

BluEnergies Ltd.

BLU-TSXV	Rating BUY	Price: May-29 \$3.16	Target \$4.75	Total Rtn 50%
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BluEnergies Announces 2Q FY2026 Results: Cash on Hand Surges

Bottom Line:

Cash on hand surged to ~\$6.11 million on March 31, 2026, from ~\$2.13 million at the beginning of the quarter. The February 10, 2026, acceleration of the RTO warrants triggered the exercise of all 7.98 million outstanding warrants at \$0.75, delivering ~\$6.0 million of proceeds and clearing the warrant overhang entirely. We believe this strong cash balance provides BluEnergies with ample financial flexibility to fund its share of the minimum work expenditure commitment under reconnaissance license RL-003 — a US\$1.6 million gross program with the Liberia Petroleum Regulatory Authority (LPRA), of which BluEnergies holds a 35% share. **We reiterate our Buy rating and \$4.75 target price.**

Key Points

Partnership with TotalEnergies. On January 5, 2026, the Company entered into a Joint Study and Application Agreement (the JSA) with the Liberian subsidiary of TotalEnergies SE (TTE) to jointly progress exploration of the three Harper Basin blocks previously held by the Company. BluEnergies holds a 35% interest, and TotalEnergies holds the remaining 65% of Reconnaissance License RL-003, which covers blocks LB-26, LB-30 and LB-31 in the Harper Basin, offshore Liberia.

The Company recorded a net loss of (\$1,789,894) or (\$0.03) per share during the quarter, up from a loss of (\$325,367), or (\$0.01) per share, year-over-year. Expenses increased primarily driven by stock-based compensation (~\$862k, versus nil a year ago), consulting and management fees (~\$436k, up from ~\$185k) as well as conferences and shareholder relations (~\$170k, up from ~\$13k), as the Company continues to build out an active exploration company.

Exploration and evaluation assets rose to \$6.27 million (from \$3.70 million on September 30, 2025) following a ~C\$844,000 license fee paid for RL-003 in the Harper Basin under the partnership with TotalEnergies. Total assets reached \$12.97 million at quarter end, up from \$5.83 million at fiscal year end (September 30, 2025).

Capital structure. Basic shares outstanding rose to 72.5 million (from 64.3 million) on the exercise of 7.98 million warrants and 30,000 options, together with 216,715 common shares issued for legal services, during the quarter.

Important Disclosures: See pages 4-5



E&P

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Source: FactSet

Company Data

			C\$
Dividend	\$0.00	Shares O/S (mm)	72.6
Yield	0.0%	Market Cap (mm)	\$229.4
EV (mm)	\$226.6	Net Debt (mm)	NA

Valuation

We have used a total risked NAV, which assumes a base case estimate of the prospective resource potential on BluEnergies' Reconnaissance License area. In arriving at our \$4.75/share target price, we have risked the upside potential by a 7.25% chance of commercialization.

Company Description

BluEnergies is a junior oil and gas explorer that holds a Reconnaissance License for three offshore Liberian blocks (~2.2 million acres). The Company has recently signed a partnership agreement with TotalEnergies with the goal of proving up drilling prospects and once confirmed will lead to exploration and appraisal drilling.

Our Thesis

BluEnergies is uniquely positioned as the only junior public company with meaningful exposure to potentially giant oil discoveries in offshore Liberia. We believe the risks have been mitigated significantly with its partnership with TotalEnergies.

Exhibit 1: Financial Summary

C\$	Q2/25	Q1/26	Q2/26	YoY Chg
Income Statement Highlights				
Total operating expenses	325,367	376,869	1,764,936	442%
Consulting and management fees	184,868	137,260	436,384	136%
Share-based compensation	-	132,026	861,998	
Conferences & shareholder relations	12,598	15,796	169,657	1247%
Property investigation cost	-	-	165,321	
Interest expense	-	-	50,010	
Interest income	-	8,960	13,974	
Net loss	(325,367)	(372,846)	(1,789,894)	450%
EPS (basic & diluted)	(0.01)	(0.01)	(0.03)	163%

Balance Sheet Highlights

	Sep 30/25	Q1/26	Q2/26
Cash	1,497,487	2,127,708	6,106,294
Exploration & evaluation assets	3,699,157	5,317,780	6,268,263
Total assets	5,833,941	7,863,632	12,968,230
AP & accrued liabilities	805,620	1,061,819	974,757
Shareholder loans payable	-	2,004,937	1,798,707
Total shareholders' equity	5,028,321	4,796,876	10,194,766

Cash Flow Highlights

	Q1/26	Q2/26
Operating cash flow	(343,886)	(1,389,091)
Investing cash flow	(1,035,268)	(376,796)
Financing cash flow	2,009,375	5,744,473
Net change in cash	630,221	3,978,586
Cash, end of period	2,127,708	6,106,294

Source: Company Reports, Granite Point Research

Exhibit 2: Capital Structure Bridge – December 31, 2025 to March 31, 2026
Capital Structure Bridge — Dec 31, 2025 to Mar 31, 2026
Capital Structure (Dec 31, 2025)

Basic shares O/S 64,318,250

Q2 FY2026 Activity (quarter ended Mar 31, 2026)

RTO warrants exercised: 7,984,950 @ \$0.75 (~\$6.0M; accelerated Feb 10, 2026)

Options exercised: 30,000 @ \$0.40 (\$12,000 proceeds)

Shares issued for advisory/legal services: 216,715 @ \$1.50

Options granted: 2,800,000 @ \$1.50 (six months ended Mar 31, 2026)

Updated Capital Structure (Mar 31, 2026)

Basic shares O/S 72,549,915

Options outstanding (6.82M @ \$0.20–\$1.50) 6,820,000

Warrants outstanding (all RTO warrants exercised) -

Fully diluted shares (simple, all-in) 79,369,915

Source: Company Reports, Granite Point Research

Important Disclosures

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RATING	COVERED COMPANIES
BUY	4
HOLD	
SELL	

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