Prospex Energy

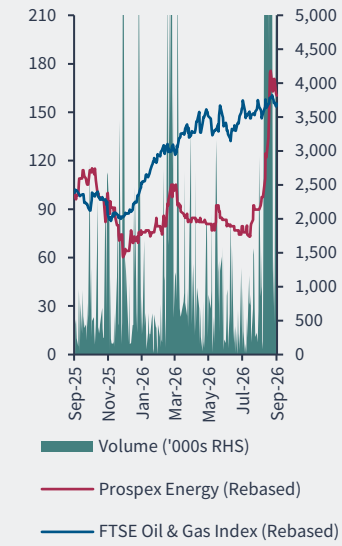
Poland Site Visit: High Impact Lateral Drilling Plans to Recover ~4mmbbl Oil from a Single Prospect

GICS Sector	Energy
Ticker	AIM: PXEN
Market cap 23-Sep-26 (US$mm)	35
Share price 23-Sep-26 (GBp)	6.0

NAV summary (p/sh)

Asset	Unrisked	Risked
Cash & other	0.1	0.1
2P+2C	9.3	7.9
Exploration	32.4	8.4
Total NAV	**41.8**	**16.4**

Source: H&Pe



Source: S&P CapIQ

Poland is shaping up as a material value driver

Hannam & Partners visited Prospex's Dunajec licence in southern Poland with its management and technical team. Prospex has progressed quickly after acquiring the licence and in under six months has moved from analysing raw legacy data to an executable development plan. Prospex's technical team has seen a strong analogue to Mniszów in the Salt Flat field in Texas, where horizontal drilling lifted output from ~6bbl/d to ~3,000bbl/d and which has led the company to pursue eight horizontal wells rather than the ~15 vertical wells initially planned. Execution risk is also reducing as workable pilot sites with good historic well control have been identified and meetings with in-country suppliers have firmed up the well design and costs. The operating environment is very supportive compared to the rest of Europe, with contractors keen to work in Poland, where licences are seen as executable and rigs, crews and services are available locally. Next steps are shooting 2D seismic in Q1'27, a preliminary CPR and a farm-down, with several parties in talks ahead of taking FID around the end of Q1'27 and the pilot drilling on track for Q4'27.

Impressive economics from an eight-well development

Prospex's revised development plan targets the same ~3.7mmbbl with eight horizontal wells, around half the number initially planned, each with an initial production rate of ~300bbl/d. The pilot development well will be drilled in Q4'27 as a vertical well cased to the top of the reservoir, with a ~400m open-hole lateral drilled with coiled tubing, followed by four wells in 2028 and three infill wells from 2029. Capex to first production is ~€5mm. We model production peaking at ~1.8kbbl/d in 2030 for total capex of ~€33mm (~€9/bbl) and life-of-field opex of ~€6.7/bbl. At peak, this generates EBITDA of ~€32mm and FCF of ~€27mm, with payback in 2030 and an IRR of ~89% at US$70/bbl Brent. Prospex's 100% ownership should allow it to fund the programme through an asset-level farm-down rather requiring equity. The company is expecting to confirm a farm-out partner in Q4'26 with FID around the end of Q1'27. Early cash flow and a CPR validated by the pilot should then support debt funding for later phases.

Other assets: progress across the portfolio

At El Romeral, the plant is now dispatching into higher-priced peak hours. In Italy, a decision on the Selva environmental impact assessment is expected around year-end, ahead of a back-to-back four-well programme in 2027 that includes a deeper exploration target, alongside an updated CPR. We currently attribute 2.3p/sh of risked value (12.2p/sh unrisked) to Selva's prospective resource inventory beyond the existing 2P and 2C volumes, highlighting the material leverage to drilling success and resource upgrades that could emerge from the new seismic interpretation and CPR process. At Viura, the operator is planning an injectivity test so that produced water can be reinjected on site, lowering disposal costs.

Valuation: risked NAV of 16p/sh provides ~170% upside

Our risked NAV is unchanged at 16.4p after adjusting our model for the revised development plan at Mniszów. The higher production and higher revenues in the early years due to the laterals is offset by the higher capex and opex. The Polish oil asset offers high margins, resulting in an unrisked NPV of €60mm (~US$70mm) and a ~89% IRR. We risk this at a 50% geological and 50% commercial CoS, reflecting the relatively early stage in development and wider development contingent on early well success, which results in a risked NAV of 2.5p/sh (alone is ~40% of the share price). Prospex also offers strong leverage to today's elevated European gas prices, with every 10% increase in our long-term TTF forecast adding ~8% to our risked NAV.

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Site Visit Key Takeaways

Hannam and Partners visited Prospex's Dunajec licence in southern Poland with the management and technical team in September. The team walked the ground over the mapped Mniszów field, through which the Wistula river runs, screened candidate pilot well locations around legacy wells, visited active well sites on the neighbouring Grobla field and met in-country service providers. The key takeaway from this trip was the pace of progress, with Prospex moving from raw legacy data at licence award in April to an executable development plan in under six months, with 2D seismic planned for Q1'27 and a pilot well targeted for Q4'27.

Mniszów field area - aerial view



Source: Prospex

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Highlights of the trip

Legacy well



Source: Prospex

Active neighbouring production: Wells on the neighbouring Grobla field, a couple of kilometres from Mniszów and producing from the same Jurassic limestone are still active. This confirms the reservoir produces commercially and that oilfield activity is established in the area. We see this as a strong readthrough for the acreage Prospex is sitting on.

Revised development plan: Seeing the ground firsthand gave the team a better idea on the development plan. This has resulted in a revised plan with more details built on analogue fractured-limestone fields, based on horizontal wells rather than the vertical wells used historically. Horizontal wells should deliver materially higher early production (~300bbl/d initial rate assumed per well), bringing cash flow forward.

Pilot sites identified: The team screened candidate pilot locations around the legacy M-17 and M-18 wells. These combine good historic well control with access for heavy equipment and higher, non-flood ground, so there are workable surface options for the pilot ahead of permitting.

Clear picture on opex: Meetings with suppliers in-country gave costings and firmed up the coiled-tubing lateral design. Contractors also see laterals of 1,200–1,400m as achievable in later wells, against ~400m for the pilot, which offers upside to per-well recovery. This gives Prospex a better handle on what the actual costs look like to ascertain well economics.

Local services: A third-party gas well workover nearby was being run with an 80t rig and double-barrier pad containment, showing that rigs, crews and operating standards are already available locally.

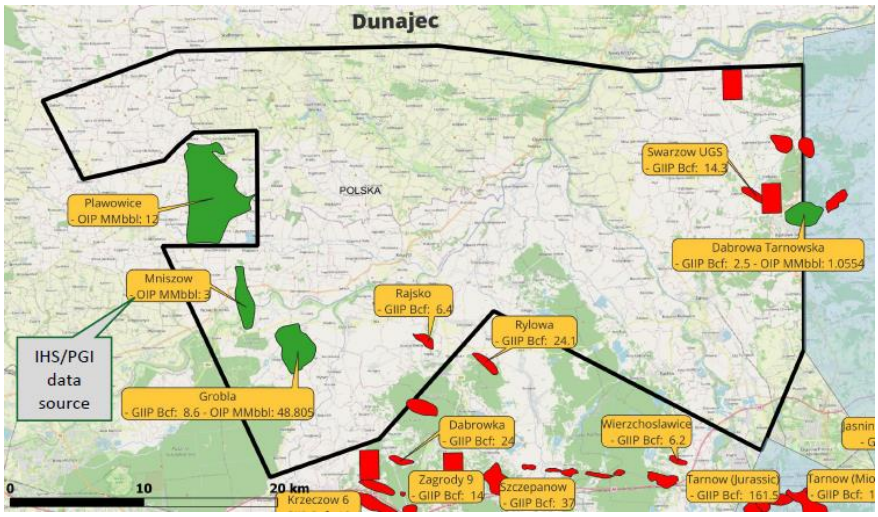
Low cost partnerships for geo-analysis: Links with Kraków universities give Prospex low-cost access to specialist core analysis (micro-coring work needs only ~1-inch core) and to geological databases, reducing the cost of subsurface work ahead of drilling.

Contractor availability: Contractors, including Dutch and Aberdeen-based providers, who Prospex have a working relationship with, were positive on working in Poland because awarded licences are seen as executable, which supports the timeline to a Q4'27 pilot.

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Mniszów

Dunajec licence area



Source: Prospex

Mniszów is a shallow (~600m), fractured-carbonate oil discovery sitting between two historically commercial oil fields: Pławowice to the north (discovered in 1963, 12mmbbl of oil in place and ~4.7mmbbl produced to date) and Grobla to the south (discovered in 1962, 48mmbbl of oil and 9bcf of gas in place, with >20mmbbl and 5bcf produced). Following the first oil shows at Grobla-1 in 1961, activity focused on developing these two fields. On site, management noted ~130 wells across the broader Pławowice area, of which ~80 became producers, all vertical; the best recovered ~200kbbl, and some wells in the adjacent development came on at up to ~650bbl/d from thicker pay.

A mid-1960s campaign on the Mniszów and Hebdów blocks then drilled ~30 wells with oil shows, several testing oil to surface, with G-24, G-29 and M-3 classified as oil producers; G-24 produced ~3,000bbl over a 30-month test and M-3 flowed ~45bbl/d following an acid job. Two further vertical wells, M-17 and M-18, were drilled in 1979 and both tested oil but were plugged due to low rates. The field was never developed, as resources were allocated to its better-performing neighbours, but this has left behind a large body of historic data.

Legacy well



Source: Prospex

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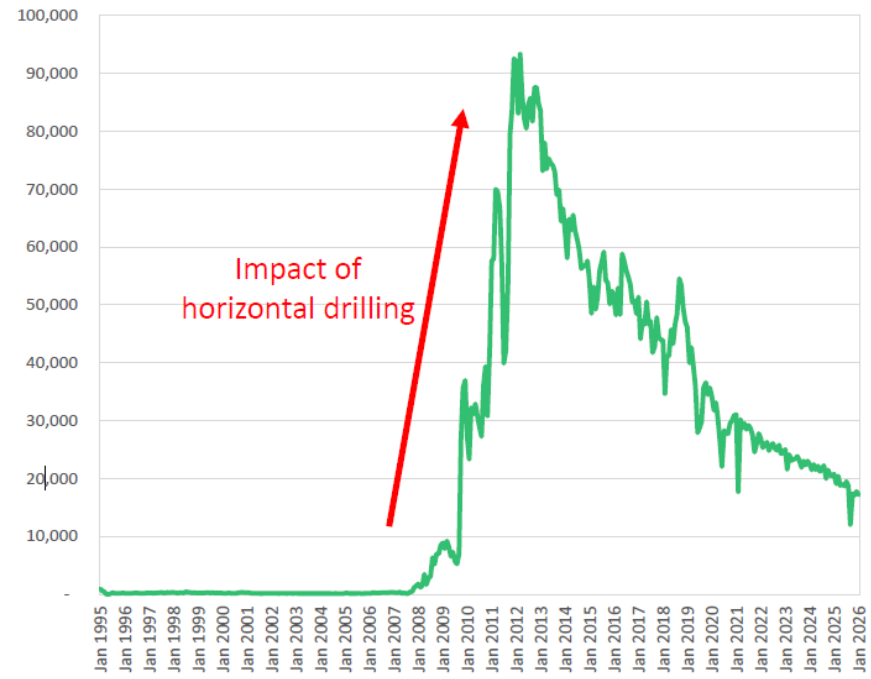
Prospex has assessed data from over 30 wells, including 18 with open-hole logs and 13 with final well reports, integrating formation tops, well tests and core data to map the structure; no seismic was used, as legacy lines are of poor quality and limited coverage. During the visit, the geoscience team explained that the legacy logs are sufficient to correlate reservoir tops, bases and pay, while M-17 and M-18, close to the candidate pilot locations, carry acoustic logs that are rare in the legacy set and should help tie the wells to the new seismic. The field is bounded by regional east-west faults and dips to the east, with oil-water contacts proven by well tests at 505m true vertical depth subsea (TVDSS) in Mniszów South and 430m TVDSS in Mniszów North.

The reservoir is ~10m of Upper Jurassic fractured limestone overlain by 1–2m of Cenomanian sands and conglomerates, thicker than the 6.6m of limestone that has produced commercially at Pławowice and the field has all the elements of a working petroleum system (Devonian–Silurian source rocks, Oxfordian limestone reservoir and Senonian marl seal). On this basis, **Prospex estimates ~13mmbbl of oil in place (STOIIP) and ~3.7mmbbl of recoverable reserves**, well above the ~2mmbbl in place estimated previously.

Modern drilling to unlock the fractures

A key conclusion from the visit is that Mniszów is a production-engineering project rather than an exploration play. The limestone is naturally tight, with permeability provided by natural fractures and the historic vertical wells (state of the art at the time) intersected only a limited number of them. Even so, several vertical wells at Pławowice achieved natural rates of >100bbl/d and EURs of up to ~200kbbl. **Prospex's view is that a horizontal lateral, drilled north-south and perpendicular to the east-west fracture system, will connect significantly more of the fracture network compared to a vertical well, which is exposed to only ~10m of reservoir against ~400m or more for the pilot lateral, lifting both flow rates and ultimate recovery.**

Production at Salt Flat field, Texas (bbl/month)



Source: Prospex

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International analogues support this as well. In Oklahoma, SandRidge's development of the Mississippi Chat fractured limestone, a reservoir of similar thickness (~18m) but deeper (900–1,800m) and with higher water saturation (35–65%), delivered EURs of 300–500kbbl per horizontal well using 1,200–1,800m laterals. In Texas, the Salt Flat field, a tight fractured limestone produced by vertical wells since the 1930s, saw output rise from ~6bbl/d to ~3,000bbl/d after operators switched to horizontal drilling between 2007 and 2010, almost seventy years into the field's life.

Management have looked at several ways of drilling the well. Radial acid jetting, which uses high-pressure acid to cut short channels out from the wellbore, was ruled out because the channels cannot be steered, while a conventional directional well drilled at an angle from surface would need a larger rig and cost more. Prospex has chosen a vertical well design drilled to the top of the reservoir and lined with steel casing, after which coiled tubing is used to drill a horizontal section through the reservoir. As the limestone is strong enough for the wellbore to stay open without support, this section can be completed open hole, leaving its full length exposed for oil to flow in. Acid can be pumped in to widen the fractures if needed and rod pumps can lift oil to surface to boost rates. Contractors indicated that horizontal sections of 1,200–1,400m could ultimately be achievable, against ~400m for the pilot.

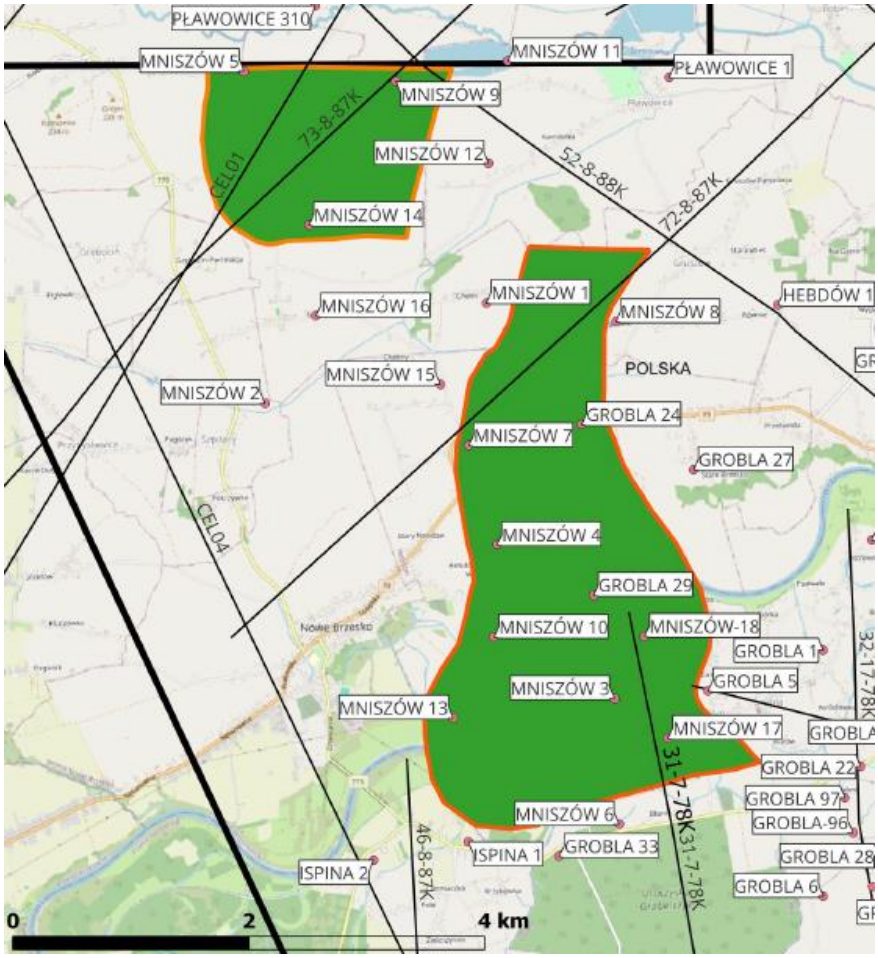
The three local fields sit on an aquifer, which pushes oil towards the wells and keeps reservoir pressure up. Historic wells drilled close to the oil-water contact began producing water early, although only after good oil rates and recoveries. The horizontal sections will therefore be placed well above the contact, with the pilot designed to test how the aquifer behaves.

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Development plan

The development plan has changed since our previous note. Following a full review of the historic data, analogue performance and input from service providers on well design, Prospex has moved from a ~15-well development (~250kbbl EUR per well) to a smaller but higher-impact programme of 8 lateral wells, each expected to deliver an initial production (IP) rate of ~300bbl/d and an EUR of up to 450kbbl. This targets the same ~3.7mmbbl of recoverable oil with around half the number of wells.

Mniszów development area



Source: Prospex

The plan runs in three phases. First, ~37-line km of 2D seismic will be acquired in Q1'27 to confirm reservoir continuity, top depth and thickness, map major faults and evaluate the updip extent of the reservoir where well control is limited, which offers potential upside to volumes. A 3D survey has been deferred until after the pilot to keep costs down at this stage and will be more useful to plan future development wells.

The pilot well, Mniszów X-1, is targeted for Q4'27 in the core of the field, where historic well control is strongest and at the intersection of the planned seismic lines. It will be drilled vertically and cased to the top of the reservoir, taking core and electrical and image logs, before a ~400m (or longer) open-hole lateral is drilled with coiled tubing. During the visit, the team screened candidate surface locations around the M-17 and M-18 wells, prioritising well control, distance from housing, access for heavy equipment and higher, non-flood ground away from the river floodplain. We also saw a nearby third-party gas well workover in progress, underlining the depth of local services and the operating standards in the region.

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Neighbouring Lachowice 7 Well site ongoing workover

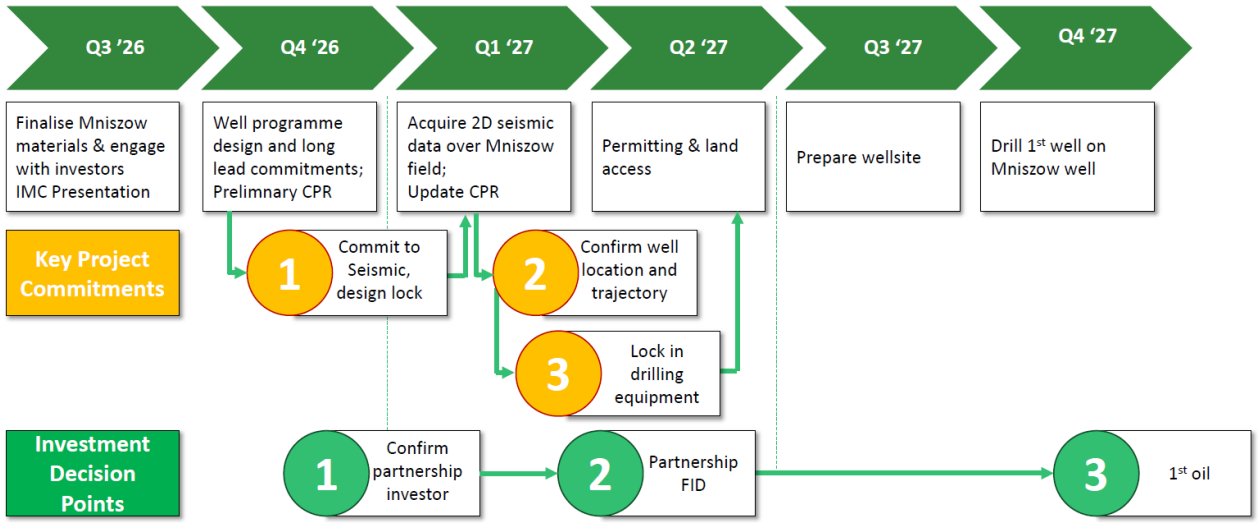


Source: Prospex

Assuming success at the pilot, a four-well programme would follow in late 2028, with an evolved completion design incorporating learnings from the pilot and potentially longer or multiple laterals, with the bulk of production from these wells coming in 2029. A final programme of 3–5 infill wells from 2029 onwards would maximise recovery, with the base case assuming three. The phasing allows cash flow from earlier wells to be recycled into later programmes and optimisations to be rolled forward into each subsequent well.

Funding and next steps

Development timeline for Poland



Source: Prospex

Prospex intends to fund Mniszów at the asset level rather than through Prospex equity. Its 100% ownership allows it to farm down part of the project at a valuation reflecting the asset itself, rather than Prospex's share price, making it non-dilutive for shareholders. Prospex has started talking to several players including industrial partners, gas companies and financial investors who are currently reviewing the data. Management expects to confirm a partner in Q4'26, with a final investment decision (FID) in H1'27. Thereafter, cash flow from early wells and a CPR validated by the pilot should support debt funding for later phases.

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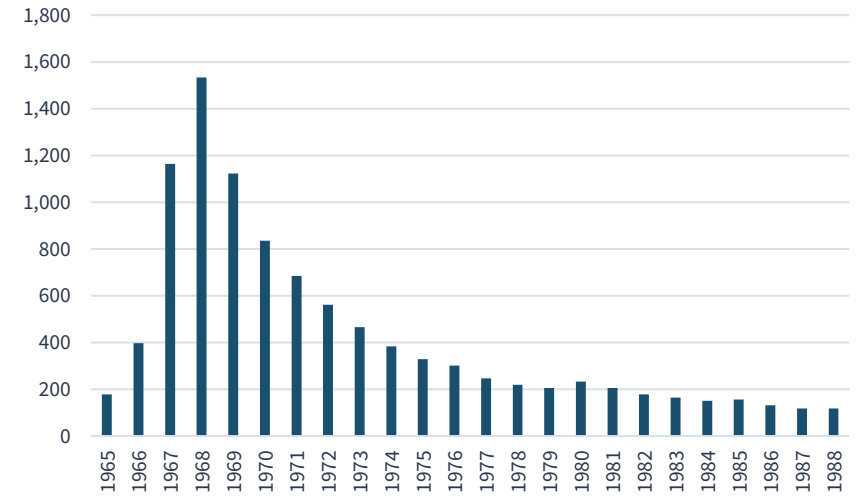
Near term, Prospex is designing the well programme, securing long-lead items and instructing a preliminary CPR to independently verify its in-house estimates, which will be updated following the seismic. Q4'26 should see commitment to the seismic and a design lock, followed by permitting and land access in Q2'27, wellsite preparation in Q3'27 and drilling in Q4'27. Contractors met during the visit were positive on Poland, where awarded licences are seen as executable and domestic production carries political support.

Prospex is also working with universities in Kraków and Warsaw, which gives it low-cost access to specialist subsurface expertise. Academic partners can run micro-coring, porosity and permeability measurement and flow simulation on core as small as ~1 inch in diameter, reducing the need to cut costly full-diameter cores. Universities also receive discounts on geological database licences, allowing initial investigative work to be carried out at a fraction of the commercial cost. For a company of Prospex's size, this materially lowers the cost of de-risking the subsurface ahead of drilling.

Beyond Mniszów, the San licence (with three gas leads identified by the Polish Geological Institute) and the wider Dunajec gas plays offer separate partnering opportunities for investors with an appetite for exploration.

Economics

Plawowice production profile (bbl/d)

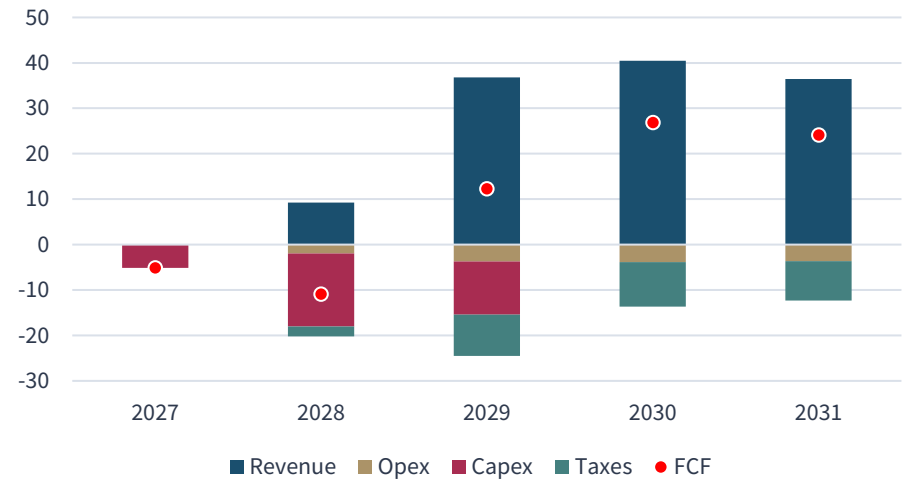


Source: Prospex

Our well profile is aligned with Prospex's revised development plan which now includes the horizontal well designs, with each well recovering ~450kbbl. Wells come onstream the year after drilling, averaging at an IP rate of ~300bbl/d, before declining at ~10% a year thereafter.

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Poland full field development: Cashflow split (€mm)



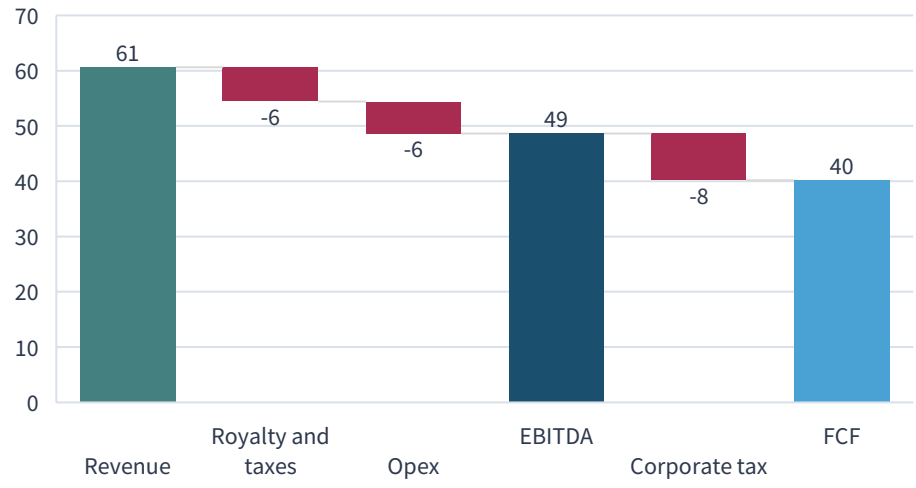
Source: H&Pe

We model the eight-well development in line with Prospex's plan: the pilot in 2027, a four-well programme in 2028 and three infill wells in 2029. Production starts at ~420bbl/d in 2028, rises to ~1,660bbl/d in 2029 and peaks at ~1,830bbl/d in 2030 once all eight wells are onstream, before declining through to 2035. In total, this recovers ~3.6mmbbl.

We assume a flat Brent price of US$70/bbl (€60.6/bbl) from 2027 onwards, which translates into a gross revenue of ~€9mm in 2028, rising to a peak of ~€40mm in 2030. A 6% royalty is applied to gross oil revenues. Two further Polish taxes apply: an oil-and-gas extraction tax levied volumetrically at ~€2.3/bbl and a real-estate tax charged at 2% per year on the value of immovable surface infrastructure, which we assume at ~20% of cumulative capex.

Fixed opex is €1.0mm a year for the pilot, with the second and third programmes adding €0.475mm and €0.3mm a year respectively (~€1.8mm a year at full field), plus a variable cost of ~€3.2/bbl, including trucking crude from the wellsite to a local aggregation depot. Over the life of the field, opex averages ~€7/bbl.

FCF build up in 2030 (€/bbl)



Source: H&Pe

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This drives EBITDA of ~€6mm in 2028, rising to ~€29mm in 2029 and a peak of ~€32mm in 2030. Total capex for the eight wells is ~€33mm (~€9/bbl), phased across 2027–2029, with the pilot at ~€5mm and subsequent wells at ~€4mm each as multi-well programmes bring efficiencies and no additional infrastructure or plant cost since the oil is trucked rather than piped. Income is taxed at 19% in Poland. Post-tax operating cash flow reaches ~€24mm in 2029 and ~€27mm in 2030. FCF is negative in 2027 and 2028 as the first two programmes are drilled, turns positive at ~€12mm in 2029 and steps up to ~€27mm in 2030 once drilling is complete, with payback in 2030.

Discounting at 10%, this generates an unrisked NPV of €60mm (~US$70mm or ~US$19/bbl), equivalent to ~10p/share, with an IRR of ~89%. We carry a geological chance of success of 50%, reflecting the relatively early stage in development and the need to shoot 2D seismic plus an independent CPR and a commercial chance of success of 50%, given the wider programme is contingent on early-well success and on securing capital. Applying both, we arrive at a risked NAV of €15mm, or 2.5p/share. The NAV is sensitive to oil prices: 4% higher at US$80/bbl.

Sensitivity of Poland's risked NAV to Brent price and discount rate (€mm)

		Brent price (US$/bbl)				
		$50	$60	$70	$80	$90
Discount Rate	5.0%	€11	€15	€20	€25	€29
	7.5%	€9	€13	€17	€21	€25
	10.0%	€8	€11	**€15**	€19	€22
	12.5%	€7	€10	€13	€16	€20
	15.0%	€6	€9	€11	€14	€17

Source: H&Pe

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Valuation and NAV

Our favoured valuation methodology is a bottom-up risked NAV, modelling out the various fields and prospects and applying a geological and commercialisation risk to each. In our base-case scenario, we use a long-term flat gas price of €36/MWh (€12/mcf) from 2028, an NGL price of €43/bbl and for Poland we use a flat Brent price of US$70/bbl from 2027. We use an electricity price of €100/MWh for 2026 and €75/MWh from 2027 onwards. We use a USD/EUR FX rate of 1.16 and a USD/GBP FX rate of 1.34 and a 10% discount rate.

Asset	Gross bcf	Propsex W.I.	Net bcf	NPV €/mcf	Unrisked €mm	Unrisked p/sh	Geo. CoS	Comm. CoS	Risked €mm	Risked p/sh
Cash					**€0.2**	**0.0p**			**€0.2**	**0.0p**
Options and Warrants					**€1.6**	**0.3p**			**€1.6**	**0.3p**
Capitalised G&A @2x					**-€2.9**	**-0.5p**			**-€2.9**	**-0.5p**
CLNs (Dec 2025)					**€2.0**	**0.3p**			**€2.0**	**0.3p**
Romeral 2P	0.2	100%	0.2	-€3.8	-€0.7	-0.1p	100%	100%	-€0.7	-0.1p
Viura 2P	85	9.2%	7.8	€2.8	€22	3.6p	100%	80%	€17.4	2.9p
Selva 2P	12	37%	4.5	€4.1	€18	3.0p	100%	100%	€18.1	3.0p
Selva 2C	14	37%	5.2	€3.3	€17	2.8p	100%	75%	€12.7	2.1p
Total 2P and 2C	**111**	**16%**	**17.6**	**€3.2**	**€56.2**	**9.3p**			**€47.6**	**7.9p**
Romeral: 5 Wells	18	100%	18.3	€1.6	€29.0	4.8p	65%	84%	€15.8	2.6p
Romeral: Other	60	100%	60.2	€0.5	€30.1	5.0p	34%	49%	€5.1	0.8p
Selva	82	37%	30.2	€2.5	€74.0	12.2p	31%	61%	€13.8	2.3p
Viura	25	7%	1.8	€1.5	€2.7	0.4p	50%	75%	€1.0	0.2p
Poland - oil	21.6	100%	21.6	€2.8	€60.2	9.9p	50%	50%	€15.0	2.5p
Total exploration value	207	64%	132	€1.5	€196	32.4p			€51	8.4p
Total NAV	**317**		**150**	**€1.7**	**€253**	**41.8p**			**€99**	**16.4p**

Source: H&Pe

Risked NAV build-up



Source: H&Pe

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Our valuation shows that Prospex's project economics are heavily influenced by the prevailing gas prices. We have sensitised Prospex's risked value to our long-term gas price estimate and discount rate to show the range of values based on movements in the macro environment.

Sensitivity of risked NAV to gas price and discount rate

		Long term gas price (€/MWh)						
US$/mcf		U$8	U$10	U$12	U$14	U$17	U$20	U$24
€/MWh		€25	€30	€36	€40	€50	€60	€70
Discount Rate	5.0%	16.0p	18.5p	21.5p	23.5p	28.5p	33.5p	38.5p
	7.5%	13.9p	16.1p	18.7p	20.4p	24.7p	29.0p	33.3p
	10.0%	12.3p	14.1p	**16.4p**	17.9p	21.7p	25.4p	29.2p
	12.5%	10.9p	12.6p	14.6p	15.9p	19.2p	22.5p	25.8p
	15.0%	9.8p	11.3p	13.1p	14.2p	17.2p	20.1p	23.1p

Sensitivity of risked 2P reserves valuation to gas price and discount rate

		Long term gas price (€/MWh)						
		€25	€30	€36	€40	€50	€60	€70
Discount Rate	5.0%	4.7p	5.8p	7.1p	7.9p	10.0p	12.1p	14.2p
	7.5%	4.3p	5.2p	6.3p	7.1p	8.9p	10.8p	12.6p
	10.0%	4.0p	4.8p	**5.8p**	6.4p	8.0p	9.7p	11.3p
	12.5%	3.6p	4.4p	5.3p	5.8p	7.3p	8.8p	10.2p
	15.0%	3.4p	4.0p	4.8p	5.4p	6.7p	8.0p	9.3p

Sensitivity of risked 2P+2C reserves valuation to gas price and discount rate

		Long term gas price (€/MWh)						
		€25	€30	€36	€40	€50	€60	€70
Discount Rate	5.0%	6.7p	8.2p	9.9p	11.1p	14.1p	17.1p	20.1p
	7.5%	6.0p	7.2p	8.8p	9.8p	12.4p	15.1p	17.7p
	10.0%	5.4p	6.5p	**7.9p**	8.8p	11.1p	13.4p	15.7p
	12.5%	4.9p	5.9p	7.1p	7.9p	9.9p	12.0p	14.0p
	15.0%	4.4p	5.3p	6.4p	7.1p	9.0p	10.8p	12.6p

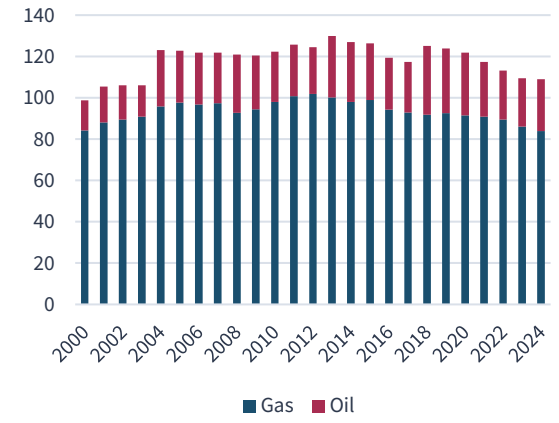
Source: H&Pe

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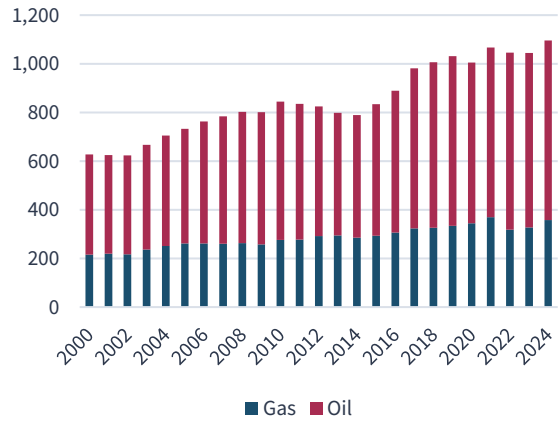
Appendix

Macro

Poland oil and gas production (kboe/d)



Poland oil and gas consumption (kboe/d)



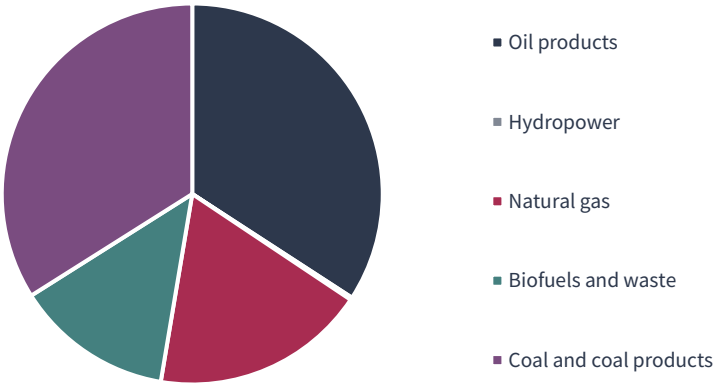
Source: Statbase

Poland is one of Europe's most energy-hungry and, historically, most import-dependent economies. The country produces only a small fraction of the crude it consumes (~30kbbl/d production in 2024 vs imports of around 550 kbbl/d), while coal continues to dominate the wider energy mix and domestic gas output drifts lower (around ~0.4bcf/d bcm against demand of ~2.1bcf/d).

Crude historically arrived from Russian via the Soviet-era Druzhba pipeline, but the Russian share of imports collapsed from around 63% in 2021 to roughly 5% by 2023, and the last Russian crude contract was severed in 2025, replaced by seaborne barrels from Saudi Arabia, Norway and the US landed through the Naftoport terminal at Gdańsk.

Poland ended Russian pipeline gas imports in Q1'23 after six decades of dependency. In its place it has built one of the most diversified import systems in the region with the Świnoujście LNG terminal, the Baltic Pipe carrying Norwegian gas via Denmark, a planned Gdańsk FSRU, and new interconnectors with Lithuania and Slovakia with LNG alone now covering roughly 40% of national gas demand. The net effect is a market in which domestic barrels carry a clear strategic value, and where security of supply domestic production is government policy.

Poland total energy supply mix, 2024



Source: IEA; Note: the total energy supply includes all the energy produced in or imported to a country, minus that which is exported or stored. It represents all the energy required to supply end users in the country.

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Background

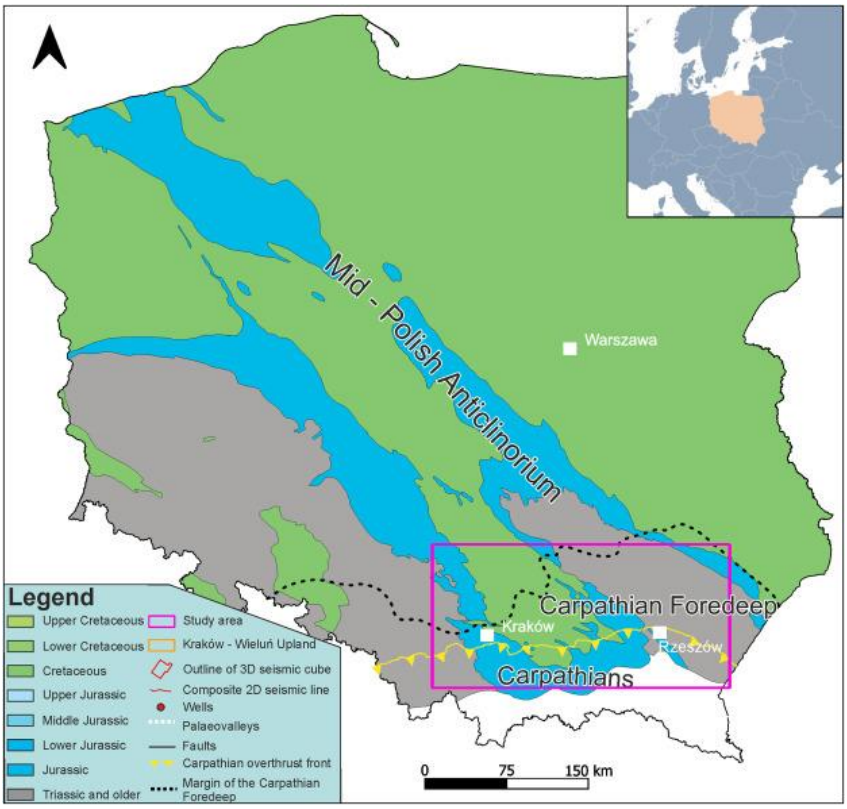
Poland is the birthplace of the modern oil industry: Ignacy Łukasiewicz drilled what is widely regarded as the world's first industrial oil well at Bóbrka in the Carpathian foothills in 1854, and the region has produced oil and gas continuously ever since. That long history has left behind a mature, well-mapped set of basins, extensive legacy well data, and a domestic oilfield-services industry that remains active and available.

The early-2010s shale boom proved a false dawn, with ExxonMobil, Chevron, Marathon and others acquiring acreage and then exiting as results disappointed, but conventional activity has continued. Currently, the country's largest producer is ORLEN group, following its merger with PGNiG in 2022. ORLEN dominates domestic production, also holding significant control over gas imports, distribution pipelines, and underground storage facilities, making it a major force in Poland's gas sector.

The ORLEN group runs the country's two main refineries including Płock, one of the largest in Central Europe and through its Orlen Upstream arm is also the principal domestic E&P operator. With modest national crude output, the refineries run almost entirely on imported feedstock, and beneath the incumbent sits only a few smaller independents.

Production history and geology

Carpathian Foredeep



Source: Science Direct

According to Welligence, as of Jan'26, Poland holds ~250mmboe of oil and condensate reserves and domestic oil production is split across a handful of provinces. The Polish Lowlands in the west host the country's larger onshore accumulations: the BMB complex, the biggest onshore oil field and the LMG field, while the Baltic offshore has long produced modest volumes from the B3 and B8 fields.

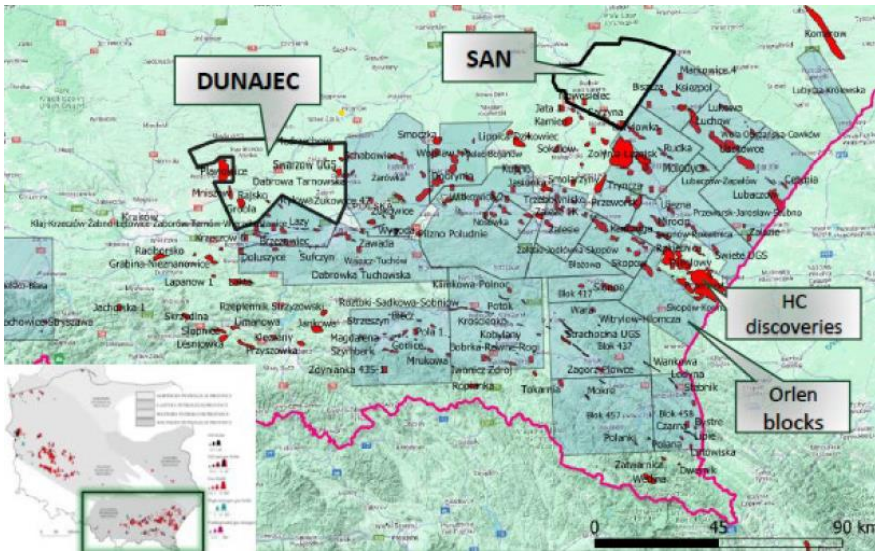
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In July 2025, offshore potential was sharply enhanced when Central European Petroleum (CEP) announced Poland's largest ever conventional hydrocarbon discovery, with 200mmboe in the Wolin East discovery and over 400mmboe in total recoverable resources across the licence.

The other relevant province, where Prospex holds its licences, is the Carpathian Foredeep in the south-east, part of the country's original oil heartland (home to the historic Bóbrka field). Here, shallow Miocene gas including Przemyśl, Poland's largest gas field, overlies older Jurassic/Cretaceous oil plays. This shallow setting is well-understood, infrastructure- and services-rich and under a more supportive and faster-moving permitting regime. It hosts the company's San and Dunajec licences and the Mniszów oil discovery.

San and Dunajec licences

San and Dunajec licence areas



Source: Prospex

Prospex holds 100% of two onshore exploration licences in southern Poland, San and Dunajec, formally awarded in Q2'26 for a consideration of <€300k. Both sit within the Carpathian Foredeep but each has seen very little exploration since 2000, leaving open the opportunity to apply modern imaging to prospectivity that earlier operators overlooked.

The Carpathian Foredeep is a Miocene basin, which supports two stacked play types that map neatly onto Prospex's two licences. The first is shallow, biogenic gas, dry methane held in Badenian–Sarmatian turbiditic sandstones, which has made the fairway between Kraków and Przemyśl one of Europe's more prolific onshore gas provinces, with >100 gas fields discovered, including Przemyśl itself. The second is conventional oil in the older Mesozoic (Jurassic/Cretaceous) carbonates that subcrop beneath the Miocene, the play that sourced the nearby Grobla and Pławowice oil fields.

Geologically the two blocks offer distinct but complementary plays. San lies on a clear Miocene gas trend, on the same fairway as a series of historical gas discoveries holding up to around 200bcf of gas in place. Dunajec, the south-western block, is the more layered of the two: it is surrounded by both Miocene gas accumulations and older Cretaceous/Jurassic oil plays and crucially, it hosts the Mniszów oil discovery.

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On the wider exploration licences, the forward plan involves a licence-obligation high-resolution AeroGravMag survey, budgeted at €400k for the two blocks, which will map the underlying sedimentary basins and highlight priority areas. From there the company would build a lead inventory and look to tie in existing seismic to delineate drillable prospects, ahead of a drill-or-drop decision within a three-year window (earliest drilling around H2'27).

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