BLOE AIMX Block Energy PLC

Interim Results · RNS 4525W · 28 September 2026

Block Energy interims: partner deals advance, but production falls and going-concern warning stays

Share price	0.82p
Market cap	£12.0m
52-week range	0.6p - 1.9p
Shares in issue	1469.8m
12-month change	-5.9%

Ticker Data API, as at 29 Oct 2026, 11:13

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SUMMARY

Block Energy's interim results today showed a company making commercial progress while its producing base weakens. In the six months to 30 June 2026 it completed the Aspect XIQ farm-out, signed a binding Framework Agreement with Sanning for Project III and entered offshore Gabon. Production, however, fell to 374 boepd from 483 boepd, revenue slipped to US$2.887 million and operating cash flow turned to a US$415,000 outflow. Cash of US$2.690 million came from a share placing at 1.1p, not from the business. The directors retain a material uncertainty over going concern, and a US$2.0 million secured loan falls due in August 2027.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Average daily production	374 boepd	H1 2026	From 483 boepd in H1 2025
Revenue	US$2.887 million	H1 2026	From US$3.380 million in H1 2025
Weighted average realised oil price	US$80.6/bbl	H1 2026	From US$60.5/bbl in H1 2025
Adjusted EBITDA (group)	US$56,000	H1 2026	From US$81,000 in H1 2025
Net cash from operating activities	-US$415,000	H1 2026	From US$171,000 generated in H1 2025
Cash and cash equivalents	US$2.690 million	30 June 2026	From US$1.493 million at 31 December 2025
Advances to Pilgrim (convertible loan note)	US$4.312 million	30 June 2026	US$1.688 million undrawn of a US$6.0 million facility
Secured loan	US$2.0 million	Due August 2027	
Ordinary shares in issue	1,469,379,955	30 June 2026	From 1,011,647,492 at 31 December 2025
Share price	0.82p		Below the 1.1p placing price

Sources: Interim Results RNS, 28 Sep 2026; Interim Results RNS, 28 Sep 2026 (note 9); Interim Results RNS, 28 Sep 2026 (note 8); Ticker market data

THE ANNOUNCEMENT

- First-half production fell to 374 boepd (1H 2025: 483 boepd), blamed on mature-field decline and intermittent downtime of artificial-lift equipment; revenue fell to US$2.887 million despite a higher realised oil price of US$80.6/bbl (1H 2025: US$60.5/bbl).
- Group adjusted EBITDA was US$56,000 and the loss was US$659,000; net cash used in operating activities was US$415,000, against US$171,000 generated a year earlier.
- The XIQ farm-out to Aspect completed, with Block fully carried through a staged programme estimated at about US$95 million gross; the Aspect-funded Martkopi 3D seismic was about 70% acquired by 21 September and is expected to finish by mid-October.
- A binding Framework Agreement with Sanning provides up to US$75 million of carry on Project III (2.77 Tcf gross 2C gas), with Block keeping 49% and operatorship; definitive documents are described as well advanced but are not yet signed, and appraisal is planned for H1 2027.
- Block advanced US$4.312 million to Pilgrim under a secured convertible loan of up to US$6.0 million tied to the Ndjila and Mpari PSCs offshore Gabon; until conversion it holds no interest in the PSCs or control of Pilgrim.
- Cash rose to US$2.690 million after a £4.7 million placing and retail offer at 1.1p; the directors again flag a material going-concern uncertainty, citing oil price and production risks and the US$2.0 million loan due August 2027.

AGAINST GUIDANCE

The full-year results on 1 June 2026 targeted definitive Sanning documentation for the second half of 2026, with operations in the first half of 2027; today's update says the documents are well advanced but unsigned, and keeps H1 2027 for appraisal, subject to completion and approvals. The Aspect seismic, which the June operations update said would start in July and run about three months, is now expected to complete acquisition by mid-October. On the producing side, the 1H 2025 interim had described production as stable; this half it fell materially.

BULL CASE

- Block has shown it can land partners: the Aspect farm-out completed and the carried seismic is visibly under way, while Sanning is a binding framework offering up to US$75 million of carry on 2.77 Tcf of gross 2C gas.
- Several potential 2027 catalysts are lined up—seismic interpretation and drilling decisions at Martkopi, Project III appraisal, and preliminary partner talks on Gabon's four historical discoveries.
- The share price, below the 1.1p placing price, gives little credit to Sanning, Gabon or higher oil, so a signed and approved Sanning deal or a Gabon partner that recycles Block's advances could exceed subdued expectations.
- Higher oil prices, with Brent at 108 $/bbl against H1's US$80.6/bbl realised, could lift second-half receipts if well interventions stem the production decline.

BEAR CASE

- The producing business is not funding the group: Georgian adjusted EBITDA of US$794,000 was almost entirely absorbed by US$738,000 of corporate costs, and operating cash flow was negative. Partner carries pay for seismic and drilling, not head-office costs.
- The US$2.0 million loan falls due in August 2027, the directors retain a material going-concern uncertainty, and cash came from a placing that lifted the share count sharply—pointing to likely further dilution before any value-crystallising event.
- Gabon is currently a US$4.312 million loan receivable with no PSC interest or control until conversion, with a further US$1.688 million available to draw and up to US$4.0 million of non-cash support committed.
- Timetables are already stretching: Sanning's definitive documents were targeted for H2 2026 and remain unsigned; resources quoted are unrisked prospective and contingent estimates, not reserves.

WHAT TO WATCH

- Signing of the Sanning definitive agreements and government approval, with a firm appraisal start and clarity on any costs Block recovers.
- A credible plan to repay or refinance the US$2.0 million loan due August 2027 without heavy dilution.
- Whether second-half production stabilises and higher oil prices turn operating cash flow positive.
- Any Gabon farm-out or partner deal, and whether Block draws the remaining Pilgrim facility without one.

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