August 31, 2026

BluEnergies Ltd.

BLU-TSXV BLUGF-OTCQX 66E-F	Rating **BUY**	Price: Aug-28 **$2.16**	Target **$4.75**	Total Rtn **120%**

GRANITE POINT RESEARCH

E&P

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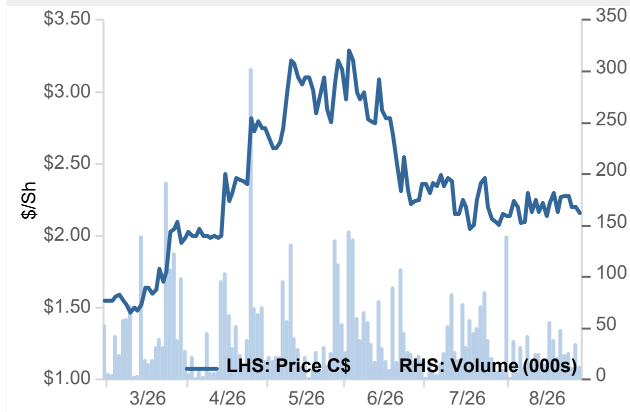
BluEnergies Reports FQ3/26 – All Cashed Up and On Track in the Harper Basin



Source: FactSet

Bottom Line:

BluEnergies ended its fiscal third quarter fully funded and debt free. Pro forma cash increased to C$22.2 million, after the C$20.7 million private placement closed on July 23 (link) and the shareholder loan was repaid in full. On June 1 BluEnergies secured a 100% working interest in the SS-59 block in the Gulf of America (the "Ship Shoal 59 lease") from the U.S. Bureau of Ocean Energy Management, further diversifying the Company's asset base. We believe that the reported net loss of ($0.04) per share overstates the cash cost of the business, since $1.69 million of the $2.71 million expense base was non-cash. **We reiterate our Buy rating and $4.75 target price.**

Key Points

The July 23 raise has given BluEnergies ample financial flexility for the foreseeable future. The raise was over 100% oversubscribed, a strong vote of confidence in the Company by investors, in our view. The reconnaissance license holders (TotalEnergies/BluEnergies) are currently engaged in a work program in the Harper Basin (offshore Liberia) that includes state-of-the-art 3-D reprocessing and sea bottom data studies. The license holders' objective is to advance the project to production sharing contracts, which provide the license holders the right to drill.

Acquisition of a 100% working interest in the Gulf of America. On June 1, 2026, the Company secured a 100% working interest in the SS-59 block (the Ship Shoal 59 lease) covering ~5,000 acres, with a five-year primary term and a 12.5% royalty on production. During the nine months ended June 30, 2026, BluEnergies paid US$100,000 to Focus Exploration LLC as agent and record-title lessee, with BluEnergies as the financial/beneficial owner. We believe this lease offers investors asset diversification toward a region with prior production.

Cash costs significantly below IFRS reported values. Expenses of $2.71 million produced a net loss of ($2,675,773), or ($0.04) per share, but the cash cost of the business is closer to $1.0 million a quarter. Share-based compensation of $861,738 and the $832,500 advisory share and warrant charge made up 63% of expenses and consumed no cash.

Cash raise of July 23 has increased dilution. Fully diluted shares are up 24% to 98,998,846. The raise also added 9,648,997 warrants struck at C$3.00, some 39% above the current price. Fourth-quarter costs should fall as interest expense disappears and the advisory charge does not repeat.

Company Data (C$)

Dividend	$0.00	Shares O/S (mm)	82.15
Yield	0.0%	Market Cap (mm)	$177.4
EV (mm)	$155.2	Net Debt (mm)	($22.2)

Valuation

We have used a total risked NAV, which assumes a base case estimate of the prospective resource potential in BluEnergies' Reconnaissance License area. In arriving at our $4.75/share target price, we have risked the upside potential by a 9.0% 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, which, once confirmed, would lead to PSCs, exploration, and appraisal drilling. The Company recently acquired a previously discovered and tested sand channel play offshore Louisiana in the shallow water Gulf of America.

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 by its partnership with TotalEnergies.

Important Disclosures: See pages 4-5

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The July 23 raise of C$20.7 million fully funds BluEnergies’ obligations under RL-003 in the Harper Basin. The minimum work expenditure commitment of US$5,000,000 (US$1,750,000 to BLU) to June 30, 2027, is fully funded (~9x over) under the terms of RL-003. The reconnaissance license holders (TotalEnergies/BluEnergies) are currently engaged in a work program that includes state-of-the-art 3-D reprocessing and sea bottom data studies. The license holders’ objective is to advance the project to production sharing contracts, which provide the license holders the right to drill.

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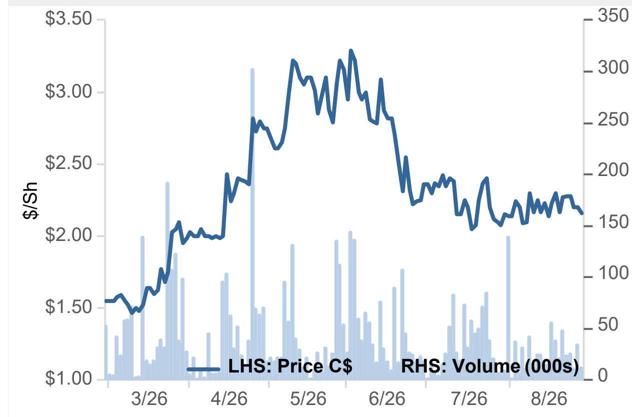

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Exhibit 1: Financial Summary – As Reported, Periods Ended on or Before June 30, 2026

Income Statement ($, three months ended)	Q3/25 Jun 30, 2025	Q2/26 Mar 31, 2026	Q3/26 Jun 30, 2026	YoY Chg Q3/26 vs Q3/25
Total operating expenses	626,086	1,764,936	2,664,000	326%
Consulting and management fees	332,748	436,384	945,787	184%
Share-based compensation	94,917	861,998	861,738	808%
Conferences & shareholder relations	11,571	169,657	547,917	4635%
Property investigation cost	-	165,321	9,233	
Interest expense	-	50,010	44,493	
Interest income	12,372	13,974	33,418	170%
Listing fee (non-cash, non-recurring)	4,363,365	-	-	n/a
Net loss	(4,977,079)	(1,789,894)	(2,675,773)	(46%)
EPS (basic & diluted)	(0.08)	(0.03)	(0.04)	(57%)

Balance Sheet ($, as at)	Sep 30, 2025 (FY2025 year-end)	Mar 31, 2026 (Q2/26)	Jun 30, 2026 (Q3/26)
Cash	1,497,487	6,106,294	4,239,476
Exploration & evaluation assets	3,699,157	6,268,263	7,263,899
Total assets	5,833,941	12,968,230	11,760,148
AP & accrued liabilities	805,620	974,757	706,614
Shareholder loans payable	-	1,798,707	1,843,200
Total shareholders' equity	5,028,321	10,194,766	9,210,334

Cash Flow ($, three months ended)	Q2/26 Mar 31, 2026	Q3/26 Jun 30, 2026
Operating cash flow	(1,389,091)	1,886
Investing cash flow	(376,796)	(1,865,806)
Financing cash flow	5,744,473	(2,898)
Net change in cash	3,978,586	(1,866,818)
Cash, end of period	6,106,294	4,239,476

Source: Company Reports, Granite Point Research

Exhibit 2: Subsequent Events – After The June 30, 2026 Quarter End (not in exhibit 1)

Pro forma liquidity bridge ($)	Amount
Cash as at Jun 30, 2026 (per Exhibit 1 above)	4,239,476
Private placement closed Jul 23, 2026 — 9,202,027 units @ $2.25, gross proceeds	20,704,561
Less: finder's fees paid in cash	(1,005,684)
Net placement proceeds	**19,698,877**
Less: shareholder loan principal repaid Jul 24, 2026	(1,500,000)
Less: shareholder loan principal repaid Aug 21, 2026	(250,000)
Pro forma cash as at Aug 21, 2026	**22,188,353**
Shareholder loan outstanding as at Aug 21, 2026	-

Source: Company reports, Granite Point Research

Exhibit 3: Capital Structure Bridge – March 31, 2026 to August 21, 2026

Shares, options and warrants	Number
As at Mar 31, 2026 (Q2/26) — as reported	
Basic shares O/S	72,549,915
Q3 FY2026 activity (in-quarter, three months ended Jun 30, 2026)	
Advisory shares @ $2.43 (125,000 each, two advisors)	250,000
Advisory warrants @ $2.43, exp Apr 15, 2028	250,000
As at Jun 30, 2026 (Q3/26) — as reported	
Basic shares O/S	72,799,915
Options outstanding (WAEP $0.85; 3.24M exercisable)	6,820,000
Warrants outstanding @ $2.43, exp Apr 15, 2028	250,000
Fully diluted shares (simple, all-in)	**79,869,915**
Post-quarter activity (after Jun 30, 2026) — not reflected in the as-reported figures above	
Placement units @ $2.25 (share + warrant @ $3.00)	9,202,027
Advisory-extension shares (125,000 + 27,907 fee shares)	152,907
Post-closing position as at Aug 21, 2026 — pro forma, not an as-reported balance	
Basic shares O/S (post-closing)	82,154,849
Options outstanding (unchanged from Jun 30, 2026)	6,820,000
Warrants outstanding (see footnote)	10,023,997
Fully diluted shares (all-in) — $4.75 NAV divisor	**98,998,846**

Source: Company Reports, Granite Point Research

Important Disclosures

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I, John Stephenson, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. Furthermore, I certify that (i) to the best of my knowledge, that I am not in receipt of material non-public information about the issuer, (ii) that I do not own common shares, options, or warrants in the company under coverage, and (iii) that I have adhered to the CFA Institute guidelines for analyst objectivity.

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HOLD: The stock is expected to generate returns of 0-20% over the next 24 months;
SELL: The stock is expected to generate negative returns over the next 24 months;
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RATING	COVERED COMPANIES
BUY	4
HOLD	
SELL	

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