

Stock Data

Ticker	BUCE LN
Share Price	0.012p
Market Cap.	£2.8m

Share Price and Volume



Source: Bloomberg

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Energy report

Buccaneer Energy*

BUCE LN

BUY – 0.05p TP

Expands portfolio with entry into European onshore gas development

Buccaneer is now targeting conventional onshore gas opportunities in Europe driven by the region's higher prices and regulatory improvements. The Company has established a technical partnership with Orion Resources (private) to identify, evaluate and develop new potential prospects. An initial shortlist is being progressed that targets a portfolio of up to three low-cost entry projects with 250bcf combined potential and \$0.5bn NPV10.

Compelling opportunity offered by change in European gas market dynamic

Recent changes in the European energy market, including the cessation of Russian gas flows and the Strait of Hormuz disruption to global LNG supply, have driven gas prices higher to currently trade above \$27/mmBtu (~\$160/boe). This has elevated energy security to a strategic policy priority across much of Europe and led to an improving regulatory backdrop for indigenous natural gas exploitation in a number of jurisdictions. Consequently, we have observed an uptick in oil and gas licensing, drilling and M&A activity over the last 12 months.

Agreement with local player to accelerate expansion into Europe

Buccaneer has broadened its strategy to invest in an initial European work programme focused on identifying and securing attractive conventional onshore gas opportunities. The Company's technical team is working alongside a more experienced partner led by Roberto Bencini, Orion Resources, to deliver an initial shortlist of projects in Italy, Czech Republic and Turkey. Three low-cost entry projects are being progressed with combined P50 potential of c.250bcf, which has an estimated NPV10 of ~\$500m based on development success.

New opportunities in the Old World benefit from modern technologies

In a media interview ([link](#)), the CEO outlined the revitalised gas environment in Europe, where several prospective areas are now open to licensing rounds after being off limits for over a decade due to net zero policies that effectively banned new oil and gas developments. Seismic reprocessing capabilities have also advanced significantly in that interim period, which has allowed operators to reduce the subsurface geological risk, while high angle drilling techniques provide an opportunity to lessen the surface environmental footprint.

Plans derisking at high initial interest, then farm-down to funding partners

The next stage will be negotiating with host governments to secure attractive entry terms to high-graded European acreage. The Company will likely target existing gas discoveries that have been previously overlooked, alongside lower risk exploration and appraisal assets that can be derisked towards drilling at minimal cost by reprocessing existing seismic data. At this point, Buccaneer can look to bring in a funding partner to carry its capex costs through the drilling of a new well or development, subject to further commercial evaluation.

No change to Buy rating and 0.05p/sh 12-month target price

In Texas, Buccaneer's operations currently produce c.135b/d and the Company targets growth to ~200b/d by YE26 primarily from the proposed Fouke waterflood programme that is expected to go on stream in 4Q26, subject to approvals. We expect higher oil volumes to generate material free cash flows to pay down debt, redeploy into new European gas projects and potentially invest in inorganic growth opportunities in the US. While higher oil prices have resulted in greater competition for producing assets in Texas, higher European gas prices have triggered a new set of opportunities for growth.

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***SP Angel acts as Corporate Broker to Buccaneer Energy plc**