of Mopane's 3C resources at the end of November at ~C\$0.45-C\$0.60 per share. This excludes the resources associated with AVO-4, AVO-10 and AVO-13. Note that Galp funds Sintana's share of capex to first oil, which has positive implications for Sintana's valuation. We reaffirm our target price of C\$1.80/sh. The current share price has returned to levels not seen since before the initial exploration success at Mopane.

## Upcoming drilling

Chevron is anticipated to resume drilling at PEL 90 in 4Q25, with an unrisks NAV of C\$0.81/sh for the asset. A well on PEL 82 (Sintana WI: 4.9%) in the Walvis Basin is anticipated in early 2026, where Sintana is carried by Chevron. The unrisks NAV for PEL 82 stands at C\$0.24/sh. For PEL 87, which is currently undergoing a farm-in process, the unrisks NAV is C\$1.81/sh (C\$0.18/sh ReNAV). Galp's farm-in process for Mopane is ongoing, and securing a partner would provide a clear valuation benchmark for the assets. We currently value Mopane at C\$1.22/sh.

## Valuation

We continue to value Sintana's interest in Mopane based on the most recent price paid by Africa Oil for shares in Impact Oil & Gas. Our total unrisks NAV is ~C\$4.39/sh.

Rating & target	Old	New	
Target	C\$1.80	n.c.	
Yield		0%	
Implied total return		309%	
Share data	2022	2023e	2024e
Shares dil., mm	270	395	399
Mkt cap (FD), US\$m	\$23	\$103	\$223
EV, US\$m	\$17	\$99	\$202
Financial data	2022	2023e	2024e
CFO, US\$m	(\$6)	(\$3)	(\$4)
Net capex, US\$m	\$1	\$0	\$0
Net debt, US\$m	(\$6)	(\$4)	(\$21)
CFPS dil., US\$/shr	(\$0.06)	(\$0.01)	(\$0.01)
EPS dil., US\$/shr	(\$0.01)	\$0.00	(\$0.00)
Valuation	2022	2023e	2024e
Share price, C\$/shr	\$0.11	\$0.35	\$0.75
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			0.2x
P/Unrisked NAV			0.1x

*All figures in US\$ unless otherwise noted*

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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
<b>Commodity Prices</b>							
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
<b>Production</b>							
Oil & Gas	boe/d	0	0	0	0	0	0
<b>Financials</b>							
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	<sup>a</sup> 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
<b>Leverage</b>							
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.
<b>Capital Structure</b>							
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	\$125	\$134	\$132
Enterprise Value	US\$mm	\$17	\$99	\$202	\$115	\$130	\$132
<b>Dividends &amp; Sustainability</b>							
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%
<b>Performance</b>							
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.	<sup>b</sup> %	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.	<sup>b</sup> %	14005%	-85%	14%	-25%	67%	-5%
ROCE	%	-2%	-38%	-63%	-63%	-33%	-33%
<b>Net Asset Value</b>							
CNAV (Atax) - diluted	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	0.2x					
P/Unrisked NAV	x	0.1x					
<b>Valuation</b>		2022.0x	2023.0x	2024e	2025e	2026e	2027e
Share Price, YE/Current	C\$/shr	\$0.11	\$0.35	\$0.75	\$0.44	\$0.44	\$0.44
P/CF	x	-1.4x	-23.3x	-47.3x	-34.2x	-20.8x	-20.5x
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 9-Apr-25

**Figure 3. NAV Table**

Asset Valuation	WI Reserves and Resources (mmbae)	CoS (%)	Unrisked (US\$mm)	EMV (US\$mm)	C\$/Share (Risked)	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%
<b>Total Core NAV</b>			<b>345</b>	<b>345</b>	<b>1.22</b>	<b>1.22</b>	<b>68%</b>
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%
<b>Total Risked Exploration</b>			<b>897</b>	<b>161</b>	<b>0.57</b>	<b>3.17</b>	<b>32%</b>
<b>Total</b>			<b>1,242</b>	<b>506</b>	<b>1.79</b>	<b>4.39</b>	<b>100%</b>
<b>Unrisked NAV</b>					<b>4.39</b>		
<b>P/Core NAV</b>				<b>36%</b>			
<b>P/NAV</b>				<b>25%</b>			
<b>P/Unrisked NAV</b>				<b>10%</b>			

Source: Auctus Advisors, Company Reports

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