

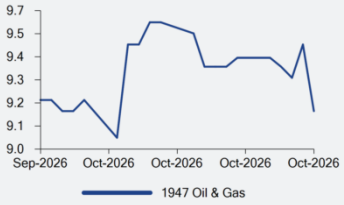
26 October 2026

Buy

Ticker	**1947:AIM**
Oil & Gas	
Shares in issue (m)	651.1
Next results	FY Dec
Price	**9.2p**
Target price	19.0p
Upside	107%
Enterprise value	**£52.4m**
Net cash/(debt)	£7.5m
Other EV adjustments	£0.0m
Market cap	**£59.9m**

What's changed?	From	To
Adjusted EPS	2.0	n/c
Target price	19.0	n/c

Share price performance



%	1M	3M	12M
Actual			

Company description

Gulf of America-focussed producer with ambitions to become a leading consolidator of offshore assets

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1947 Oil & Gas*

Early delivery on expectations

1947 has issued its maiden operations update, including news of the restoration of production at Eugene Island 331, a material increase in capacity at Ship Shoal 198 and the award of two offshore lease blocks. The update provides early evidence that the acquired Renaissance portfolio is performing in line with our expectations, while the additional acreage expands the opportunity set at a modest upfront cost. As outlined in our initiation, published last week, we consider 1947 to be ideally positioned to benefit from the ongoing strength in near-term oil prices. At current strip oil prices, we forecast FY27 EBITDAX of US$84m, which at the current share price, prices the company at less than 1x EBITDAX and making 1947 the cheapest company in its peer group on this measure (amongst others). As 1947 continues to build its profile over the coming months, we expect this value disconnect to close, accelerated by anticipated event driven catalysts, including organic development operations, and M&A activity. We reiterate our Buy recommendation with an unchanged 19.0p target price offering 100% upside.

— **Eugene Island 331 producton restored:** Production restarted in late September following an extended shut-in caused by repairs at a downstream condensate gathering facility. The field returned at approximately 1,200boepd gross and 1,000boepd net, with production 81% oil weighted. This is in-line with our expectations and should support strengthening production over the course of 4Q26.

— **Ship Shoal 198:** Following a capital programme completed before the Renaissance transaction closed, production capacity has risen to 1,275boepd gross and 1,060boepd net. This compares with average net production of 545boepd in 1H26, representing a near doubling of underlying capacity.

— **Licences (re)awarded:** 1947 has been awarded West Delta 133 and South Timbalier 314, adding approximately 10,000 gross acres to its Gulf of America portfolio. The blocks were previously held within the Renaissance portfolio but have now been secured with a lower 12.5% royalty rate, improving the economics of potential redevelopment opportunities. The combined bid consideration was modest, at approximately US$260k.

— **Organic production growth on track:** The improved contribution from Eugene Island 331 and Ship Shoal 198 should support a positive end to 2026. Management is continuing to high-grade organic opportunities across the portfolio while assessing further external transactions, consistent with 1947's strategy of becoming a consolidator of mature Gulf of America assets.

Key estimates		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Revenue	$m	57.2	131.2	134.4	112.1
Adj EBITDA	$m	29.7	84.0	85.4	66.5
Adj EBIT	$m	17.2	53.9	50.4	35.3
Adj PBT	$m	17.2	53.9	50.4	35.3
Adj EPS	c	2.0	6.4	6.0	4.2
DPS	c	0.0	0.61	0.61	0.61
Key valuation metrics					
EV/sales	x	1.2	0.5	0.5	0.6
EV/EBIT (adj)	x	4.1	1.3	1.4	2.0
P/E (adj)	x	6.0	1.9	2.0	2.9
Dividend yield	%	0.0%	5.0%	5.0%	5.0%
Free cash yield	%	-6.4%	66.6%	55.7%	41.8%

Source: Cavendish estimates, Company data

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Sell	0	0.0%	1	0.5%
Under Review	0	0.0%	1	0.5%
Corp	31	24.4%	34	16.8%

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Recommendation history

Company	Disclosures	Date	Rec	Price	Target price
1947 Oil & Gas	2,6,7,8,9,10	22 October 26	Buy	9.5p	19.0p

Source: Cavendish

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