

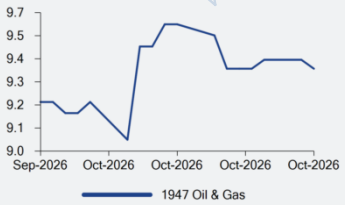
22 October 2026

Buy

Ticker	**1947:AIM**
Oil & Gas	
Shares in issue (m)	651.1
Next results	FY Dec
Price	**9.4p**
Target price	19.0p
Upside	102%
Enterprise value	**£53.7m**
Net cash/(debt)	£7.5m
Other EV adjustments	£0.0m
Market cap	**£61.2m**

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

Share price performance



%	1M	3M	12M
Actual			

Company description

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

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1947 Oil & Gas*

The American dream

1947 Oil & Gas is a new AIM-listed exploration and production company focused on opportunities in the Gulf of America. Its strategy is supported by a high-calibre management team and board, including former Talos CEO, Tim Duncan and renowned commodities economist and strategist Jeff Currie. The opportunity is clear: mature assets can be acquired at attractive valuations and managed more efficiently through late life. By reducing costs, utilising economies of scale, and optimising and growing production, 1947 can extend cessation-of-production dates and unlock material incremental value. The company has secured its first transaction: a diversified package producing c3,100boepd net of royalties, together with an established operating team, at a forward EV/EBITDA multiple of 1x FY27E. This provides a highly profitable, cash-generative platform from which to grow, with ongoing organic activity providing production growth and share-price catalysts. Further M&A opportunities are being screened continuously and could be delivered over the next 12 months. 1947 offers meaningful exposure to today's strong oil prices, while the low entry valuation and cash-generative nature of the acquired assets provide resilience at lower prices. Our 19p target price is based on risked Core NAV (NPV10), offering 102% upside to the prevailing share price.

— **High-quality management team:** One of 1947's key attributes is the strength of its management team and board of directors. Including founders Ivan Murphy (Cove Energy) and Jeff Currie (Goldman Sachs and Carlyle), as well as Executive Chairman Tim Duncan (Talos Energy), the team has impressive experience, industry standing and deep networks both in the Gulf of America and internationally. EVP Corporate Development Mark Paull adds almost 40 years of oil and gas M&A experience and is a key recent hire as the company looks to grow through acquisitions.

— **The opportunity:** 1947's sole focus is on the Gulf of America, which is a major US basin producing c2mmboepd, or 15% of US output. Its maturity offers extensive data, infrastructure and service capacity, predictable low-decline production and attractive entry prices for specialist operators. With much domestic industry and capital focus on the unconventional onshore, the offshore is relatively uncompetitive, presenting an attractive opportunity for 1947 to become an asset aggregator.

— **First transaction a sign of what's to come:** The Renaissance acquisition provides a diversified operating platform, an established team and attractive entry valuation. The company is constantly screening opportunities, both on and off market, and we expect accretive transactions to be a key near-term driver of the share price.

— **Competitive advantages:** A strong operating record and responsible approach to abandonment liabilities should make 1947 a preferred buyer for vendors concerned about boomerang liabilities. Bolt-on acquisitions will likely improve corporate efficiencies, and with the balance sheet currently entirely ungeared, could provide asymmetric returns to equity investors.

— **Value offering:** We value 1947 at a Core NAV of 19.3p/share and Total NAV of 22p/share. On multiples, 1947 trades at just 1x FY27E EV/EBITDA – a substantial discount to its peer group.

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	1.3	0.5	0.5	0.6
EV/EBIT (adj)	x	4.2	1.3	1.4	2.0
P/E (adj)	x	6.1	2.0	2.1	3.0
Dividend yield	%	0.0%	4.9%	4.9%	4.9%
Free cash yield	%	-6.2%	65.2%	54.6%	40.9%

Source: Cavendish estimates, Company data

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Income statement		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Sales	$m	57.2	131.2	134.4	112.1
Gross profit	$m	36.6	95.0	96.4	77.5
EBITDA (adjusted)	$m	29.7	84.0	85.4	66.5
EBIT (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
Associates/other	$m	0.0	0.0	0.0	0.0
Net interest	$m	0.0	0.0	0.0	0.0
PBT (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
Total adjustments	$m	-10.3	-0.3	-0.3	-0.3
PBT (reported)	$m	6.9	53.6	50.2	35.0
Tax charge	$m	0.0	0.0	0.0	0.0
Minorities/Disc ops	$m	0.0	0.0	0.0	0.0
Earnings (reported)	$m	6.9	53.6	50.2	35.0
Earnings (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
EPS (basic)	c	1.1	8.2	7.7	5.4
EPS (adjusted, fully diluted)	**c**	**2.0**	**6.4**	**6.0**	**4.2**
DPS	**c**	**0.0**	**0.61**	**0.61**	**0.61**

Growth analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Sales growth	%	n/m	129.3%	2.5%	-16.6%
EBITDA growth	%	n/m	182.5%	1.7%	-22.1%
EBIT growth	%	n/m	213.8%	-6.4%	-30.0%
PBT growth	%	n/m	213.8%	-6.4%	-30.0%
EPS growth	%	n/m	213.8%	-6.4%	-30.0%
DPS growth	%	n/m	n/m	0.0%	0.0%

Profitability analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Gross margin	%	63.9%	72.4%	71.7%	69.1%
EBITDA margin	%	52.0%	64.0%	63.5%	59.3%
EBIT margin	%	30.0%	41.1%	37.5%	31.5%
PBT margin	%	30.0%	41.1%	37.5%	31.5%
Net margin	%	30.0%	41.1%	37.5%	31.5%

Valuation analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
EV/EBITDA (adjusted)	x	2.4	0.9	0.8	1.1
EV/EBIT (adjusted)	x	4.2	1.3	1.4	2.0
P/E (adjusted)	x	6.1	2.0	2.1	3.0

Cash flow		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
EBITDA (adjusted)	$m	29.7	84.0	85.4	66.5
Net change in working capital	$m	0.0	0.0	0.0	0.0
Other operating items	$m	-9.3	0.7	0.8	0.8
Cash flow from op. activities	**$m**	**20.5**	**84.7**	**86.1**	**67.2**
Cash interest	$m	0.0	0.0	0.0	0.0
Cash tax	$m	0.0	0.0	0.0	0.0
Capex	$m	-22.8	-19.1	-33.1	-27.3
Other items	$m	-2.8	-12.2	-8.3	-6.4
Free cash flow	**$m**	**-5.1**	**53.4**	**44.7**	**33.5**
Acquisitions / disposals	$m	-70.8	0.0	0.0	0.0
Dividends	$m	0.0	-4.0	-4.0	-4.0
Shares issued	$m	87.9	0.0	0.0	0.0
Other	$m	0.0	0.0	0.0	0.0
Net change in cash flow	**$m**	**12.0**	**49.4**	**40.7**	**29.5**
Opening net cash (debt)	$m	0.0	8.3	57.7	98.4
Closing net cash (debt)	**$m**	**8.3**	**57.7**	**98.4**	**127.9**

Cash flow analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Cash conv'n (op cash / adj EBITDA)	%	68.9%	100.9%	100.9%	101.1%
Cash conv'n (FCF / adj EBITDA)	%	-17.2%	63.6%	52.4%	50.5%
U/lying FCF	$m	5.1	42.4	42.9	29.6
Cash quality (u/l FCF / adj earn)	%	29.7%	78.7%	85.0%	84.0%
Investment rate (capex / depn)	x	1.8	0.6	0.9	0.9
Interest cash cover	x	n/m	n/m	n/m	n/m
Dividend cash cover	x	n/m	13.3	11.2	8.4

Working capital analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Net working capital / sales	%	0.0%	0.0%	0.0%	0.0%
Net working capital / sales	days	0	0	0	0
Inventory (days)	days	0	0	0	0
Receivables (days)	days	0	0	0	0
Payables (days)	days	0	0	0	0

Balance sheet		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Tangible fixed assets	$m	80.8	69.5	67.4	63.3
Goodwill & other intangibles	$m	0.3	0.5	0.8	1.0
Other non current assets	$m	0.0	0.0	0.0	0.0
Net working capital	$m	0.0	0.0	0.0	0.0
Other assets	$m	0.0	0.0	0.0	0.0
Other liabilities	$m	2.8	15.1	23.4	29.8
Gross cash & cash equivs	$m	8.3	57.7	98.4	127.9
Capital employed	**$m**	**92.1**	**142.8**	**189.9**	**222.0**
Gross debt	$m	0.0	0.0	0.0	0.0
Net pension liability	$m	0.0	0.0	0.0	0.0
Shareholders equity	$m	92.1	142.8	189.9	222.0
Minorities	$m	0.0	0.0	0.0	0.0
Capital employed	**$m**	**92.1**	**142.8**	**189.9**	**222.0**

Leverage analysis		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Net bank debt / equity	%	no debt	no debt	no debt	no debt
Net bank debt / EBITDA	x	no debt	no debt	no debt	no debt
Liabilities / capital employed	%	0.0%	0.0%	0.0%	0.0%

Capital efficiency & intrinsic value		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Adjusted return on equity	%	18.6%	37.7%	26.5%	15.9%
RoCE (EBIT basis, pre-tax)	%	18.6%	37.7%	26.5%	15.9%
RoCE (u/lying FCF basis)	%	5.5%	29.7%	22.6%	13.4%
NAV per share	c	14.2	21.9	29.2	34.1
NTA per share	c	14.1	21.9	29.1	33.9

Source: Cavendish estimates, Company data

Reference: WM1-4SZ-W7JYOVX1

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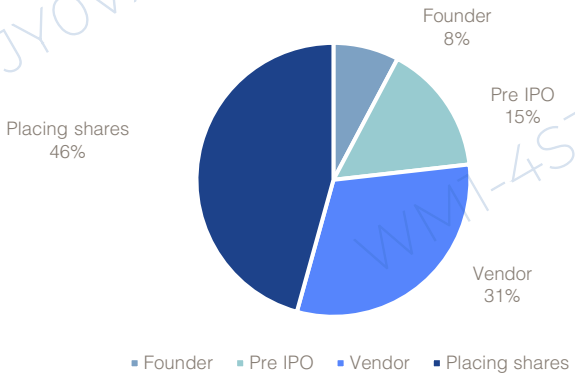
Executive summary

Corporate background and strategy

1947 Oil and Gas is a Gulf of America focused gas and oil exploration and production (E&P) company. The company was founded by resources entrepreneur, Ivan Murphy (founder of Cove Energy, which was sold to PTTEP in 2012 for US$1.9bn), and Jeff Currie, a widely respected commodities strategist, with a reputation founded during his tenure as Global Head of Commodities Research at Goldman Sachs and latterly as Chief Strategy Officer at the Carlyle Group. The pair share the same belief, that oil prices are structurally low, and see a significant opportunity to build a low-risk oil company with material returns at prevailing oil prices, protection on the downside, but with asymmetric returns on the back of a re-rated oil price. Dividends will ultimately be a key pillar of the strategy, with an intention to return capital to shareholders. Distributions will be dependent on operational performance and prevailing oil prices, however the company's inaugral dividend could be announced as early as mid-2027.

Using their reputation and contacts, the team identified and secured a suite of assets from private vendor Renaissance Offshore. The headline consideration was a comboination of paper and cash, with the vendors retaining a 31% stake the enlarged company, and the cUS$20m cash component covered by the proceeds of the £7m pre-IPO fundraise (priced at 8p/share) and the £30m IPO round (at 10p/share). On listing, 1947 had around US$12m on the balance sheet, with no debt.

Figure 1: 1947 Oil & Gas share capital



Source: 1947 Oil and Gas

Renaissance transaction

The Renaissance package was acquired for a headline consideration of US$65m, with a bonus fee equivalent to 25% of net oil sales above US$75/bbl over 36 months. The effective date of the transaction was 1 June 2026, meaning operational cash flow from this date to completion was effectively netted off. This, which totalled in the region of US$10m, plus the US$7.5m deposit payment, left US$47.2m paid with a combination of vendor equity (202.5m shares worth US$27.3m at the 10p issue price) and cash (US$19.9m).

The assets were acquired at a substantial discount to NAV, reflecting a number of factors. The founding shareholders in Renaissance Offshore had become increasingly motivated to sell and realise value, having held the asset significantly longer than originally anticipated (a deal to sell the portfolio collapsed in 2015 following the oil-price downturn). With no controlling shareholder (there are around a dozen individual stakeholders), a consensus approach with regard to corporate strategy was challenging, and as such it made sense for Renaissance shareholders to relinquish control of the company to 1947 Oil & Gas, while retaining an element of economic exposure via a shareholding in the listed entity. Through orderly market arrangements, Renaissance shareholders have committed to not selling shares for 12-months after admission, except in exceptional circumstances. A second 12-month period will follow, where any trading must be with the express consent of the company's brokers, and with an 'orderly market' maintained.

Reference: WM1-4SZ-W7JY0VX1

The first of many

Renaissance is intended to be the first step in a broader roll-up strategy, with 1947 seeking to build scale across mature, conventional, oil-weighted assets in the Gulf of America, including the shelf and deepwater. The strategy is to acquire assets with existing production and infrastructure, manage costs tightly, apply low-risk development and optimisation, and recycle cash flow into further accretive deals. The team's credibility is central to that model. Tim Duncan brings a proven Gulf operating track record from building Talos Energy into one of the largest independent producers in the region, while Jeff Currie and Ivan Murphy add commodity-market insight, M&A experience and London capital-markets access. The most recent hire of Mark Paull as Executive Vice President, Corporate Development, is further evidence of the company's ambition for acquisitional growth, boasting a 40-year career leading M&A and technical teams for several top investment banks. This combination should give 1947 both the relationships to see opportunities early and the reputation to transact with vendors, regulators and capital providers. Importantly, the platform is also designed to become increasingly financeable as it scales up: initial equity-backed growth can be supplemented by reserve-based lending and other debt capacity once a larger, diversified production and reserves base has been established.

Valuation

We estimate net production of c3,100 boepd for the balance of 2026, rising to c4,300 boepd next year with the delivery of the near-term work programme. Based on strip pricing, we estimate US$29.7m FY26 EBITDA (final 7 months), rising to US$84m in FY27. After accounting for capex, bonus payments, and abandonment sinking fund contributions, we estimate cUS$53m of free cash flow in FY27 followed by US$50m in FY28. From this, we estimate that the company will be in a position to return US$4m per year to shareholders, in the form of biannual dividends, with the balance available for acquisitions.

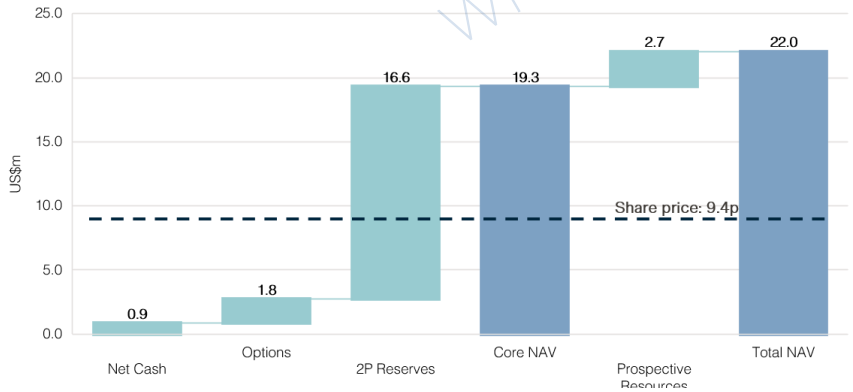
Figure 2: Key estimates and valuation metrics

		2026E	2027E	2028E	2029E	2030E
Production (net WI)	boepd	3,816	5,334	6,198	5,528	5,323
Production (net of royalty)	boepd	3,080	4,305	5,002	4,461	4,296
Revenue	$m	57.2	131.2	134.4	112.1	98.0
Adj EBITDA	$m	29.7	84.0	85.4	66.5	63.7
Profit after tax	$m	6.9	53.6	50.2	35.0	33.5
Free cash flow	$m	8.3	53.4	44.7	33.5	31.3
Net cash balance	$m	8.3	57.7	98.4	127.9	155.3
EV/sales	x	1.2	0.5	0.5	0.6	0.7
EV/EBITDA	x	2.4	0.8	0.8	1.1	1.1
P/E	x	11.6	1.5	1.6	2.3	2.4
Dividend yield	%	0.0%	5.0%	5.0%	5.0%	5.0%
Free cash yield	%	10.3%	66.3%	55.5%	41.6%	38.9%

Source: Cavendish estimates

At today's 9.4p/share, 1947 Oil & Gas is currently trading on a US$80m market cap and an estimated enterprise value of US$70m. This values the company on a forward EV/EBITDA multiple of 1.0x (FY27), versus a sector average 2.26x. Our DCF-derived Core NAV (2P reserves only) of US$221m (19.3p/share) suggests over 2x multiple from current levels– note this valuation includes corporate overheads and abandonment liabilities. These valuation metrics position the company attractively against its peer group.

Figure 3: 1947 Oil & Gas risked NAV build-up (US$m)



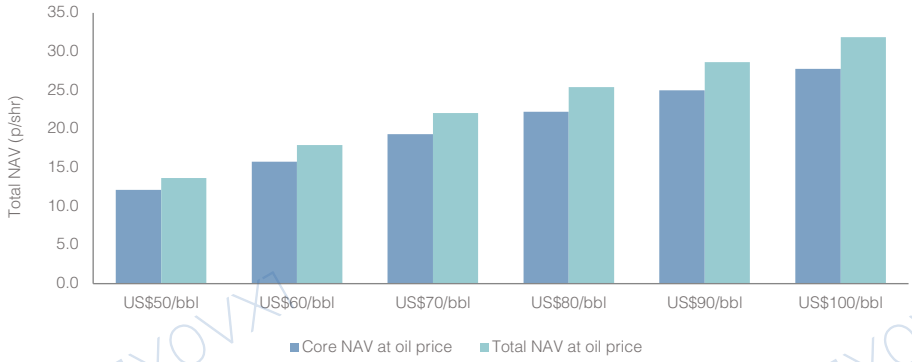
Source: Cavendish estimates

Reference: WM1-4SZ-W7JY0VX1

Sensitivity analysis

Running our valuation at fixed oil prices shows that 1947's Core NAV remains robust down to below US$50/bbl. Importantly, this analysis excludes the additional protection provided by any hedging policy which could be implemented to provide an element of downside protection. On the upside, at US$80/bbl flat (Brent), we calculate a Core NAV of 21.3p/shr and a Total NAV of 24.3p/shr. Each incremental US$10/bbl move in the oil price corresponds to a c6p/shr (US$55m) move in Core NAV, and a c7p/shr (US$62m) move in Total NAV.

Figure 4: Risked Core and Total NAV at various flat oil prices



Source: Cavendish estimates

In terms of cash flow, a low case at US$60/bbl (Brent) flat generates free cash flow in the region of US$0-15m per annum over the next five years (cumulative FCF of cUS$19.6m through to the end of 2031). This assumes operating and capital expenditure is unchanged from our base case of oil at US$70/bbl. Our mid-case has cumulative FCF of US$106.5m (US$15-30m annual FCF), and our high case, with oil at US$80/bbl, typically generates US$30-45m per annum of FCF, with a cumulative cUS$194m generated through to the end of FYE31.

Peer analysis

1947 Plc trades at a meaningful discount to its UK-listed E&P peers across most metrics. Its FY27E EV/EBITDA multiple of 1.01x is 55% below the London peer-group weighted average of 2.26x. Asset-based measures show a similar discount: EV/production of cUS$22,031/boepd versus cUS$31,198/boepd for peers—despite 1947's production being stated net of both working interest and royalties, a more conservative basis than many comparators—and EV/2P reserves of US$2.65/boe versus US$8.15/boe.

Meanwhile, against other, internationally listed, GoA producers, 1947 looks even better value. Our basket of five producers trade on an average EV/EBITDA ratio of 3.22x (versus 1947's 1.01x) and an EV/boepd valuation of over US$43,000 – almost double that of 1947.

Figure 5: Comps table

Company name	Market cap	Net debt	EV	EBITDA (FY27E)	EV/EBITDA	Net debt/EBITDA	Production	EV/boepd	2P reserves	EV/2P	Dividend yield
	US$m	US$m	US$m	US$m	x		boepd	US$/boepd	mmbbls	US$/boe	%
EnQuest PLC	785	517	1,302	1025	1.27	0.50	100,000	13,023	300	4.34	7.6%
Savannah Energy Plc	134	701	835	216	3.87	3.25	16,900	49,400	96	8.65	0.0%
Jadestone Energy PLC	308	26	334	179	1.87	0.14	15,282	21,863	88.5	3.78	0.0%
Tullow Oil plc	234	1,398	1,632	816	2.00	1.71	43,700	37,341	100	16.32	0.0%
PetroTal Corp.	382	(70)	312	235	1.33	(0.30)	11,797	26,454	114	2.74	0.0%
Harbour Energy	6,954	5,170	12,124	7893	1.54	0.65	509,000	23,819	1400	8.66	8.0%
Serica Energy PLC	1,423	73	1,496	790	1.89	0.09	37,100	40,311	139	10.80	9.2%
Ithaca Energy PLC	6,522	1,000	7,522	2820	2.67	0.35	128,000	58,763	327	22.98	13.6%
Energean Plc	1,872	3,227	5,099	1422	3.59	2.27	124,000	41,120	911	5.60	10.1%
Seplat Energy PLC	6,751	371	7,121	1567	4.55	0.24	139,509	51,046	886	8.04	5.1%
Diversified Energy Company	1,024	2,827	3,851	1482	2.60	1.91	209,000	18,426	747	5.16	10.2%
WEIGHTED AVERAGE LONDON					**2.26x**	**0.83x**		**$31,198**		**$ 8.15**	**5.8%**
1947 PLC	**81**	**(10)**	**71**	**70**	**1.01x**	**(0.14x)**	**3,200**	**$22,031**	**26.60**	**$ 2.65**	**4.6%**
Talos	3,014	672	3,686	1561	2.36	0.43	93,700	39,335	174.7	21.10	0.0%
Murphy Oil	6,178	1060	7,238	2073	3.49	0.51	168,995	42,831	730	9.92	4.2%
Kosmos	1,644	2560	4,204	1031	4.08	2.48	71,400	58,873	500	8.41	0.0%
Vaalco	656	147	803	339	2.37	0.43	16,688	48,118	43	18.67	6.9%
W&T Offshore	596	201	797	198	4.02	1.01	34,700	22,972	121	6.59	2.5%
WEIGHTED AVERAGE INTERNATIONAL					**3.22x**	**0.89x**		**$43,394**		**$ 10.66**	**2.7%**

Source: Cavendish estimates, Factset

Reference: WM1-4SZ-W7JYOVX1

Board and Management

A central pillar of the 1947 investment case is the quality, experience and credibility of the management team, which we believe will be key to the company's near-term growth trajectory. Ivan Murphy, a founder of the hugely successful Cove Energy, founded 1947 alongside Jeff Currie, a well-known name in the industry, famed during his time as Global Head of Commodities at Goldman Sachs as he made several bold (and largely correct) calls on the oil market. Their reputations have helped attract Tim Duncan as 1947 Executive Chairman, a serial entrepreneur in the region, best known for founding and establishing Talos Energy as the largest independent producer operating in the Gulf of America, but also founding, and successfully selling two predecessors in the region. Importantly, the team also includes Brian Romere (CFO) and Larry Tolleson (COO), who are Renaissance Offshore founders, and will be integral from an operations and continuity point of view. Looking forward, the most recent hire – Mark Paull – is a statement of the company's growth ambitions, with the 40-year veteran having led oil and gas M&A and technical teams for several leading investment banks.

Tim Duncan *Executive Chairman* – Helped build three companies in the GoA over the past 25 years, including as Founder, CEO & President of Talos Energy, which he built into a c100,000 boepd company, the largest independent producer in the Gulf of America. Previously at Hess Corporation. Current board member of Expand Energy, North America's largest natural gas producer. Talos's model of rolling up producing assets, focusing on optimization and asset development and applying new technology will be a direct blueprint for 1947.

Ivan Murphy *President and Founder* – 25 years in natural resources investment banking and capital markets. Founder Cove Energy PLC acquired for US$1.5bn and Executive Chairman, LSE-listed Harena Rare Earths. Brings extensive M&A origination, deal structuring and London capital-markets execution experience, underpinning 1947's acquisition pipeline and its path to a successful AIM listing and beyond.

Mark Paull *Executive Vice President, Corporate Development* – Mark's career spans nearly 40 years. He led the oil and gas M&A and technical teams for several leading investment banks, including as Managing Director at Guggenheim Partners, Global Head of A&D for Credit Suisse and Head of North American A&D for Goldman Sachs. In each of these roles, Mark managed large technical and commercial teams to support clients' M&A and financing objectives. He started his career in an operations role for Kerr-McGee Corporation and then held operational, technical and corporate planning roles of increasing responsibility for Devon Energy and Quantum Resources Management before shifting his career into investment banking.

Jeff Currie *Non-Executive Director and Founder* – Chief Strategy Officer at The Carlyle Group. Formerly spent 27 years at Goldman Sachs as Global Head of Commodities Research, and widely regarded as the foremost commodities strategist on Wall Street. His deep understanding of global energy markets, commodity cycles and investor sentiment is an unparalleled strategic resource for 1947's growth and capital markets positioning.

Brian Romere *Chief Financial Officer* – CFO of Renaissance Offshore, has 30 years of experience in energy finance and offshore operations. Brian has held roles at Anglo-Suisse Offshore Partners, EY Corporate Finance, and King Ranch Oil & Gas. He holds a BBA from Texas A&M University and an MBA from The University of Texas at Austin.

Larry Tolleson *Chief Operating Officer* – VP of Operations & Drilling at Renaissance, has over 35 years of experience. He began his career with Marathon Oil and has held roles at Meridian Oil, Petsec Energy, Unocal, Devon Energy and Chalker Energy. Larry brings strong expertise in drilling, field operations and production management.

Andrew Richards *Independent Non-Executive Director* – Andrew is a qualified Solicitor and experienced investment banker with over 35 years of experience, having worked on multiple IPOs and private fundraisings across various sectors including oil & gas. Andrew is currently Executive Chairman of TES Holdings Limited (a waste oil and water treatment business in Colombia) and a Non-Executive Director of London Stock Exchange listed Harena Rare Earths PLC.

Stephen Bullock *Independent Non-Executive Director* – Stephen is a Chartered Accountant with over 30 years of experience in listed company audit and capital markets reporting in the UK and internationally with a particular focus on mining and energy in small cap public companies, having acted on more than 75 IPOs and other public company transactions. Stephen has been a speaker at conferences and events in the UK, Europe, Asia Pacific, Australasia and North America promoting listings in London. He was a PIE registered auditor and director of FCA registered businesses until his retirement from practice in 2025 and is an experienced NED and Audit Committee Chair.

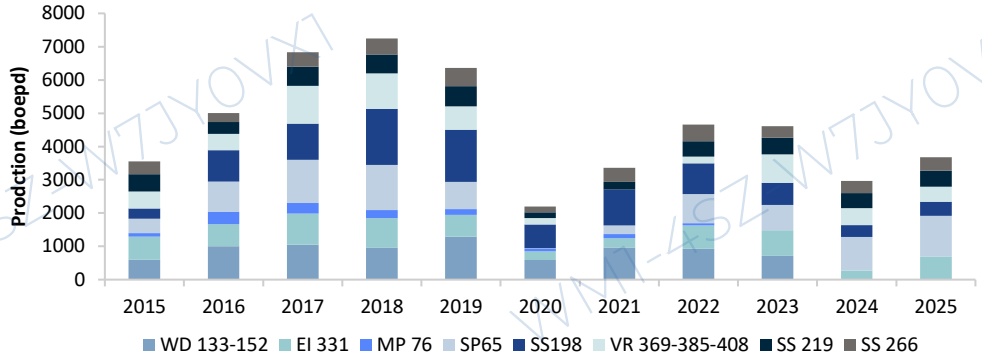
Reference: WM1-4SZ-W7JY0VX1

Renaissance Offshore corporate background

Renaissance is a privately held US-based upstream oil and gas company, founded in 2011 and headquartered in Houston, Texas. The company, founded and led by Brian Romere and Larry Tolleson, has historically focused on the acquisition and redevelopment of mature, shallow-water assets in the US GoA shelf, targeting legacy producing fields with existing infrastructure and remaining recovery potential.

Renaissance's core strategy centred on acquiring late-life, oil-weighted assets divested by larger operators. With private equity backing, the company acquired the bulk of its assets in two tranches, during 2012 and 2014, with oil trading at about US$90-100/bbl. A capital investment programme followed a management buyout, which helped grow production during 2015 to 2018. However low oil prices during 2015-17, and then the COVID pandemic caused production to fall sharply. This impacted the company's ability to invest in the portfolio, and, impressively, production has been broadly flat since 2021 despite no growth capital programme (see Figure 6 below). Now, the small handful of Renaissance stakeholders, having been invested in the company for far longer than originally anticipated (an exit in 2015 was prepared, only to be thwarted by the oil-price crash), are prepared to sell. This will allow fresh capital to be invested for the next phase of growth from the portfolio.

Figure 6: Renaissance Offshore historical production



Source: Renaissance Offshore, Cavendish

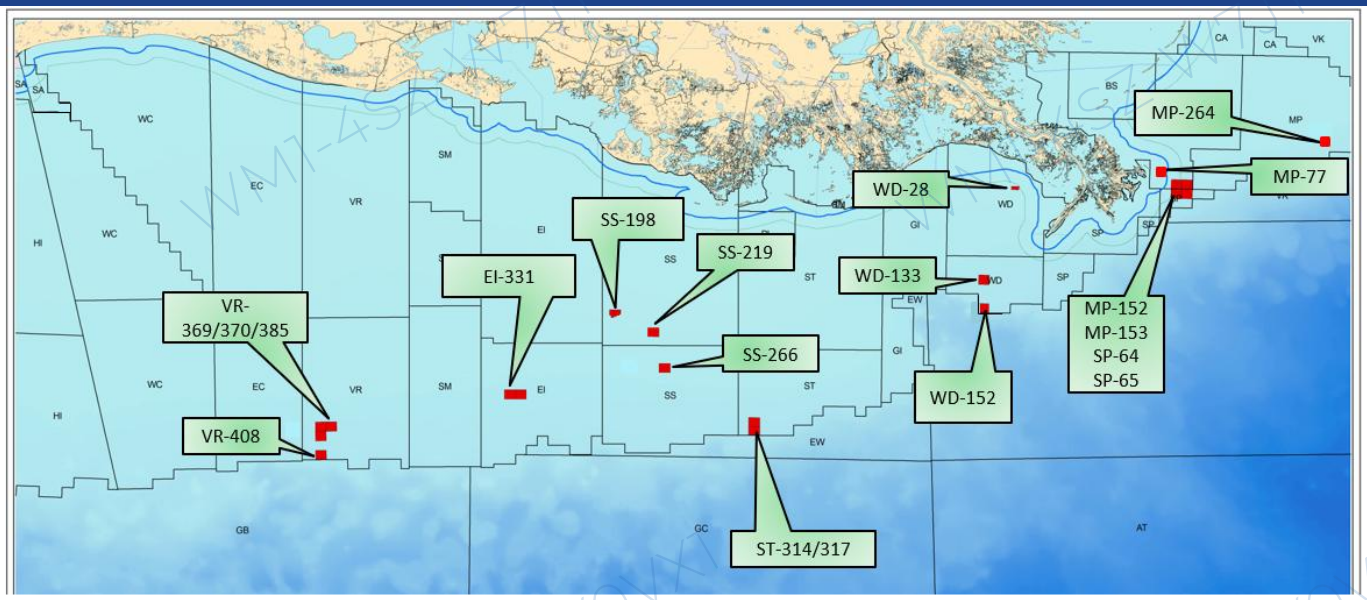
Asset overview

1947's starter portfolio includes a total of eight fields, all of which are operated; six are 100% owned, one 50% and one 40%. The fields are all situated in Louisiana state waters on the GoA shelf, with water depths ranging from around 12 to 460 feet (4-140 metres). The portfolio includes 20 offshore platforms, a compressor platform, 172 production wells and approximately 80 miles of oil and natural gas pipelines. The portfolio has oil-weighted production and reserves (c70%), totalling around 3,100boepd and c20mmboe (net of royalty and working interest).

The portfolio is diversified, spread across a number of blocks. These include assets within the lease areas of Ship Shoal (famed as the site of the first offshore oil development in 1947 – hence the name of the company), Eugene Island, Main Pass, South Pass, South Timbalier, Vermilion, Garden Banks and West Delta. Significant individual fields within the portfolio include Eugene Island 330 (EI 330), which to date has produced some 462mmbo and 1.9Tcf, Ship Shoal 198 (SS 198), which has produced 70mmbo and 1.3Tcf, Ship Shoal 230 (SS 230), which has produced 140mmbo and 434bcf, and South Pass 65 (SP 65), which has produced 134mmbo and 142bcf. Remaining reserves across the portfolio are summarised in Figure 8, below.

As Figure 6, above, illustrates, the underlying decline rates of the portfolio are low, reflecting the diversification of the portfolio, the typically highly productive reservoir sands, and the average maturity of the wellbores in the portfolio.

Figure 7: Renaissance Offshore licence map



Source: 1947 O&G Plc

The platforms are predominantly small and compact, comprising simple production facilities. The majority were constructed in the 1950s-2000s, but are continuously maintained and upgraded. As part of 1947's due diligence process, SLR International Corporation (SLR) was commissioned to undertake an environmental, health and safety assessment of the portfolio, including a report on environmental compliance and asset integrity. The report concluded that the infrastructure was in good order, with the company operating at least in line with sector performance.

Figure 8: Ship Shoal 266 A platform

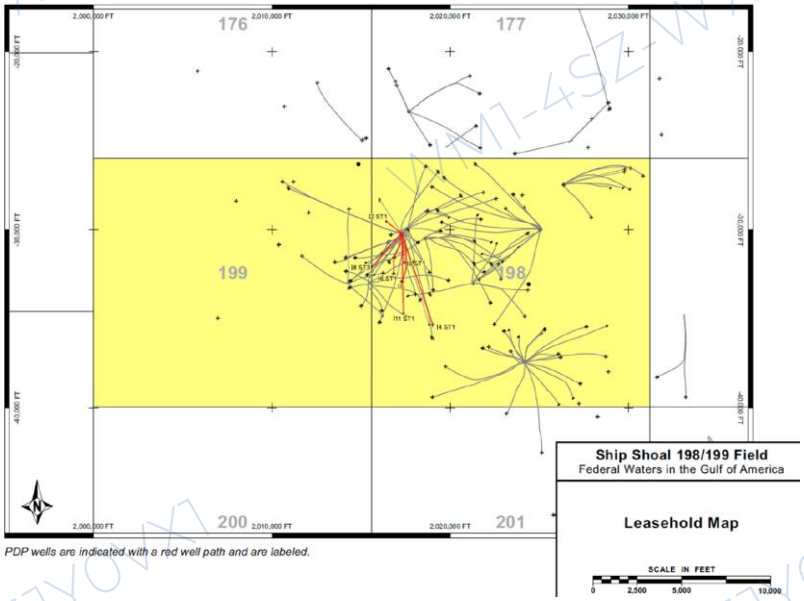


Source: Renaissance Offshore

From each platform, typically a number of deviated production wells have been drilled, allowing for targeted draining of the resource (as in Figure 9). Reservoir pay is typically stacked, with many productive horizons through each field. Typically, wells are perforated starting at the bottom of the wellbore. Once the horizon is exhausted, it can be cased off and the next horizon up perforated. The nature of these reservoirs therefore means that, particularly with the application of modern enhanced technologies, wellbore productivity and ultimate recovery factors can almost always be improved, with many productive horizons currently 'behind pipe'. Almost all wells utilise gas-lift to lower the density of the oil column and maximise wellbore flow rates.

Each platform is connected to a series of subsea pipelines, often providing offtake options and connecting the fields to onshore bulk storage terminals, gas plants and refineries located in Louisiana. Produced gas is used for platform power and heating, with excess sold into the grid.

Figure 9: Ship Shoal 198/199 well top and bottom hole locations



Source: NSAI

A summary of the individual fields and NSAI's reserve estimates are provided in Figure 10 below.

Figure 10: Renaissance Offshore licence reserve summary

	Oil (mmbbls)			Gas (bcf)			Total (mmboe)		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
Eugene Island 331	1.64	1.87	2.12	1.88	2.12	2.40	1.96	2.23	2.52
Main Pass 74	0.81	1.00	1.19	3.05	4.77	6.50	1.32	1.80	2.27
Ship Shoal 198 199	2.25	2.58	2.70	0.98	1.05	1.08	2.41	2.75	2.88
Ship Shoal 219	1.05	1.27	1.50	1.18	1.37	1.52	1.24	1.49	1.76
Ship Shoal 266	1.62	2.39	3.14	2.27	2.84	3.42	2.00	2.86	3.71
South Pass 65	2.47	2.85	2.94	0.00	0.00	0.00	2.47	2.85	2.94
South Timbalier 317	0.80	1.75	2.46	6.69	9.73	11.44	1.92	3.37	4.36
Vermillion 369	0.50	0.59	0.59	0.11	0.13	0.13	0.52	0.61	0.61
Vermillion 408	0.74	0.85	0.92	0.07	0.08	0.09	0.75	0.86	0.93
West Delta 28	0.18	0.26	0.26	0.06	0.09	0.09	0.19	0.27	0.27
West Delta 133	0.45	0.54	0.62	0.30	0.43	0.55	0.50	0.61	0.71
West Delta 152	0.24	0.51	0.96	0.19	0.47	1.55	0.27	0.59	1.22
Total	**12.75**	**16.46**	**19.40**	**16.79**	**23.10**	**28.77**	**15.55**	**20.31**	**24.19**

Source: NSAI, Cavendish

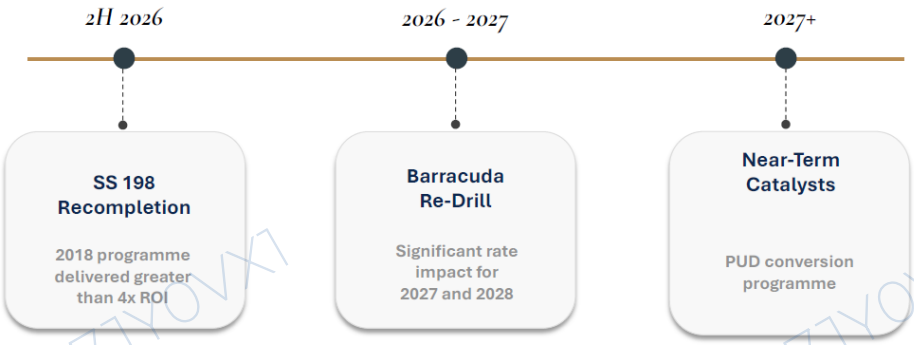
Reference: WM1-4SZ-W7JYOVX1

Organic growth opportunities

As mentioned above, there are multiple opportunities within the portfolio to increase production and add value, ranging from the low-risk, low-reward, through to high-impact exploration. As part of our due diligence process, we visited Renaissance, as well as NSAI's offices in Houston, to gain a better understanding of the opportunities within 1947's portfolio. We ran through the opportunities which NSAI sees could boost production to over 5 kboepd by 2028 (net of royalty and working interest), some of which are summarised below.

Near term workover and drilling activity

Figure 11: Near-term activity



Source: 1947 Plc

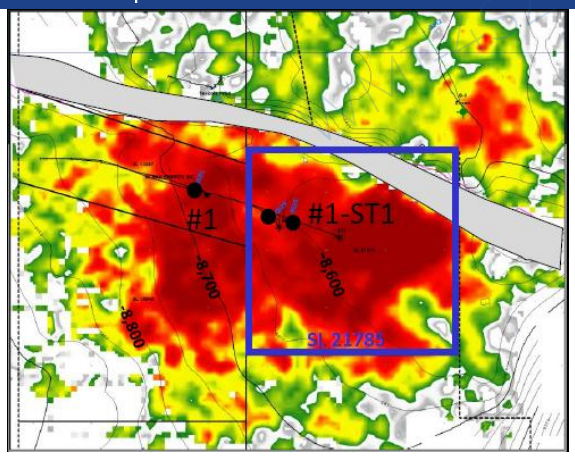
Ship Shoal (SS) 198 recompletions

SS 198 is one of the largest assets within the portfolio, accounting for c14% of net 2P reserves and 26% of NSAI's NPV10. The field comprises a large number of stacked sandstones, with productive reservoirs from 4,500 feet deep down to 12,000 feet. Each individual sand package varies in thickness, but typically sands are high quality. Because of the large number of productive sand horizons, there are opportunities within existing wells to abandon horizons which are largely depleted, and perforate a virgin horizon. 1947 has highlighted two particular opportunities for recompletion over the coming months, each with the potential to add about 300-500 bopd. Because the wells are simple re-entries requiring only recompletion, costs are low, with a total AFE budget of just US$4m, which includes fracture stimulation on the new horizon. Fracking – rather than to improve reservoir productivity – is used to bypass the zone by drilling the original wellbore. It is important to note that, being one of the most developed basins globally, development and operational practices are well-honed. The result is that associated risks are particularly low.

Main Pass (MP) 74 – Barracuda re-drill

We consider the key near-term organic catalyst to be the re-drill of the Barracuda discovery. The original well was drilled by Renaissance Offshore in early 2023, however while it was a technical success, the completion failed largely as a result of cost-cutting measures which restricted the diameter of the wellbore through the main target horizons. As such, auditor NSAI recognises the discovery as proved undeveloped (PUD). 1947 plans to redrill the well in late 2026/early 2027. Barracuda is expected to flow at initial rates of around 600-800bopd, with NSAI estimating 1mmbbls of oil plus 4.8bcf gas recoverable.

Figure 12: Barracuda structure map



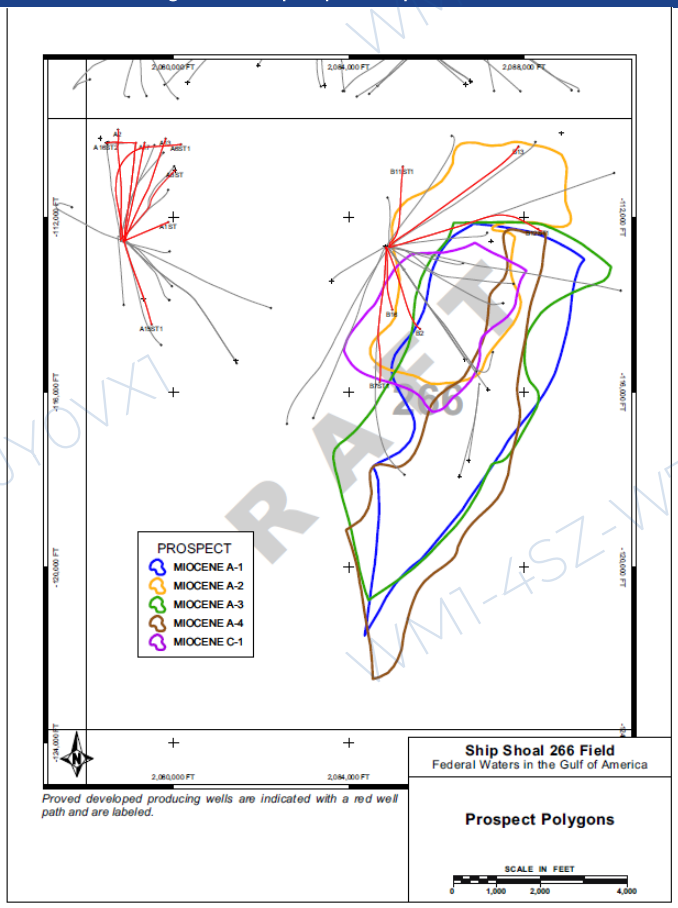
Source: 1947 Plc

Reference: WM1-4SZ-W7JYOVX1

Ship Shoal 266 prospective resources (American Beauty prospect)

Underlying the main Ship Shoal 266 reservoir is a series of stacked Miocene horizons (five in total), showing strongly on seismic readings. The prospects are analogous to a number of other finds across the Ship Shoal blocks, and NSAI attributes relatively high chances of success, carrying a blended 32% risking (the most significant risk element is trap integrity, with a 50% risking on each horizon).

Figure 13: Ship Shoal 266 existing wells and prospect map



Source: NSAI

We expect that a single exploration well could be drilled through the five main horizons, to test the combined 16.3 mmbbls and 24.5 bcf (c4 mmboe) of prospective resources applied by NSAI. On success, the well would be completed as a producer and rapidly connected to offtake infrastructure. The prospect is further enhanced by two PUD (proved undeveloped) development sites which have been identified above American Beauty. These could be accessed by the well on the way down to the deeper prospect. A dual-objective well could help offset the dry-hole costs (estimated at US$30m) in the event of failure, mitigating the exploration risk.

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Asset retirement obligations

Naturally in a mature oil and gas basin, asset retirement obligations (AROs) are a key consideration. Understanding the timing of abandonment and associated costs is critical in valuing opportunities and establishing potential upside. It is similarly important as a vendor of assets in the basin to understand your counterparty. In the US, if an operator of assets is unable to fund abandonment (such as in bankruptcy cases), financial liability ultimately rests with licence partners, or licence predecessors, meaning that historic owners may be forced to foot the bill, even with no economic interest in the licence. This so-called 'boomerang liability' can provide a competitive advantage to well-funded, and respected management teams during bidding processes for mature assets.

Case study

Fieldwood Energy

Fieldwood Energy's experience serves as a warning of the importance of AROs for independent producers operating in the GoA. Fieldwood was a Riverstone-backed private E&P, with a similar strategy to 1947; consolidate mature GoA assets through large-scale acquisitions from exiting larger companies (Apache, SandRidge), with a focus on infrastructure-led optimisation and late-life production. At its peak, Fieldwood produced over 125 kbopd – one of the largest producers on the shelf, combining high working interest, developed reserves and substantial fixed infrastructure.

Fieldwood ultimately failed, however, because firstly the company was over-levered from day one, and secondly, its model structurally underpriced decommissioning. The portfolio included thousands of wells and platforms and therefore a very large, back-end weighted ARO burden. The low oil prices during 2015-2020, and the tightening financing regime exposed the equity to the liability tail, brought closer by the reduced long-term commodity price assumptions. Fieldwood entered Chapter 11 reorganisation bankruptcy in 2020 with billions of decommissioning commitments. The underlying assets were recapitalised and transferred to creditors before ultimately being consolidated into QuarterNorth and sold on to Talos, then run by Tim Duncan, now 1947's Executive Chairman.

The fallout from the demise of Fieldwood has been a more cautious approach from the regulators and vendors when it comes to AROs and bonding. Equally, for operators themselves, the requirement for tight capital discipline around AROs is clear. The 1947 team benefits from decades of direct experience, which we expect to be invaluable to the success of the company. Renaissance Offshore has abandoned dozens of wells and four platforms in its c15-year history, and Tim Duncan's first-hand experience of Fieldwood will provide insider-level knowledge of the pitfalls and mistakes made along the way.

Renaissance Offshore's AROs

Bearing in mind the importance of accurately understanding AROs, 1947 has commissioned independent specialist Delta Decom to audit the company's anticipated abandonment liabilities. Delta Decom is highly regarded in this field, with decades of data and industry knowledge. Including cost estimates for platform and caisson removals, pipeline abandonment, well plugging and abandonment, conductor removals, and all site clearance activities, the report estimates in total some US$131m of anticipated costs (real, net). These costs include US$81.5m associated with platform removal, US$41m on well plugging and abandonment, and US$8.5m associated with pipelines. These costs are based on prevailing market conditions, and naturally exclude any future regulatory changes, salvage credits etc.

Figure 14: Renaissance Offshore ARO estimates per field

Field	Platform Net	Pipeline Net	Well Net	Total Net
EI 331	$10,607,356	$564,763	$7,602,605	**$18,774,724**
GB 72	$4,407,769	$0	$1,825,416	**$6,233,185**
MP 76	$801,450	$485,458	$0	**$1,286,909**
SP 065	$15,219,464	$722,069	$9,349,070	**$25,290,602**
SS 176	$8,710,968	$1,173,897	$4,881,149	**$14,766,014**
SS 230	$7,650,643	$792,785	$4,445,257	**$12,888,685**
SS 253	$11,153,617	$1,054,267	$5,565,918	**$17,773,802**
ST 314	$5,571,951	$552,848	$984,448	**$7,109,246**
VR 369	$7,827,485	$1,575,606	$3,794,208	**$13,197,300**
WD 133	$1,530,708	$353,409	$433,002	**$2,317,119**
WD 152	$7,335,051	$1,100,742	$2,038,745	**$10,474,537**
WD 28	$759,557	$92,494	$0	**$852,051**
Total	**$81,576,019**	**$8,468,336**	**$40,919,818**	$130,964,173

Source: Delta Decom LLC

Reference: WM1-4SZ-W7JYOVX1

One such future regulatory change which might reduce abandonment costs significantly is the Rigs-to-Reefs (RTR) programme. This policy provides a regulatory exemption to full removal of platforms, allowing the operator to leave part, or all of the structure on the seabed. This significantly reduces costs, by an estimated 20-50% in some cases, and creates an artificial reef which creates habitat and shelter for marine life. A typical eight-leg structure provides a home for as many as 12-14,000 fish, extending the habitat for hundreds of marine species across a two-to-three-acre area.

In October last year, the Marine Fisheries Habitat Protection Act was introduced to Congress. This act aims to create a more formal federal pathway for reef conversions, allowing reefing to scale up. As well as the environmental benefits, from the taxpayer's point of view reduced decommissioning costs close the gap between decommissioning liabilities and levels of bonding in place, which ultimately reduces taxpayer risk and helps avoid cases such as Fieldwood's. The Marine Fisheries Habitat Protection Act is not yet law, although it signals direction of travel. The bill will require passing through the House of Representatives, then the Senate, before gaining ultimate presidential sign-off.

Surety bonds

A surety bond is a guarantee that an operator will cover the cost of its AROs. The regulator requires base financial assurance bonds to be posted during the transfer of ownership, with an increasing requirement for Supplemental Financial Assurance (SFA) bonds on the shelf, as assets approach their end of economic lives. In Texas and Louisiana waters (nearshore) state-level bonds can be required. In addition, vendors are increasingly requiring private bonds to be lodged to protect from boomerang liabilities.

Renaissance Offshore currently has posted around US$78m of surety bonds against the US$131m of (undiscounted) anticipated costs. The company pays around 1.5% per year for the bonds, which currently have no 'equity' or cash collateral. The company has, however, reached an agreement to pay cUS$6m of cash collateral into a sinking fund each year. This replaces the equivalent outstanding bond, reducing the principal. Meanwhile, 1947 will benefit from any interest that is received on the sinking fund balance, which could further accelerate the restructuring of the bonds. As and when 1947 has to pay abandonment costs, the sinking fund can be drawn upon. Our model has the surety bonds fully replaced by end-FY39.

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Reference: WM1-4SZ-W7JYOVX1

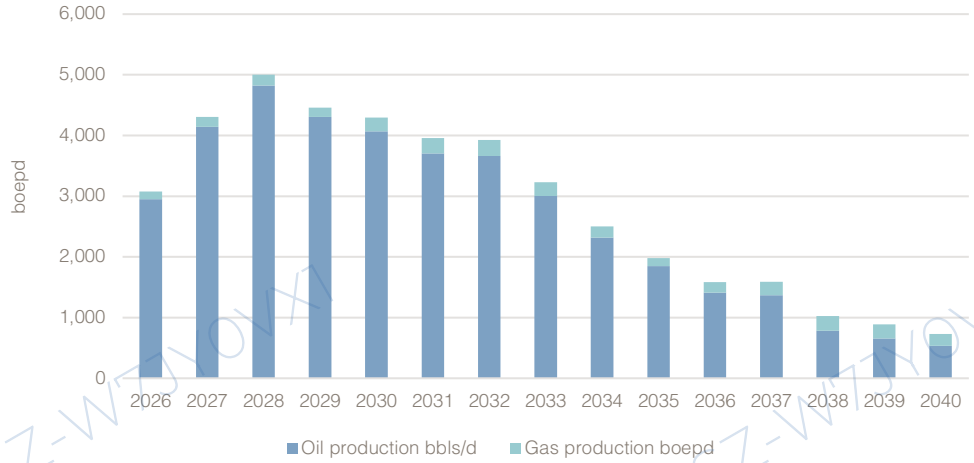
Production profile, financial forecasts and NAV

Production profile

Our production forecasts are based on NSAI's forecasts and assume that natural field decline across the portfolio is largely offset through a work programme including well workovers and selective infill drilling.

Under these assumptions, Group production is maintained at approximately 4-5kboepd through to FY33E (on a working interest basis, net of royalty), before naturally declining from FY33E onwards.

Figure 15: Group production forecast (net)



Source: Cavendish estimates

Financial forecasts

Based on the production profile above and using forward strip commodity prices, we forecast Group net revenues of cUS$57.2m in FY26E (for the period 1 July-31 December), rising to US$131.2m in FY27E, holding around the US$90-135m mark over the next five years.

Operating expenditure is currently running at around the US$35-40m mark, with our assumptions broadly in line with the CPR. Over the long term, we have assumed variable costs equivalent to around US$15/bbl (see modelling assumptions section in Appendix). This results in EBITDAX of US$29.7m in FY26E and US$84m in FY27E, equivalent to margins of 52% and 64%, respectively. Margins stay broadly flat during the period FY28-31, at around 60-65%.

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Reference: WM1-4SZ-W7JYOVX1

Figure 16: Summary financials

FY estimates (to end-December)		2026E	2027E	2028E	2029E	2030E
Gross production	bopd	3,816	5,334	6,198	5,528	5,323
Net production	bopd	3,080	4,305	5,002	4,461	4,296
Brent oil	US$/bbl	95.29	91.04	80.68	75.66	70.00
Total revenue	**US$m**	**57.2**	**131.2**	**134.4**	**112.1**	**98.0**
Cost of sales	US$m	(20.7)	(36.2)	(38.0)	(34.6)	(23.3)
Gross Profit	**US$m**	**24.0**	**64.9**	**61.4**	**46.3**	**44.7**
Admin expenses	US$m	(6.8)	(11.0)	(11.0)	(11.0)	(11.0)
Non-cash & other	US$m	12.6	30.1	34.9	31.2	30.0
EBITDAX	**US$m**	**29.7**	**84.0**	**85.4**	**66.5**	**63.7**
% margin	*%*	*52%*	*64%*	*64%*	*59%*	*65%*
DD&A	US$m	(12.6)	(30.1)	(34.9)	(31.2)	(30.0)
Other	US$m	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
EBIT	**US$m**	**16.9**	**53.6**	**50.2**	**35.0**	**33.5**
Net finance expense	US$m	-	-	-	-	-
Other	US$m	-	-	-	-	-
Profit/(loss) before tax	**US$m**	**6.9**	**53.6**	**50.2**	**35.0**	**33.5**
Income tax	US$m	-	-	-	-	-
Profit/(loss) after tax	**US$m**	**6.9**	**53.6**	**50.2**	**35.0**	**33.5**
Net cashflow from operations	**US$m**	**20.5**	**84.7**	**86.1**	**67.2**	**64.5**
Capex (incl. E&A)	US$m	(22.8)	(19.1)	(33.1)	(27.3)	(27.0)
Other	US$m	10.6	(12.2)	(8.3)	(6.4)	(6.1)
Shareholder returns (dividend)	US$m	-	(4.0)	(4.0)	(4.0)	(4.0)
Net change in cash	**US$m**	**8.3**	**49.4**	**40.7**	**29.5**	**27.3**
Yr-end cash (excluding restricted cash)	US$m	8.3	57.7	98.4	127.9	155.3
Yr-end debt	US$m	-	-	-	-	-
Net (debt)/cash	**US$m**	**8.3**	**57.7**	**98.4**	**127.9**	**155.3**

Source: Cavendish estimates, Company data

We have assumed cash annual general and administrative costs (G&A) of US$10m (plus US$1m of share-based payments), this includes insurance covering the company for hurricane disruption, among other things, which accounts for almost 50% of the overall bill.

Similarly, our capital expenditure assumptions are based on the CPR data, which assumes that US$184m is reinvested into the ground, the bulk of which spent over the next seven years. The US$22.5m budget for 2H this year includes the work programme outlined in the 'Organic growth opportunities' section above, with some US$19m earmarked for next year, and a further $33m for 2028. Note that this spending covers only the 2P reserve profile with, for instance, an exploration well on the American Beauty prospect (SS 266 permit) not factored into our cost or production profiles. Such a well would likely cost in the region of US$30m (gross).

As detailed in our ARO section, above, we have assumed that US$6m per year is saved into a sinking fund, replacing the US$75m of outstanding surety bonds over a 12.5-year period. Our cash flow forecasts assume shareholder returns starting in FY27, with US$4m returned per year.

Net asset valuation

Our valuation of 1947 Plc is ultimately based on a discounted cashflow (DCF) analysis of the company's 2P reserve base, itself largely based on NSAI's audited CPR data. Our key assumptions include:

- **Realised oil prices:** We assume a long-term Brent oil price of US$70/bbl from 2030 onwards. Before this date, we use the forward strip, which at publication is at US$95.3/bbl (FY26), US$91.0/bbl (FY27), US$80.7/bl (FY28) and US$75.7/bbl (FY29). We have assumed that WTI trades at a US$4/bbl discount to Brent, with 1947's blend realising a premium of US$1.6/bbl to WTI (in line with historical averages). Offtake and pipeline fees amount to around US$2.6/bbl, resulting in an overall discount to Brent of US$5/bbl (and a long-term realised oil price assumption of US$65/bbl).
- **Realised gas prices:** We assume a flat Henry Hub gas price of US$3/mcf.
- **Discount rate:** We assume a 10% discount rate for 1947 Plc, as is standard for lower risk producers in relatively politically stable jurisdictions.
- **Foreign exchange rate:** We carry a flat USD:GBP exchange rate of 1.36:1.
- **Effective date:** The effective date of our valuation is 1 July 2026.
- **Asset line items:** We carry value for 1947's 2P reserve base. Using a DCF-derived unit valuation per barrel, we value NSAI's estimates for the prospective resources for the American Beauty prospect. In line with the CPR, we have assumed a 32% geological chance of success, but have also layered on a

Reference: WM1-4SZ-W7JY0VX1

conservative 50% commercial chance of success. Our decommissioning liabilities are baked into the asset level DCF model, and not included in our NAV table as a separate line item.

— **Fully diluted share capital:** Our per-share valuations are based on fully diluted share capital of 837.6m. This includes the 651m of ordinary shares currently outstanding, plus 140m warrants which have an exercise price of 8p (predominantly issued to pre-IPO round investors), and 46.5m options priced at 9p/shr. The warrants have a four-year term, and options a 10-year term. Our valuation assumes all outstanding options and warrants are exercised.

Figure 17: NAV Table (NPV10, US$70/bbl LT Brent oil price assumption)

	W.I. reserves	NPV/bbl		Unrisked NPV	Geological	Commercial		Risked NPV
	mmboe	US$/boe	US$m	p/sh	CoS	CoS	US$m	p/sh
Net cash / (debt)			10.0	0.9			10.0	0.9
Options			21.0	1.8			21.0	1.8
2P	19.9	9.51	189.6	16.6	100%	100%	189.6	16.6
Core asset value:	**19.9**		**220.6**	**19.3**			**220.6**	**19.3**
Prospective resources	20.4	9.51	193.9	17.0	32%	50%	31.0	2.7
Total	**40.3**		**414.4**	**36.3**			**251.6**	**22.0**

Source: Cavendish estimates

WM1-4SZ-W7JYOVX1

Reference: WM1-4SZ-W7JYOVX1

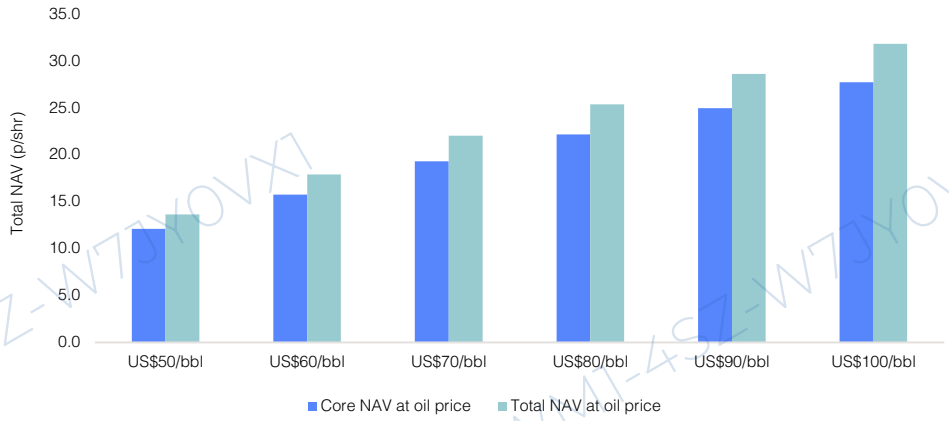
Sensitivity analysis

Oil price sensitivity

Valuation of 1947 is naturally sensitive to movements in the oil price. However, our DCF analysis demonstrates that the company's NAV remains resilient across a wide range of commodity scenarios.

Running our valuation at fixed oil prices shows that 1947's Core NAV remains robust down to below US$50/bbl. Importantly, this analysis excludes the additional protection provided by any hedging policy which might be implemented to provide an element of downside protection. On the upside, at US$80/bbl flat Brent, we calculate a Core NAV of 21.3p/shr and a Total NAV of 24.3p/shr. Each incremental US$10/bbl move in the oil price corresponds to a c6p/shr (US$55m) move in Core NAV, and a c7p/shr (US$62m) move in Total NAV.

Figure 18: Risked Core and Total NAV at various flat oil prices



Source: Cavendish estimates

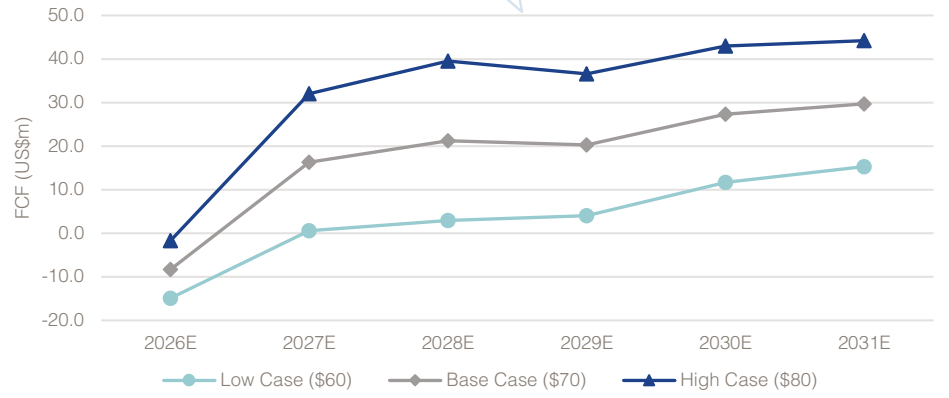
Figure 19: Core NAV sensitivity table (discount rate vs flat oil price)

Total NAV (p/shr)	8%	9%	10%	11%	12%
US$50/bbl	0.8	1.0	1.2	1.4	1.5
US$60/bbl	8.5	8.3	8.1	8.0	7.8
US$70/bbl	16.2	15.6	15.1	14.6	14.1
US$80/bbl	23.0	22.1	21.3	20.5	19.7
US$90/bbl	28.5	27.4	26.3	25.3	24.4
US$100/bbl	33.9	32.5	31.2	30.0	28.8

Source: Cavendish estimates

In terms of cash flow, a low case at US$60/bbl (Brent) generates free cash flow in the region of US$0-15m per annum over the next five years (cumulative FCF of cUS$19.6m through to the end of 2031). This assumes operating and capital expenditure is unchanged from our base case of oil at US$70/bbl. Our mid-case has cumulative FCF of US$106.5m (US$15-30m annual FCF), and our high case, with oil at US$80/bbl, typically generates US$30-45m per annum of FCF, with a cumulative cUS$194m generated through to the end of FYE31.

Figure 20: FCF sensitivity to various oil prices



Source: Cavendish estimates

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Figure 21: EBITDA and FCF sensitivity table

	2026E	2027E	2028E	2029E	2030E	2031E
EBITDA - Low ($60)	6.6	35.2	47.6	41.0	48.1	42.7
EBITDA - Mid ($70)	13.1	50.9	65.9	57.3	63.7	57.1
EBITDA - High ($80)	19.7	66.6	84.1	73.5	79.4	71.6
FCF - Low ($60)	-14.9	0.6	2.9	4.0	11.7	15.3
FCF - Mid ($70)	-8.3	16.3	21.2	20.3	27.3	29.7
FCF - High ($80)	-1.7	32.0	39.5	36.6	43.0	44.2

Source: Cavendish estimates

Hedging

1947's management sees exposure to rising oil prices as critical to the strategy. Saying that, hedging is prudent to protect committed work programmes, and we expect an element of protection against the downside. As the company grows, and potentially uses leverage and initiates shareholder returns, we expect hedging to become more important to protect critical commitments. The company will, however, always seek to responsibly retain as much exposure as possible to the upside.

Peer analysis

1947 Plc trades at a meaningful discount to its UK-listed E&P peers across most valuation metrics. At an EV/EBITDA multiple of 1.01x (based on FY27E estimates), the company sits well below the London peer group weighted average of 2.26x, representing a discount of approximately 55%. On an asset-based metric, 1947 Plc's EV/boepd of cUS$22,031 compares favourably to the London weighted average of cUS$31,198 (note 1947 Plc barrels are net to working interest and royalty, which is more conservative than many of its peers), while its EV/2P reserves multiple of US$2.65/boe is also notably below the peer average of US$8.15/boe. These valuation metrics are made more attractive by leverage multiples, which show that, with a net cash position estimated at cUS$10m on listing, 1947 Plc is one of the least leveraged names in the peer group. Note that, while our forecasts show 1947 being able to support a dividend that is highly competitive with the peer group, for now we are omitting yield from our valuation comps until a formal policy is declared.

Meanwhile, against other, internationally listed, GoA producers, 1947 Plc looks even better value. Our basket of five producers trade on an average EV/EBITDA ratio of 3.22x (versus 1947's 1.0x) and an EV/boepd valuation of over US$43,000 – more than double that of 1947 Plc.

Figure 22: Comps table

Company name	Market cap	Net debt	EV	EBITDA (FY27E)	EV/EBITDA	Net debt/EBITDA	Production	EV/boepd	2P reserves	EV/2P	Dividend yield
	US$m	US$m	US$m	US$m	x		boepd	US$/boepd	mmbbls	US$/boe	%
EnQuest PLC	785	517	1,302	1025	1.27	0.50	100,000	13,023	300	4.34	7.6%
Savannah Energy Plc	134	701	835	216	3.87	3.25	16,900	49,400	96	8.65	0.0%
Jadestone Energy PLC	308	26	334	179	1.87	0.14	15,282	21,863	88.5	3.78	0.0%
Tullow Oil plc	234	1,398	1,632	816	2.00	1.71	43,700	37,341	100	16.32	0.0%
PetroTal Corp.	382	(70)	312	235	1.33	(0.30)	11,797	26,454	114	2.74	0.0%
Harbour Energy	6,954	5,170	12,124	7893	1.54	0.65	509,000	23,819	1400	8.66	8.0%
Serica Energy PLC	1,423	73	1,496	790	1.89	0.09	37,100	40,311	139	10.80	9.2%
Ithaca Energy PLC	6,522	1,000	7,522	2820	2.67	0.35	128,000	58,763	327	22.98	13.6%
Energean Plc	1,872	3,227	5,099	1422	3.59	2.27	124,000	41,120	911	5.60	10.1%
Seplat Energy PLC	6,751	371	7,121	1567	4.55	0.24	139,509	51,046	886	8.04	5.1%
Diversified Energy Company	1,024	2,827	3,851	1482	2.60	1.91	209,000	18,426	747	5.16	10.2%
WEIGHTED AVERAGE LONDON					**2.26x**	**0.83x**		**$31,198**		**$ 8.15**	**5.8%**
1947 PLC	**81**	**(10)**	**71**	**70**	**1.01x**	**(0.14x)**	**3,200**	**$22,031**	**26.60**	**$ 2.65**	**4.6%**
Talos	3,014	672	3,686	1561	2.36	0.43	93,700	39,335	174.7	21.10	0.0%
Murphy Oil	6,178	1060	7,238	2073	3.49	0.51	168,995	42,831	730	9.92	4.2%
Kosmos	1,644	2560	4,204	1031	4.08	2.48	71,400	58,873	500	8.41	0.0%
Vaalco	656	147	803	339	2.37	0.43	16,688	48,118	43	18.67	6.9%
W&T Offshore	596	201	797	198	4.02	1.01	34,700	22,972	121	6.59	2.5%
WEIGHTED AVERAGE INTERNATIONAL					**3.22x**	**0.89x**		**$43,394**		**$ 10.66**	**2.7%**

Source: Cavendish estimates, Factset

Reference: WM1-4SZ-W7JYQVX1

Appendix: Modelling assumptions

In building our DCF model for 1947, we have made a number of assumptions, with our forecasts based on a combination of the CPR, the company's internal assessments and our own judgement. As standard, we model forward strip oil and gas prices for four years, and carry a respective flat US$70/bbl and US$3/mcf long-term oil and gas price from 2030 onwards.

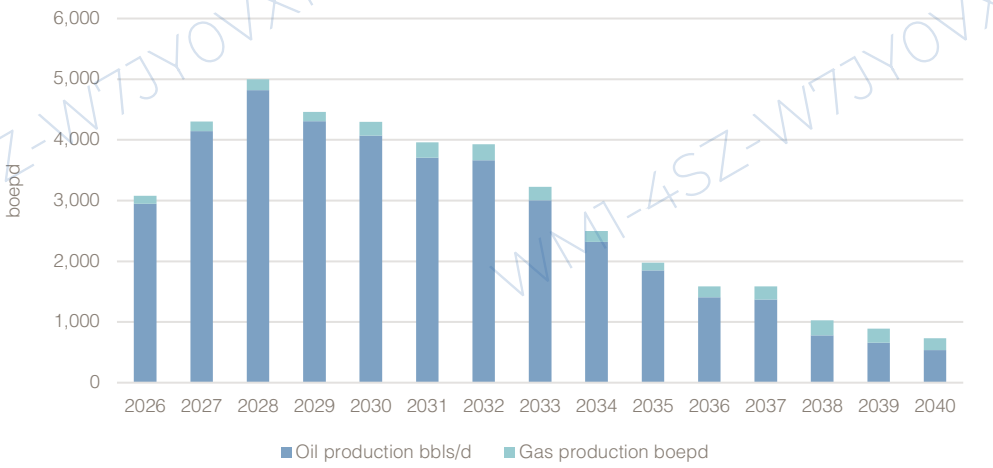
Production profiles

We have largely based our production profiles on the CPR, proved and probable reserves case (2P case), and note that this takes a conservative view of development opportunities and ultimate recovery factors.

We have modelled associated gas and LNG production, although this accounts for a relatively small percentage of production, and due to the lower pricing contributes little to the value of the project.

Our forecasts have gross working interest production peaking in 2028 at c6,200 boepd (of which 5,975 bopd is oil). Drilling and other capex programmes hold production around the 5,000 boepd mark through to FY33, before declining thereafter (see Figure 20). We model final cessation of production during 2047. Note the production figures quoted elsewhere in this research note are net of royalty.

Figure 23: Forecast production profile (boepd net to working interest)



Source: Cavendish estimates

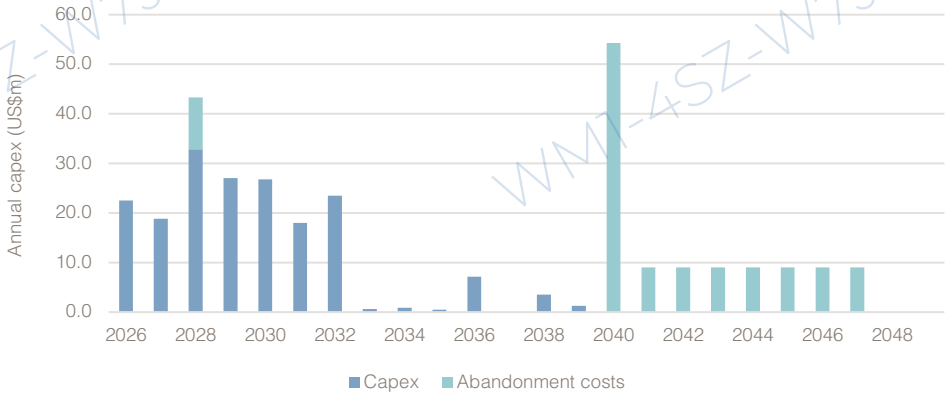
Cost assumptions

We have assumed long-term average operating consistent with the CPR. While there will be a fixed element and a variable element, the reality will be that fixed costs are tiered (the higher the production from a platform, the greater number of personnel required on site, and vice versa, with unmanned platforms typically producing under c300 boepd). Accordingly, we typically model variable costs, making adjustments to be consistent with CPR forecasts. Our model shows operating costs peaking at US$38m in 2028 – the year in which production peaks at an average rate of c6,200 boepd. We model G&A costs amounting to US$10m per annum.

Our capital cost assumptions are lifted directly out of the CPR, with US$184m invested in the asset base, the vast majority of which is spent over the first seven years (see Figure 24, below). The CPR assumes between US$18m and US$33m is invested each year through to the end of 2032, after which spending tails off.

Reference: WM1-4SZ-W7JYOVX1

Figure 24: DCF model capex and abandonment assumptions



Source: Cavendish estimates

In terms of abandonment, the CPR draws upon the report prepared by Delta Decom. This assumes US$10.5m is spent in 2032 with a further US$38m spent in 2039 and US$16m in 2040. The CPR does not itemise each annual forecast after 2040, so we have assumed that the balancing US$63m of decommissioning costs (total spend of cUS$128m) is distributed evenly over the final seven years of our model (i.e. US$9m per annum – see Figure 21). This is a conservative assumption, since the costs are likely to be back-end loaded, which, on DCF, would reduce the negative impact on valuation.

With 1947 planning to restructure its surety bonds, we have factored into our model a sinking fund which will replace the bonds over the coming years. We have assumed that US$6m per annum is added to the sinking fund, reducing the outstanding bonds by an equivalent amount. We have modelled bonding costs of 1.5% per annum (so the absolute cost of the surety bond reduces year-on-year as the sinking fund replaces the bonds), and have allowed for 3% of interest received on the funds in escrow.

Tax

The fiscal regime in the GoA is a relatively standard tax royalty system. Each block pays a federal royalty, which ranges from 12.5% to 18.75% depending largely on lease vintage. Most of 1947's licences are based on the older licence rates, so (based on historical data), we model an average rate of 18.3% across the portfolio, which is consistent with the CPR. Only one licence is situated in state waters and therefore pays additional state severance tax. We model a blended average rate of 1% across the portfolio, taking overall payments to 19.3%.

Renaissance Offshore has historically been structured as a partnership for US federal income tax purposes, meaning the company is not subject to income taxes at the federal level. 1947 Plc's acquisition is being treated as a deemed asset purchase for US federal income tax purposes, resulting in a tax step-up to 'fair market value'. This goodwill can be amortised over 15 years, reducing taxable profits and minimising cash tax for the foreseeable future.

The only other applicable taxes for shareholders outside the US are potentially withholding taxes on dividends. The default rate of these is 30%, although most developed markets (including the UK) benefit from bilateral treaties which reduce the rate. Under the current US-UK income tax treaty, dividends from the US to the UK subsidiary can be paid free of withholding taxes. Alternative repatriation routes are also available, such as intercompany loans (Article 11), and management fees for services performed outside of the US (Article 7).

Licence terms

Licences in the region are indefinitely held, according to production. That is, as long as hydrocarbons are being produced, the production licence is valid. Operators have a 12-month window from cessation of production of the licence (to allow for technical work etc to restore production), after which an abandonment plan must be submitted to the regulator. Grace is available and common sense applied, which can allow for further extensions upon application to the regulator.

Reference: WM1-4SZ-W7JY0VX1

Income statement		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Sales	**$m**	**57.2**	**131.2**	**134.4**	**112.1**
Cost of sales	$m	-20.7	-36.2	-38.0	-34.6
Gross profit	**$m**	**36.6**	**95.0**	**96.4**	**77.5**
Operating expenses	$m	-6.8	-11.0	-11.0	-11.0
EBITDA (adjusted)	**$m**	**29.7**	**84.0**	**85.4**	**66.5**
Depreciation	$m	-12.6	-30.1	-34.9	-31.2
Amortisation	$m	0.0	0.0	0.0	0.0
EBIT (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
Associates/other	$m	0.0	0.0	0.0	0.0
Net interest	$m	0.0	0.0	0.0	0.0
PBT (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
restructuring costs	*$m*	*0.0*	*0.0*	*0.0*	*0.0*
share based payments	*$m*	*-1.0*	*-1.0*	*-1.0*	*-1.0*
other adjustments	*$m*	*-9.3*	*0.8*	*0.8*	*0.8*
Total adjustments	$m	-10.3	-0.3	-0.3	-0.3
PBT (reported)	**$m**	**6.9**	**53.6**	**50.2**	**35.0**
Tax charge	$m	0.0	0.0	0.0	0.0
tax rate	*%*	*0.0*	*0.0*	*0.0*	*0.0*
Minorities	$m	0.0	0.0	0.0	0.0
Earnings (reported)	**$m**	**6.9**	**53.6**	**50.2**	**35.0**
Tax effect of adjustments / other	$m	0.0	0.0	0.0	0.0
Earnings (adjusted)	**$m**	**17.2**	**53.9**	**50.4**	**35.3**
shares in issue (weighted average)	*m*	*651.1*	*651.1*	*651.1*	*651.1*
shares in issue (fully diluted)	*m*	*837.6*	*837.6*	*837.6*	*837.6*
EPS (adjusted, fully diluted)	**c**	**2.0**	**6.4**	**6.0**	**4.2**
EPS (basic)	c	1.1	8.2	7.7	5.4
DPS	**c**	**0.0**	**0.61**	**0.61**	**0.61**

Growth analysis (adjusted basis where applicable)		2026E	2027E	2028E	2029E
Sales growth	%	n/m	129.3%	2.5%	-16.6%
EBITDA growth	%	n/m	182.5%	1.7%	-22.1%
EBIT growth	%	n/m	213.8%	-6.4%	-30.0%
PBT growth	%	n/m	213.8%	-6.4%	-30.0%
EPS growth	%	n/m	213.8%	-6.4%	-30.0%
DPS growth	%	n/m	n/m	0.0%	0.0%

Profitability analysis (adjusted basis where applicable)		2026E	2027E	2028E	2029E
Gross margin	%	63.9%	72.4%	71.7%	69.1%
EBITDA margin	%	52.0%	64.0%	63.5%	59.3%
EBIT margin	%	30.0%	41.1%	37.5%	31.5%
PBT margin	%	30.0%	41.1%	37.5%	31.5%
Net margin	%	30.0%	41.1%	37.5%	31.5%

Source: Cavendish estimates, Company data

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Cash flow		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
EBITDA (adjusted)	$m	29.7	84.0	85.4	66.5
Net change in working capital	$m	0.0	0.0	0.0	0.0
Profit/(loss) on sale of assets	$m	0.0	0.0	0.0	0.0
Net pensions charge	$m	0.0	0.0	0.0	0.0
Change in provision	$m	0.0	0.0	0.0	0.0
Other items	$m	-8.3	1.7	1.8	1.8
Cash flow from operating activities	**$m**	**20.5**	**84.7**	**86.1**	**67.2**
Cash interest	$m	0.0	0.0	0.0	0.0
Tax paid	$m	0.0	0.0	0.0	0.0
Capex	$m	-22.8	-19.1	-33.1	-27.3
Other items	$m	-2.8	-12.2	-8.3	-6.4
Free cash flow	**$m**	**-5.1**	**53.4**	**44.7**	**33.5**
Disposals	$m	0.0	0.0	0.0	0.0
Acquisitions	$m	-70.8	0.0	0.0	0.0
Dividends on ord shares	$m	0.0	-4.0	-4.0	-4.0
Other cashflow items	$m	0.0	0.0	0.0	0.0
Issue of share capital	$m	87.9	0.0	0.0	0.0
Net change in cash flow	**$m**	**12.0**	**49.4**	**40.7**	**29.5**
Opening net cash (debt)	$m	0.0	8.3	57.7	98.4
Closing net cash (debt)	**$m**	**8.3**	**57.7**	**98.4**	**127.9**

Cash flow analysis		2026E	2027E	2028E	2029E
Cash conversion (op cash flow / adjusted EBITDA)	%	68.9%	100.9%	100.9%	101.1%
Cash conversion (free cash flow / adjusted EBITDA)	%	-17.2%	63.6%	52.4%	50.5%
Underlying free cash flow	$m	5.1	42.4	42.9	29.6
Cash quality (underlying FCF / adjusted earnings)	%	29.7%	78.7%	85.0%	84.0%
Investment rate (capex / depn)	x	1.8	0.6	0.9	0.9
Interest cash cover	x	n/m	n/m	n/m	n/m
Dividend cash cover	x	n/m	13.3	11.2	8.4

Source: Cavendish estimates, Company data

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Balance sheet		2026E	2027E	2028E	2029E
Year end:		Dec	Dec	Dec	Dec
Tangible fixed assets	$m	80.8	69.5	67.4	63.3
Goodwill	$m	0.0	0.0	0.0	0.0
Other intangibles	$m	0.3	0.5	0.8	1.0
Other non current assets	$m	0.0	0.0	0.0	0.0
inventories	*$m*	*0.0*	*0.0*	*0.0*	*0.0*
trade receivables	*$m*	*0.0*	*0.0*	*0.0*	*0.0*
trade payables	*$m*	*0.0*	*0.0*	*0.0*	*0.0*
Net working capital	$m	0.0	0.0	0.0	0.0
Other assets	$m	0.0	0.0	0.0	0.0
Other liabilities	$m	2.8	15.1	23.4	29.8
Gross cash & cash equivalents	$m	8.3	57.7	98.4	127.9
Capital employed	**$m**	**92.1**	**142.8**	**189.9**	**222.0**
Gross debt	$m	0.0	0.0	0.0	0.0
Net pension liability	$m	0.0	0.0	0.0	0.0
Shareholders equity	$m	92.1	142.8	189.9	222.0
Minorities	$m	0.0	0.0	0.0	0.0
Capital employed	**$m**	**92.1**	**142.8**	**189.9**	**222.0**

Leverage analysis		2026E	2027E	2028E	2029E
Net bank debt / equity	%	no debt	no debt	no debt	no debt
Net bank debt / EBITDA	x	no debt	no debt	no debt	no debt
Liabilities / capital employed	%	0.0%	0.0%	0.0%	0.0%

Working capital analysis		2026E	2027E	2028E	2029E
Net working capital / sales	%	0.0%	0.0%	0.0%	0.0%
Net working capital / sales	days	0	0	0	0
Inventory (days)	days	0	0	0	0
Receivables (days)	days	0	0	0	0
Payables (days)	days	0	0	0	0

Capital efficiency & intrinsic value		2026E	2027E	2028E	2029E
Adjusted return on equity	%	18.6%	37.7%	26.5%	15.9%
RoCE (EBIT basis, pre-tax)	%	18.6%	37.7%	26.5%	15.9%
RoCE (underlying free cash flow basis)	%	5.5%	29.7%	22.6%	13.4%
NAV per share	c	14.2	21.9	29.2	34.1
NTA per share	c	14.1	21.9	29.1	33.9

Source: Cavendish estimates, Company data

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Investment risk

Investing in shares presents risks and opportunities. The past is not necessarily a guide to the future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. The information on future performance in this communication is an illustration and is not a reliable guide to actual future performance.

Non-UK stocks

International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

Emerging markets

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Definition of research recommendations
Expected absolute returns
BUY is an expected return greater than 10%
HOLD is an expected return -10% - +10%
SELL is an expected return less than -10%
UNDER REVIEW: recommendation and/or forecasts are under review pending further clarity as to the company's financial and/or operational position
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Distribution of investment recommendations as per 22/10/2026

	Corporate client no.	Corporate client %	Total no.	Total %
Buy	95	75.4%	157	77.7%
Hold	0	0.0%	9	4.5%
Sell	0	0.0%	1	0.5%
Under Review	0	0.0%	1	0.5%
Corp	31	24.6%	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	9.4p	19.0p

Source: Cavendish

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