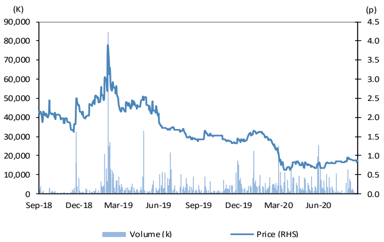
Corporate

Current price	0.875p
Sector	Oil & Gas
Code	DELT.L
AIM	AIM

Share Performance



	1m	3m	12m
DELT.L	+7.3%	+14%	-38.9%

Source: Thomson Reuters, Allenby Capital

Share Data		
Market Cap (£m)		12.3
Shares in issue (m)		1,406
52 weeks	High	Low
	1.65p	0.625p
Financial year end		December

Source: Company Data, Allenby Capital

Key Shareholders	
IPGL (Michael Spencer)	16.8%
Canaccord	14.4%
Lombard Odier	8.2%
Hargreaves Lansdown	8.1%
Janus Henderson	6.7%
Fiske	4.5%

Source: Company Data, Allenby Capital

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Equity Research

Deltic Energy plc (DELT.L)

Entering exciting new phase, six new licences, risked valuation upgrade

Deltic Energy is entering an exciting phase in its development based on its fully funded joint-venture projects with Shell. Preparations are now underway for an exploration well to test the Pensacola Zechstein prospect in the SNS (Southern North Sea). Deltic has indicated that it expects the current contingent well commitment to become firm on schedule by December 1, 2020. Drilling, according to Deltic, should follow in H2 2021. We see scope for positive news flow over the next few months, not least from the evaluation of Shell's recently obtained processed 3-D seismic over Pensacola. Following Pensacola, the Selene prospect is scheduled to be drilled in mid-2022. The recent 32nd Round UKCS licence awards greatly expands Deltic's exploration potential in the CNS and particularly the SNS Carboniferous fairway. Here some highly prospective acreage has been obtained.

- **Asset portfolio:** Deltic's three most advanced exploration projects are in the SNS and CNS (Central North Sea). These are the gas plays Pensacola and Selene and the liquids play Dewar. Pensacola is located c.75 km east of the Tees estuary towards the northern margin of the SNS in the Carboniferous sandstone fairway. This area has also attracted interest of late for its Permian Zechstein potential. Selene lies in the heart of the long-established prolific Permian Leman sandstone fairway c.100 km east of the Humber estuary. Dewar is a Palaeocene Forties sandstone prospect located in the CNS Graben 240 km east of Aberdeen.

- **Pensacola**: Deltic has a 30% non-operated interest in P2252 which contains the Pensacola prospect. Pensacola is believed by Deltic to be analogous to ONE-Dyas' Ossian-Darach Zechstein discovery situated 45 km to the east. This was successfully tested in 2019. Deltic's P50 resource estimate for Pensacola is 309 bcf which points to more than adequate critical mass for development. The GCOS of 20% is based on mapping using legacy 2-D seismic and reflects uncertainty on structural closure and trap integrity. The risk could, however, be revised once newly acquired 3-D seismic has been evaluated.

- **Selene**: Contained in P2437, Selene is owned 50:50 by Deltic and Shell. Deltic retains operatorship until drilling. According to Deltic, Selene is the largest untested structure in the prolific Leman fairway. Following the recent 44% uplift to the GIIP, the implied P50 resources are 346 bcf gross. The GCOS has also been upgraded of late from 39% to 70%, a very high level of confidence pre-drilling. Crucially, Selene lies only 20 km north of Shell's Barque field infrastructure which is linked to the Bacton gas terminal on the Norfolk coast.

- **Valuation:** We have upgraded and revised our presentation of Deltic's risked valuation to focus on the three most advanced projects. For these we now show the valuations using the same valuation quotient of $5/boe as in the success case. For the other earlier stage projects, we have used $2/boe. The risked valuation across the portfolio for Deltic is now £192m or 13.7p/share. This compares with 9.8p/share previously. Our success case valuation for the three most advanced projects remains unchanged at 17.5p/share. The risked valuation on this basis is £120m or 8.5p/share. The share price reflects a very cautious view of valuation and stands at a c. 90% discount to our risked estimates.

Year End: 31 December					
(£'000)	2018	2019	2020E	2021E	2022E
EBITDA	(1,653)	(1589)	(1,403)	(1468)	(1,520)
NET CASH FLOW	409	12423	(1847)	(5871)	(6403)
NET CASH	1,426	13,849	12,002	6,132	(271)

Allenby Capital acts as Nomad & Broker to Deltic Energy plc (DELT.L).

Please refer to the last page of this communication for all required disclosures and risk warnings.

Investment case

We believe Deltic offers a compelling investment opportunity in the context of AIM oil and gas exploration juniors. The key points are as follows:

- The stock is selling at a substantial discount to our risked and success case valuations for the three leading projects Pensacola, Selene and Dewar.
- Deltic is participating in two high-impact drilling opportunities over the next two years. The planned drilling in 2021 and 2022 has transformational potential for the company in a success case (4.2p and 7.9p/share for Pensacola and Selene respectively)..
- The work programme and G&A are fully funded over the next two years. The company also has no debt.
- Deltic's strategy and technical capability have been validated by the Shell farm-outs for Pensacola and Selene.
- Small but highly effective and experienced team with low overheads.
- Diversified portfolio of high impact prospects. Through the 32nd Licensing Round six additional licences over 12 blocks have been added. This has effectively doubled the portfolio's size from seven to 13 licences potentially significantly enhancing Deltic's resource base.
- Gas focus implies well positioned for energy transition.

News flow

We see significant news flow potential in the coming months including the following:

- Further updates concerning the recent award of six licences under the 32nd UK Offshore Licensing Round.
- Pensacola well investment decision expected by December 1, 2020.
- Update on the progress of the Selene project towards a firm well investment decision.
- Updates on the progress evaluating the Cupertino and Cortez gas prospects. Particularly important will be the seismic interpretation following reprocessing work recently undertaken.

Further growth potential 32nd Licensing Round

Deltic has been provisionally awarded six new licences covering 12 full and part blocks by the OGA (Oil & Gas Authority) under the 32nd UKCS (UK Continental Shelf) Licensing Round. This takes the number of licences in the SNS and CNS to 13. The new licence interests cover a substantial 2155.5 km². All licences with the exception of one, which has been awarded jointly with Shell, have been granted on a 100% working interest basis for Deltic.

For perspective prior to the 32nd Round awards Deltic's net P50 resource base (un-risked) was 1.27 tcfe. The new awards have the potential to boost an already sizeable resource base significantly and perhaps more importantly provide in due course new drilling opportunities. There are, of course, also positive valuation implications of a larger resource base once quantified.

Five of the six awarded licence interests are located in the SNS. The other is in the CNS. The licence blocks are ‘highly prospective and contain a variety of exploration plays’. Regarding the SNS the new licence interests are all in the SE-NW trending Carboniferous fairway zone. This hosts some of the largest gas fields in the SNS and is the major focus for exploration activity in the SNS presently, based on Carboniferous sandstone and shallower Permian Zechstein carbonate prospects. Looking at the Carboniferous fairway awards we note the following:

- Blocks 41/05b and 42/01b (joint-venture with Shell) are contiguous with Deltic/Shell’s P2252 Pensacola licence. They are thought to contain extensions of the Pensacola Zechstein reef prospect. Significantly, the blocks have been well covered by 3-D seismic including the recently acquired Bluewater survey. Conceivably 41/05b and 42/01b could be leading candidates for evaluation work.

- Blocks 43/11 (formerly held by Deltic) and 43/12b contain the tcf scale Cadence structure with prospectivity in both intra-Carboniferous traps and base Permian Unconformity-truncation style traps which were previously identified by the company. Triassic Bunter sandstones offer further potential upside. Blocks 43/11 and 43/12b lie immediately to the north of Spirit Energy’s large-scale Pegasus discovery and development project.

- Blocks 42/13b (part), 42/17/, 42/18, 42/19, 42/20b, 42/22 and 42/23 are located in a proven area immediately to the south and east of the giant Breagh gas field. Deltic is of the opinion that the area offers significant prospectivity in both the Carboniferous sandstones and the Zechstein carbonates.

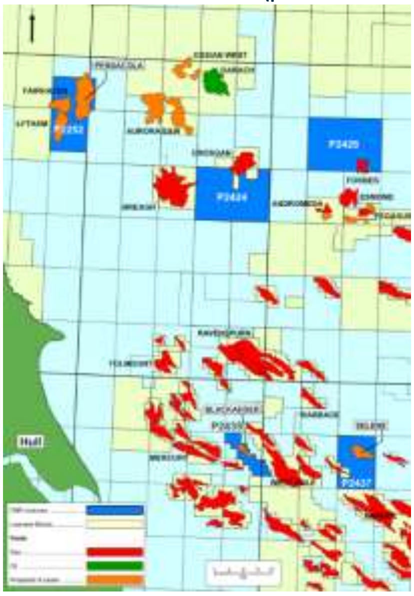
In the CNS Graben Deltic has been awarded block 22/17a. This contains two prospects in the Jurassic Fulmar sandstones which have been identified by previous licence holders and which Deltic believes offer significant upside potential.

It should be noted that Deltic’s strategic focus is very much on organic exploration and appraisal activity using its inhouse technical team. Awards under the UKCS licensing rounds effectively provide the feedstock for its work programme and ultimately value creation. So far, Deltic’s strategy has proven highly successful technically and, we believe, cost effective. It is worth noting that one of the awards in the previous licensing round resulted in the Selene prospect which was rapidly farmed-out to Shell.

Exhibit 1: SNS 32nd Licence Award map

Source: Company

Exhibit 2: SNS licence locations (pre 32nd Licence Awards)



Source: Company

SNS Zechstein play zone

Zechstein carbonate reefs were formed at the margins of large shallow seas during the hot and arid conditions of the late Permian period approximately 260mya. The lagoon environment combined with the generation of large quantities of evaporites (mineral sediments) provided the basis for an effective petroleum system with good hydrocarbon trapping and sealing characteristics.

The Zechstein play is well proven onshore UK and in Europe but has received limited attention in the UKCS given its location on the northern periphery of the basin and until recently suffered from a paucity of accessible seismic data. Interest in Zechstein play has grown in recent years following the 2014 discovery of gas in the Zechstein at Crosgan (drilled for a deeper Carboniferous prospect) and the availability of enhanced seismic coverage. In addition to Shell's farm-in to Deltic's Pensacola project, four interesting developments have taken place on the Zechstein front in the UK SNS of late. These are as follows:

- ONE-Dyas' successful Ossian-Darach well announced in late December 2019. According to Deltic, the well flowed at 3,500 b/d of oil plus significant quantities of gas. The promising flow rate points to better than average reservoir porosity (the ability to hold hydrocarbons) and permeability (the ability to flow hydrocarbons) than is generally the case for offshore Zechstein reef plays. The operatorship of Ossian-Darach changed from ONE-Dyas to Spirit Energy on February 1, 2020.

- Rathlin Energy's discovery in June 2019 at the West Newton Zechstein play east of Hull. Reabold Resources has a 56% economic interest in West Newton via its stakes in Rathlin and directly in the licence. Significantly, the discovery included both gas and hydrocarbon liquids, although it appears the initial well test failed to flow material volumes of hydrocarbons to the surface. According to industry reports, West Newton could be the largest onshore UK discovery in the last 40 years. Reabold announced on August 18, 2020 that Rathlin had commenced drilling to appraise the West Newton discovery and test the deeper Cadeby formation. Drilling results will be an interesting data point for Deltic and indeed Shell.

- Egdon's announcement on August 25, 2020 that it had concluded a farm-in deal with Shell for its P1929 and P2304 licences containing the Resolution and Endeavour Zechstein discoveries respectively. The licences are close to the Yorkshire shoreline about 60km north of West Newton. The deal provides Shell with a 70% stake and operatorship of the licences in exchange for financing a 3-D seismic programme up to a maximum of $5m. Bearing in mind the Pensacola jv with Deltic, Shell clearly sees merit in SNS Zechstein plays.

- The announcement by privately held Simwell Resource in early August 2020 that Shell had farmed-in on P2332 immediately to the west of Pensacola. Shell has taken a 70% interest and operatorship of the joint-venture with the intention of evaluating the potential of primary Zechstein and secondary Carboniferous targets. Shell clearly sees merit in SNS Zechstein plays.

Why was Selene prospectivity upgraded?

Deltic recently announced major upgrades to the GIIP (gas-initially-in-place) and GCoS (geological chance of success) for the Selene prospect on the SNS Leman fairway. Compared with 2019, GIIP was increased by 44% to 629 bcf while GCoS was up 79% to 70%. This points to an exceptionally high level of confidence for the current stage of development and indicates a low risk drilling opportunity. In the light of the hike in GIIP, we raised our estimate for gross P50 recoverable resources by 19% to 346 bcf, reflecting a conservative 55% recovery rate. P50 resources of this magnitude in a success case would amount to one of the larger gas discoveries of late in the SNS and would comfortably support development based on the NBP (National Balancing Point) forward curve. Broadly, this is showing an upward trend from about 22p/therm spot in mid-August 2020 to 45p/therm by the mid-2020's.

The breakthrough in advancing Selene and de-risking the prospect stemmed from evaluating reprocessed 3-D seismic using innovative time (raw seismic data is time based) to depth conversion technology. Historically, the drawback to Selene had been determining the scale if not the existence of the structure. By applying several different proprietary approaches to depth conversion, confidence in the sub-surface image was greatly enhanced. Deltic is now confident that the Selene structure has been robustly defined. The key outstanding risk associated with the Selene prospect is the demonstration of a productive reservoir within the Leman sandstone. Deltic expects that the proposed 2022 well will be designed to allow a well test programme more akin to an appraisal than an exploration well.

Proximity to infrastructure is a key plus for Selene

A key attraction for Shell of a Selene development is proximity to under-utilised infrastructure. We believe this substantially enhances project economics for Shell. Selene is located about 20 km north of Shell's Barque field in the Leman fairway which is linked to the Clipper hub to the south and then to the Shell operated Bacton terminal on the Norfolk coast. Significantly, a major facility upgrade was completed at Bacton in 2017 which raised capacity by approaching 20%.

Pensacola and Selene drilling costs

Deltic has indicated that its share of drilling costs on the initial Pensacola and Selene wells is likely to be about £4.0m and £4.5m respectively. Both well costs include full wet test programmes. The wells in both cases will take about 34 days to drill.

Based on the farm-in terms with Shell, well costs will be split pro-rata to working interest in the case of Pensacola, meaning that Deltic's share is 30%. For Selene different terms apply. In this case Shell pays 75% of well costs up to a maximum of $25m gross. Deltic pays the balancing 25% of costs. Following completion of the Selene exploration well costs will be split pro-rata to working interest or on a 50:50 basis.

Dewar a relatively low risk liquids play with critical mass

Deltic currently has a 100% interest in P2352 which contains the Dewar liquids prospect. A farm-out process commenced in July 2019 but not surprisingly perhaps given depressed oil markets, has slowed following early interest. The situation could change should oil prices continue the upward trend of the past four months or so, as we expect.

We regard Dewar, situated in the prolific Central Graben, as a relatively low-risk liquids play with adequate critical mass and good proximity to infrastructure. P2352 lies adjacent to the BP operated Marnock-Skua field and the Eastern Trough Area Project (ETAP) an integrated grouping of nine relatively small liquids-rich fields covering 35 km². Two large development projects have recently been undertaken to the south of P2352 in the form of Seagull (Neptune Energy) and Culzean (Total). Arguably proximity to the ETAP could prove a particular attraction for a potential Dewar joint-venture partner. Water depths in the vicinity of Dewar are moderate at about 90m so jack-up rather than more expensive semi-submersible rigs can be used for exploration work.

The Central Graben is prospective for oil and gas in Palaeocene Forties, Jurassic Pentland and Triassic Skagerrak sandstones. In 2009 GDF Suez tested the Triassic sandstone formation on P2352 with its Tesla well but to no avail. There were however light oil and condensate shows in the shallower Pentland formation. Based on data from the Tesla well and the integration of this data with more modern 3-D seismic, Deltic redefined the geological model for the promising Dewar Forties sandstone oil prospect in 2019. Deltic's estimate of P50 prospective resources for Dewar is 39.5mm barrels and the GCoS is 41%. This constitutes a low level of risk pre-drilling.

Exhibit 3: CNS licence locations (pre 32nd Licence Awards)

Source: Company

The next farm-out candidates are Cortez and Cupertino

Cortez and Cupertino are two 100% owned, early stage exploration projects, located on licences P2424 and P2428 respectively in the heart of the SE-NW trending Carboniferous fairway of the SNS. The fairway hosts some of the largest SNS gas fields such as Breagh (Ineos), Cygnus (Neptune Energy) and Pegasus (Spirit Energy). Both Cortez and Cupertino are potentially large Carboniferous sandstone plays.

P2424 lies immediately to the east of the Breagh field. Deltic has put the P50 prospective resources of Cortez and Cortez South at 107 and 331 bcf respectively while the GCOS is 29%. On its southern boundary P2428 is situated about 20 km north of Pegasus and a similar distance north east of P2424. It contains two leads called Cupertino with one based on the Scremerston and the other the Fell sands. Deltic has estimated P50 resources at 262 bcf and 558 bcf respectively. Significantly, in the 2020 interims there is reference to P2428 having tcf scale potential. The Scremerston and Fell provide major reservoir formations towards the north west of the Carboniferous fairway with Breagh a case in point. Importantly, however, in the case of the Scremerston the GCOS is relatively low at 21%. The Fell lead is somewhat higher at 30%.

Deltic embarked on a programme to de-risk the Cupertino licence in the second half of 2019. This centred around reprocessing legacy 2-D seismic. Imaging of the sub-surface has apparently been greatly improved. Interestingly, Deltic indicated in its 2020 interim statement that the geology is more complex than originally thought while the prospectivity is superior. Potential new prospects have been identified in Zechstein reef structures, in the Leman sandstones and in the deeper Carboniferous sandstones. The potential prospects are being evaluated with the primary aim of obtaining robust GIIP and recoverable resource estimates. Based on Deltic's interim statement, the intention is to initiate a farm-out process for Cupertino and more broadly P2428 towards end 2020. Discussions have already been undertaken with several companies active in the area.

Deltic suggests that given the complexity of the P2428 geology, the emphasis initially with any farm-out will be obtaining 3-D seismic. Subject to successful evaluation, a farm-out may also contain a contingent well commitment.

2-D seismic reprocessing has also been undertaken on the two Cortez leads. Work started in Q1 2020 and is scheduled for completion in September. Potentially, Cortez could become a farm-out candidate later in 2020 assuming positive evaluation results.

Financials

Deltic's 2020 interims contained no surprises on the financial front. The company remains comfortably financed for its work programme through to mid-2022. At end June 2020 the cash position was £12.82m and as of end August we believe it was about £12.5m. We continue to forecast end 2020 cash of £12.0m. Earlier in 2020 Deltic implemented a cost reduction and cash conservation programme.

Our forecast cash outflow for 2020 is £1.85m reflecting G&A of £1.27m and project related spending of £0.58m. For 2021 we look for a much heavier cash outflow of £5.87m reflecting the planned Pensacola well. We have allowed £4.0m for this plus £0.5m for other project related outlays. Our forecast for the cash position at end 2021 remains unchanged at around £6m.

Assuming Selene drilling occurs as expected, we look for a cash outflow in 2022 of £6.4m. This forecast includes £4.5m for the Selene exploration well and a further £0.5m for project related spending. The balancing £1.4m relates to G&A outlays. Based on the cash outflow, Deltic would swing to a net debt position of around £0.3m at end 2022. This is in line with our earlier forecast. We would expect the swing to be a second half phenomenon giving the likely timing of Selene drilling.

Valuation methodology

Our valuation methodology for Deltic is based on the company's project level P50 resource estimates multiplied by an assessed price/barrel of oil equivalent for the stage of development. We believe that for pure exploration plays without revenues this provides the most insightful valuation approach bearing in mind that it reflects the status of the marketplace and does not require forecasts of cash flows far out into the future which are inevitably subject to high levels of uncertainty.

As development has progressed towards the drilling stage on two projects, Pensacola and Selene and given the advanced stage of Dewar, we have provided two valuation estimates. One is risked by project level GCOS and the other is un-risked assuming a success case. Note, the success case valuation is defined as a financially viable flow rate and reserve base post appraisal at prevailing commodity prices. It does not include commercial development. All project valuations are adjusted for potential farm-downs and in the case of per share calculations diluted, where appropriate, for potential share issues required for project and corporate finance. Currently, for Deltic there is no need to adjust for near-term dilution given that it already has financing for two wells plus G&A over the next two years.

Previously we had run with two valuation quotients, one for the risked and one for the success case. The former was $2.0-$2.5/boe while the latter was $5.0/boe. Originally $2.0-$2.5/boe was used to reflect the early stage nature of the project portfolio. We have now decided to unify our valuation approach and use $5.0/boe for the three leading projects Pensacola, Selene and Dewar, in both the risked and success cases. For the remaining earlier stage projects, we have continued to use $2.0/boe or $2.5/boe. The revised approach enables the risked valuation for the three leading projects to be more easily compared with the success case. For Deltic's three most advanced projects, the risked valuation is now £120m or 8.5p/share while in the success case the valuation is £247m or 17.5p/share. The success valuation is unchanged from that used previously.

Exhibit 4: Risked valuation summary

Projects	Licence	Location/ geology	WI %	Gross un-risked P50 resources bcfe	Gross un-risked P50 resources mmboe	Net un- risked P50 resources bcfe	Net un- risked P50 resources mmboe	Net un- risked P50 resources GCOS %	Net risked P50 resources bcfe	Net risked P50 resources mmboe	Valuation quotient $/boe	Net risked valuation $m	Net risked valuation £m	Net risked valuation p/share
Three leading projects														
Pensacola	P2252	SNS PZ, Csst	30	310	52	93	16	20	19	3	5.0	15.5	11.9	0.8
Selene	P2437	SNS PLsst	50	346	58	173	29	70	121	20	5.0	100.9	77.6	5.5
Dewar	P2352	CNS Pal Fsst	50	237	40	119	20	40	47	8	5.0	39.5	30.4	2.2
Total leading projects				**893**	**149**	**385**	**64**		**187**	**31**		**155.9**	**119.9**	**8.5**
Other	P2252	SNS PZ, Csst	30	213	36	64	11	44	28	5	2.0	9.3	7.2	0.5
Other	P2437	SNS PLsst	50	95	16	48	8	43	21	3	2.0	6.9	5.3	0.4
Other	P2424	SNS Tr, Csst	50	656	109	328	55	31	103	17	2.0	34.3	26.4	1.9
Other	P2428	SNS Csst	50	820	137	410	68	27	111	19	2.0	37.1	28.5	2.0
Other	P2435	SNS PLsst	25	135	23	34	6	54	18	3	2.0	6.1	4.7	0.3
Total				**1919**	**320**	**883**	**147**		**281**	**47**		**93.6**	**72.0**	**5.1**
Total all licences				**2812**	**469**	**1268**	**211**		**468**	**78**		**249.5**	**191.9**	**13.7**

Note: Exchange rate: £1=$1.30
Per share calculations based on 1405.96m shares in issue
Working interests for P2252 and P2437 take into account the Shell farm-in
Working interests for P2352, P2424 and P2428 assume a farm-down from 100%
Working interests for P2352, P2424 and P2428 assume a farm-down from 100%
Working interest for P2435 is the actual status as of August 2020.
SNS is Southern North Sea, CNS is Central North Sea
PZ is Permian Zechstein; Csst is Carboniferous sandstone; PLsst is Permian Leman sandstone; Pal Fsst is Paleocene Forties sandstone; Trsst is Triassic sandstone

Source: Company; Allenby Capital

Exhibit 5: Valuation Success Case

Prospect	Working interest post farm-in %	Net un-risked P50 resources bcfe	Net un-risked P50 resources mmboe	Valuation quotient $/boe	Net un-risked valuation $m	Net un-risked valuation £m	Net un-risked valuation p/share
Pensacola	30	93	15.5	5.00	77.5	60	4.2
Selene	50	173	28.8	5.00	144.2	111	7.9
Dewar	50	118.5	19.8	5.00	98.8	76	5.4
Total		**384.5**	**64.1**		**320.4**	**246.5**	**17.5**

Note: Conversion 6,000 cf/boe, exchange rate £1=$1.30, Dewar working interest assumes a farm-down from 100%, working interests for Pensacola and Selene are post the Shell farm-outs, per share calculation based on 1,405.96m shares in issue, Dewar per share not diluted for CLNR share of drilling costs.

Source: Allenby Capital

Financials

Exhibit 6: Summary financials:

Year end 31 December (£000s)						
INCOME STATEMENT	**2017**	**2018**	**2019**	**2020E**	**2021E**	**2022E**
Administrative Expenses	(1,592)	(1,661)	(1,709)	(1,411)	(1,476)	(1,528)
Impairment charge	0	1	(801)	0	0	0
Operating Profit	(1,592)	(1,660)	(2,510)	(1,411)	(1,476)	(1,528)
Finance Income/other	1	1	150	25	0	0
PBT	(1,590)	(1,659)	(2,360)	(1,386)	(1,476)	(1,528)
Taxation	-	-	-	-	-	-
Net Income	(1,590)	(1,659)	(2,360)	(1,386)	(1,476)	(1,528)
Comprehensive Loss	(1,590)	(1,659)	(2,360)	(1,386)	(1,476)	(1,528)
EBITDA	(1,473)	(1,653)	(1,589)	(1,403)	(1,468)	(1,520)
Avg. Shares Basic (m)	343.9	475.4	979.6	1,406.0	1,406.0	1,406.0
EPS (report) p	(0.46)	(0.35)	(0.24)	(0.32)	(0.10)	(0.11)
CASH FLOW	**2017**	**2018**	**2019**	**2020E**	**2021E**	**2022E**
Net Loss for the year	(1,590)	(1,660)	(2,360)	(1,386)	(1,476)	(1,528)
Change in receivables	54	7	(17)	30	0	0
Change in payables	(10)	2	21	(24)	0	0
Depreciation	5	8	120	8	4	4
Other	0	(2)	651	0	5	(1)
Share Based Payments	114	122	172	100	100	125
Net Operating cash flow	(1,428)	(1,523)	(1,413)	(1,272)	(1,368)	(1,400)
Acquisition of PPE	(2)	(10)	(6)	(5)	(3)	(3)
Exp and Eval assets additions	(224)	(665)	(896)	(570)	(4,500)	(5,000)
Other	1	0	(80)	0	0	0
Proceeds from farm-out			470	0	0	0
Proceeds from issue of shares	962	2,607	14,348	0	0	0
Net cash flow	(691)	409	12,423	(1,847)	(5,871)	(6,403)
Net cash/(debt)	**1,017**	**1,426**	**13,849**	**12,002**	**6,132**	**(271)**
BALANCE SHEET	**2017**	**2018**	**2019**	**2020E**	**2021E**	**2022E**
Intangible assets	775	1617	1128	1693	6189	11189
Property, Plant & Equipment	4	12	47	49	48	48
Other	54	54	0	0	0	0
Total Non-Current Assets	**833**	**1,683**	**1,175**	**1,742**	**6,237**	**11,237**
Receivables	89	82	130	100	100	100
Cash & Cash Equivalents	1,017	1,426	13,849	12,002	6,132	500
Total Current Assets	**1,106**	**1,508**	**13,979**	**12,102**	**6,232**	**600**
Total Assets	**1,939**	**3,191**	**15,154**	**13,845**	**12,469**	**11,837**
Non-Current Liabilities	**0**	**0**	**0**	**0**	**0**	**0**
Trade payables	112	269	173	175	175	175
Other payables	100	127	26	0	0	0
ST debt	0	0	0	0	0	771
Current Liabilities	**213**	**396**	**199**	**175**	**175**	**946**
Total Liabilities	**213**	**396**	**199**	**175**	**175**	**946**
Net assets	**1,727**	**2,795**	**14,956**	**13,670**	**12,294**	**10,891**
Net cash/(debt)	1,017	1,426	13,849	12,002	6,132	(271)
Shareholder Equity	1,727	2,795	14,956	13,670	12,294	10,891
Total Equity & Liabilities	**1,939**	**3,191**	**15,154**	**13,845**	**12,469**	**11,837**

Source: Deltic Energy; Allenby Capital

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