

# BluEnergies Ltd.

|                 |                      |                                |                         |                         |
|-----------------|----------------------|--------------------------------|-------------------------|-------------------------|
| <b>BLU-TSXV</b> | Rating<br><b>BUY</b> | Price: May-29<br><b>\$3.16</b> | Target<br><b>\$4.75</b> | Total Rtn<br><b>50%</b> |
|-----------------|----------------------|--------------------------------|-------------------------|-------------------------|

## CORRECTION: 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\$5.0 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

*We are correcting the minimum work expenditure under reconnaissance license RL-003 as per the refiled MD&A.*

**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     |
|-------------------------------------|------------------|------------------|--------------------|-------------|
| <b>Income Statement Highlights</b>  |                  |                  |                    |             |
| 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             |             |
| <b>Net loss</b>                     | <b>(325,367)</b> | <b>(372,846)</b> | <b>(1,789,894)</b> | <b>450%</b> |
| 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        |
| <b>Net change in cash</b> | <b>630,221</b> | <b>3,978,586</b> |
| 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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