STONEGATE CAPITAL PARTNERS

NOVEMBER 16, 2026

INDUSTRY: OIL AND GAS EXPLORATION AND PRODUCTION

RESEARCH UPDATE | **PEDEVCO CORP. (NYSE: PED)**

Dave Storms, CFA
dave@stonegateinc.com
214-987-4121

Market Statistics in USD	
Price	$ 11.71
52 week Range	$8.64 - $18.89
Daily Vol (3-mo. average)	24,839
Market Cap (M)	$ 155.5
Enterprise Value (M)	$ 230.9
Shares Outstanding: (M)	13.3

Financial Summary in USD	
Cash (M)	$ 4.7
Cash/Share	$ 0.35
Debt (M)	$ 80.0
Equity (M)	$ 191.4
Equity/Share	$ 14.41

Valuation in USD	
Valuation Range	$14.17 - $18.89
2027E Price Target	$ 16.36

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$ 45.8	$ 152.5	$ 131.8
Chng%	16%	233%	-14%
EBITDA	$ 27.0	$ 65.8	$ 65.4
Net Income	$ (10.4)	$ (15.4)	$ 12.6
EPS	$ (2.25)	$ (1.29)	$ 0.94
EV/Revenue	0.9x	1.5x	1.8x
EV/EBITDA	1.6x	3.5x	3.5x
P/E	-5.0x	-9.1x	12.4x



Company Description

PEDEVCO Corp. (NYSE American: PED) is a publicly traded energy company engaged in the acquisition and development of strategic oil and gas assets in the United States. Following the completion of its October 2025 merger with certain portfolio companies controlled by Juniper Capital Advisors, L.P., the Company's principal assets include its D-J Basin assets in southeastern Wyoming and northern Colorado, its Powder River Basin assets in northeastern Wyoming, and its Permian Basin assets in eastern New Mexico, collectively representing approximately 284,000 net acres as of September 30, 2026. PEDEVCO is headquartered in Houston, Texas.

Company Updates

PEDEVCO has a clearer path to 2027 production growth as it shifts capital from post-merger optimization toward Rockies development. The year-end exit rate should benefit from both restarted wells and new completions. We would look to early-2027 production for a better measure of how much the new wells add after natural declines and divestitures. The 2027 budget should clarify the cost of sustaining that growth and how much recurring cash flow PED can reinvest while preserving balance-sheet flexibility.

Quarterly Results: Revenue fell 23% q/q to $35.5M as production declined and realized oil prices before hedges fell to $83.81/bbl from $94.07/bbl. Adjusted EBITDA fell 21% to $14.7M. Adjusted EBITDA margin rose to 41.3% from 40.5%, helped by lower realized hedge losses and the $2.1M severance addback. Before realized hedge losses, we calculate that the margin fell to 54.3% from 58.1%. The 3Q margin was 48.4% on that basis with severance expense included. The $9.2M GAAP net loss included a $12.0M noncash derivative loss and a $4.7M net gain on property sales.

Performance and Development Cadence: Production fell 14% q/q to 5,850 Boe/d as offset completions and accelerated rod conversions took wells offline and non-core sales reduced the producing base. Asset sales transferred $4.6M of retirement obligations through 3Q, primarily from Pine Haven. PEDEVCO agreed to pay the buyer $3.8M, with $3.2M of the related note payable outstanding at quarter-end. In Q&A, management indicated a roughly flat 4Q production average and a higher year-end exit rate. Three non-operated Powder River wells began producing in early November, with flowback from the operated well expected in early 2027. The second-half program extends into early 2027 and covers approximately 15 gross wells, including nine in the D-J and six in the Powder River Basin. Working interests and first production dates will determine the net contribution. The $5.9M Mowry purchase nearly doubles acreage in that prospect and expands future operated inventory.

Efficiency and Savings: LOE fell to $14.3M from $16.4M, while LOE/Boe held near $26.60/Boe as volumes declined and seasonal workovers increased. With the 2026 optimization work finished ahead of schedule, 4Q offers an early read on unit costs as production returns. We would track absolute LOE alongside LOE/Boe to distinguish recurring savings from the benefit of spreading costs across more barrels. Management targets more than $10M of annualized lease operating expense savings once the optimization program is complete. It expects the remaining work to be completed in 2027.

Guidance/Outlook: PED reiterated FY26 Adjusted EBITDA guidance of $60M to $70M under the revised definition. The midpoint implies $13.5M in 4Q, about 8% below 3Q despite the higher expected production exit rate. FY26 net CapEx guidance is $37M to $42M, including Mowry leasing and second-half development. Through 3Q, CFFO exceeded cash drilling and completion spending by $5.1M before $6.1M of leasehold spending. Revolver borrowings fell $5M to $80M during 3Q, while unrestricted cash fell $6.2M. Revolver debt less unrestricted cash rose $1.2M q/q, tempering the improvement implied by the revolver paydown. Revolver availability ended 3Q at $45M.

Valuation: We use a DCF Model and an EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $16.78 to $21.29 with a mid-point of $18.69. Our EV/EBITDA valuation results in a range of $11.57 to $16.49 with a mid-point of $14.03. When combined it arrives at a valuation range of $14.17 to $18.89 with a price target of $16.36.

Valuation

DCF

Given PEDEVCO's materially larger post-Juniper asset base, visible cost optimization runway, and deep multi-basin inventory, we believe a DCF is an appropriate method to capture the longer-duration value of the platform. Our DCF assumes PED continues to scale revenue and EBITDA as the Company realizes greater benefit from recently turned-in-line wells, ongoing optimization projects, and disciplined development across its D-J, Powder River, and Permian positions. We also assume margin improvement over time as per-unit costs decline and overhead is absorbed across a larger production base.

Our DCF analysis relies on a range of discount rates between 9.75% and 10.25% with a midpoint of 10.00%. This arrives at a valuation range of $16.78 to $21.29 with a mid-point of $18.69.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
9.50%	$17.46	$18.69	$20.24	$22.26	$25.03
9.75%	$16.88	$18.01	$19.44	$21.29	$23.78
10.00%	$16.33	$17.38	$18.69	$20.38	$22.64
10.25%	$15.80	$16.78	$17.99	$19.54	$21.59
10.50%	$15.30	$16.21	$17.33	$18.76	$20.62

Comparison Analysis

PEDEVCO operates in a small-cap upstream universe where direct comparables are limited, particularly given its post-Juniper Rockies asset mix, inventory depth, and visible cost-out opportunity. As a result, our comp analysis uses a focused peer set of smaller oil-weighted E&Ps to frame where PED could trade as it demonstrates the normalized earnings power of the combined platform. In our view, PED still screens at a discount despite its larger reserve base, deeper runway, and improving margin profile.

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price (1)	Mrkt Cap	EV	BV/Share	EV/Revenue (2, 3) 2025	2026E	2027E	EV/EBITDA (2, 3) 2025	2026E	2027E	P/E (2, 3) 2025	2026E	2027E
Amplify Energy Corp.	AMPY	$ 4.07	$ 162.8	$ 158.4	$ 10.26	1.22x	0.88x	0.79x	3.9x	4.1x	2.1x	4.4x	N/A	4.8x
Evolution Petroleum Corporation	EPM	$ 3.35	$ 132.4	$ 189.7	$ 1.66	2.01x	2.08x	2.13x	5.6x	7.4x	5.9x	43.4x	N/A	69.1x
HighPeak Energy, Inc.	HPK	$ 8.22	$ 1,040.2	$ 2,083.6	$ 11.83	1.88x	2.08x	2.42x	2.8x	3.5x	3.8x	35.2x	51.4x	28.3x
Ring Energy, Inc.	REI	$ 1.20	$ 312.6	$ 664.2	$ 2.84	2.09x	1.76x	1.75x	3.0x	3.2x	2.7x	N/A	3.5x	3.7x
Riley Exploration Permian, Inc.	REPX	$ 44.40	$ 982.2	$ 1,195.7	$ 28.27	2.37x	1.76x	1.45x	4.0x	3.2x	2.4x	3.5x	5.7x	3.7x
				Average	$ 10.97	1.9x	1.7x	1.7x	3.9x	4.3x	3.4x	21.6x	20.2x	21.9x
				Median	$ 10.26	2.0x	1.8x	1.8x	3.9x	3.5x	2.7x	19.8x	5.7x	4.8x
PEDEVCO Corp.	PED	$ 11.71	$ 155.5	$ 230.9	$ 14.40	0.9x	1.5x	1.8x	1.6x	3.5x	3.5x	-5.0x	-9.1x	12.4x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA framework to value PED. Given its transition into a larger, oil-weighted Rockies platform, we view EV/EBITDA as the most relevant market-based methodology, particularly as the Company works to demonstrate normalized earnings power. We believe 2027E EBITDA is the most appropriate forward period, as it better reflects a more normalized earnings base following integration, the fade of early post-merger flush production, and greater realization of cost optimization efforts. In our view, PED still seems undervalued due to its greater scale, a larger reserve base, visible self-help opportunities, and a longer inventory runway relative to peers.

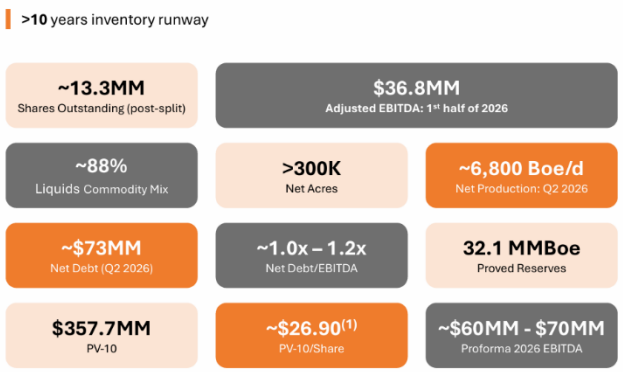
Therefore, we are using an EV/EBITDA range of 3.5x to 4.5x with a midpoint of 4.0x which moves PED within peer range. This arrives at a valuation range of $11.57 to $16.49 with a mid-point of $14.03.

EV/EBITDA			
2027E	3.50x	4.00x	4.50x
Adj EBITDA	65.4	65.4	65.4
TEV	229.0	261.7	294.4
Cash	4.7	4.7	4.7
Debt	80.0	80.0	80.0
Mrkt Cap	153.6	186.3	219.0
S/O	13.3	13.3	13.3
Price	**$ 11.57**	**$ 14.03**	**$ 16.49**

Business Overview

PEDEVCO Corp. is a U.S. onshore oil and gas exploration and production company focused on acquiring and developing oil-weighted, legacy producing assets where modern drilling, completion, and field management techniques have not yet been fully applied. The Company targets properties with long production histories, well-defined geology, and existing infrastructure, and seeks to enhance recoveries and capital efficiency through horizontal redevelopment and disciplined capital allocation.

Exhibit 1: PED Overview



Source: Company Reports

Following the completion of the Juniper merger, which included the North Peak (NPOG) and Century transactions in 2025, PEDEVCO operates a diversified asset base across the Rocky Mountain region and the Permian Basin, with exposure to the Niobrara and Codell formations in the Denver-Julesburg Basin, multiple productive benches in the Powder River Basin (PRB), as well as the San Andres formation in the Permian Basin. The portfolio includes a mix of operated and non-operated interests and is primarily oil focused. Post-merger, PEDEVCO has increased scale and a broader operating footprint, supported by a simple capital structure that includes senior secured debt and public equity.

Asset Overview

Denver-Julesburg Basin - Legacy & North Peak Assets

PEDEVCO's Denver-Julesburg Basin assets represent the Company's most important operating area and have long served as the foundation of its production and development story. The D-J has become PEDEVCO's primary asset, driving development activity, production growth, and capital investment. That recent growth has established PEDEVCO's basin presence through mature producing properties, existing infrastructure, and operating familiarity.

The NPOG acquisition materially upgraded the quality and scale of that foundation, transforming the D-J from a Colorado-centric producing asset into PEDEVCO's core operating growth platform. The combined D-J position now offers a more attractive mix of characteristics, including a larger operating footprint, higher working interest, stronger control over development timing and capital allocation, meaningful near-term drilling visibility, and a multi-year inventory base. Management also highlights the basin's high oil content, low-cost well economics, multiple productive horizons, active offset operator activity, and ongoing joint development in the Colorado D-J as factors supporting both lower-risk development and continued organic growth. In addition, the Company continues to enhance the D-J position through leasing, pooling, acreage swaps, and bolt-ons to continue gaining operatorship.

As of December 31, 2025, PEDEVCO's combined D-J position totaled approximately 99,561 net leasehold acres, including roughly 76,845 net acres in Wyoming and 22,716 net acres in Colorado. More than 88% of the net acreage was located on private lands, approximately 70% was held by production, and the Company reported an average working interest of approximately 92% across its operated net D-J acreage, inclusive of net royalty acres. At September 30, 2026, the D-J position totaled 85,898 net acres. PEDEVCO held interests in 184 gross (79.4 net) wells, including 74 gross (66.9 net) operated wells and 110 gross (12.5 net) non-operated wells. The Company completed the Hastings DUC during 3Q.

Powder River Basin – Century Assets (Wyoming)

PEDEVCO's Powder River Basin assets expand the Company's Rockies footprint beyond the Denver-Julesburg Basin and provide a large-scale position with both near-term development activity and longer-term inventory. The D-J remains the larger operating platform, while the PRB is already contributing to the near-term program. Three non-operated PRB wells began producing in early November, and the operated well drilled in 3Q is expected to begin flowback in early 2027.

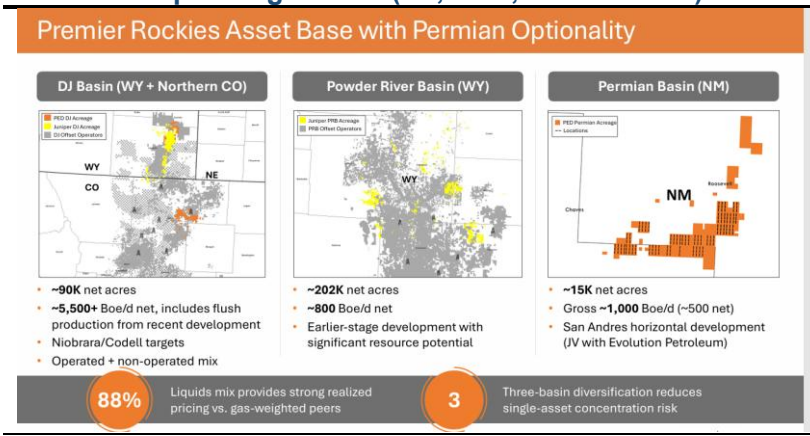
The Century acquisition established PEDEVCO's PRB position and added a sizeable asset base with existing production and significant undeveloped acreage. The $5.9M Mowry lease purchase added about 5,678 net acres, nearly doubling PED's position in that prospect to approximately 12,000 net acres and expanding its operated drilling inventory.

As of December 31, 2025, PEDEVCO's Powder River Basin position totaled approximately 201,886 net leasehold acres in northeastern Wyoming. Approximately 53,222 net acres were held by production, with the remainder held primarily by production payment (suspense) or on primary term, and the Company reported an average working interest of approximately 76% across its operated net PRB acreage, inclusive of net royalty acres. At year-end, PEDEVCO held interests in 156 gross (135.4 net) wells in the basin. At September 30, 2026, the PRB position totaled 183,829 net acres and 39 gross (28.2 net) wells, including eight gross (0.3 net) non-operated wells. The Phoenix property assignment and sales of mature operated assets accounted for most of the reduction from 2Q.

Permian Basin – Legacy San Andres Formation (New Mexico)

PEDEVCO's Permian Basin assets, located in Chaves and Roosevelt Counties, New Mexico, give the Company a meaningful operating footprint in a well-established oil basin anchored by legacy San Andres production. Strategically, the asset offers a lower-risk redevelopment opportunity supported by long-lived field history, full operatorship, and existing infrastructure. While the Permian is no longer the Company's primary growth focus following its expansion in the Rockies, it remains an asset that offers operational control, redevelopment upside, and capital allocation flexibility within the broader portfolio.

Exhibit 2: Operating Basins (DJ, PRB, and Permian)



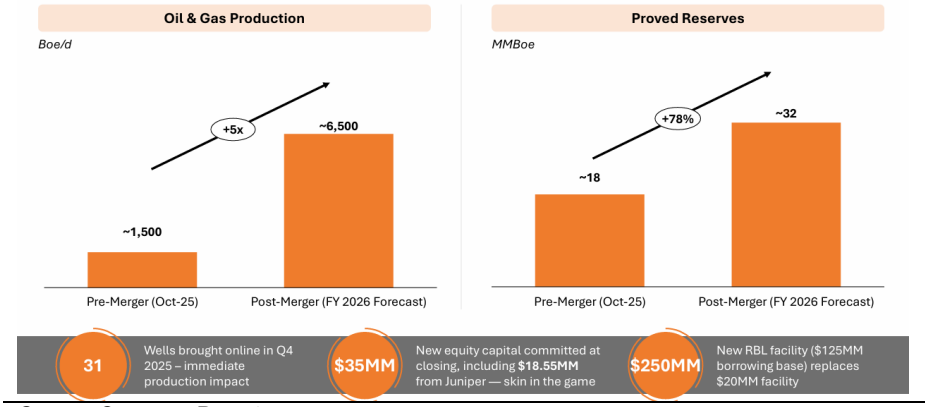
Source: Company Reports

The asset is centered on the Chaveroo and Chaveroo Northeast fields, which have long production histories in the Permian Basin and provide a stable foundation for future redevelopment. Qualitatively, the position benefits from full operatorship, existing field infrastructure, injector and saltwater disposal capacity, and the potential to improve recoveries through modern drilling and completion techniques. Management has also indicated that the fields were historically developed with vertical wells on 40-acre spacing, leaving room for infill drilling and redevelopment on tighter spacing. That said, relative to PEDEVCO's much larger Rockies position, the Permian asset is more limited in scale and is therefore positioned as a secondary capital allocation opportunity rather than a primary driver of consolidated growth.

As of September 30, 2026, PEDEVCO held approximately 14,505 net acres in the Permian Basin in Chaves and Roosevelt Counties, New Mexico, all operated through its wholly owned subsidiary, Ridgeway Arizona Oil Corp. The Company held interests in 38 gross (34.5 net) wells, all of which it operates.

Growth Drivers

Exhibit 3: Merger Key Statistics

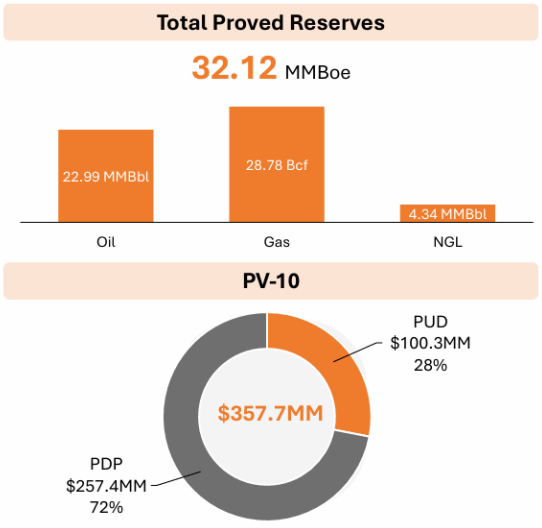


Source: Company Reports

The October 2025 combination with Juniper Capital Rockies represents a structural inflection point for PEDEVCO, repositioning the company from a sub-scale operator into a scaled, oil-weighted Rockies platform with meaningful production, reserve depth, and free cash flow capacity. Exhibit 3 compares roughly 1,500 Boe/d pre-merger with the original post-merger FY26 forecast of approximately 6,500 Boe/d. The combined footprint exceeded 300,000 net acres at year-end 2025. PEDEVCO generated $51.5M of Adjusted EBITDA through 3Q26. This step-change in scale materially enhances operating relevance, improves cost absorption, strengthens capital markets credibility, and provides the financial flexibility necessary to execute a disciplined growth strategy. The Company now possesses both the asset base and balance sheet required to compete for capital and acquisition opportunities in a consolidating sector.

A central pillar of the investment case is PEDEVCO's meaningful, oil-weighted reserve base and embedded development runway. At the end of FY25, proved reserves totaled approximately 32.1 MMBoe, comprised of roughly 72% oil and 85% total liquids, with a PV-10 value of approximately $358M. Importantly, a meaningful portion of the reserve value resides in proved undeveloped locations, creating a clear pathway for converting reserves into production and cash flow growth. Approximately 72% of the $357.7M PV-10 is attributable to PDP reserves versus 28% to PUDs, with management indicating a reserve life of approximately 10 years or more at the production rate used in the reserve exhibit. The DJ Basin accounts for the majority of reserve value, supported by high-return Niobrara and Codell inventory. At the same time, the Permian contributes additional oil-weighted depth through the San Andres development program. This reserve composition provides tangible underlying asset support relative to enterprise value, while also anchoring multi-year organic growth potential.

Exhibit 4: Reserves Summary



SEC Pricing

$65.34/bbl	$3.39/MMBtu
Oil	Gas

R/P Ratio
~10+ years at current production with only a small portion of identified inventory considered

PV-10/Share (post-split)(1)
~$26.90 vs. current stock price — significant discount to reserve value

Cawley, Gillespie & Associates, Inc.
Engineers

Source: Company Reports Effective December 31, 2025

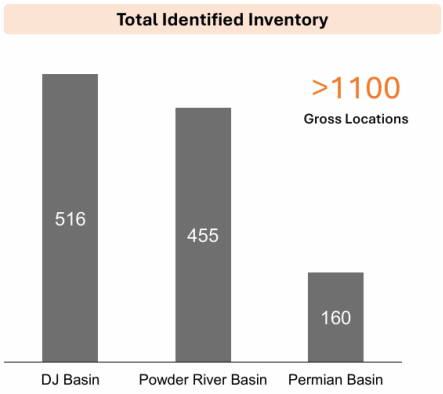
The asset portfolio is structured to deliver sustainable, capital-efficient organic growth across commodity cycles. The DJ Basin provides near-term drilling cadence and pad-scale development opportunities, particularly in Wyoming's generally favorable operating environment, where infrastructure access supports development, although seasonal stipulations and federal lease matters remain timing considerations. The Powder River Basin contributes to the current development program and adds longer-duration inventory. In the Permian, the Chaveroo San Andres field offers capital-

efficient horizontal infill drilling supported by established infrastructure, including flowlines, SWD capacity, power access, and field-level operating control. This combination of short-cycle DJ inventory and lower-decline Permian production creates a balanced growth profile with both production acceleration and base stability.

Well-level economics reinforce the durability of the development thesis. In its September 2026 investor presentation, PED identified >1,100 gross locations across the portfolio, including 516 in the D-J, 455 in the PRB, and 160 in the Permian. Management estimates well-level oil breakevens of <$49/bbl for D-J Niobrara/Codell, <$32/bbl for PRB Sussex/Turner, and <$45/bbl for Permian San Andres at a $3.50/Mscf gas assumption. This inventory provides a multi-year development runway while allowing capital to be allocated across basins as relative economics change. Through 3Q, operating cash flow covered cash drilling and completion spending, while leasehold purchases took combined cash investment above operating cash flow. The 2027 budget should clarify how much of the expanded program PED can fund internally. As scale improves and pad efficiencies are realized, per-unit capital and operating costs should further compress, enhancing corporate-level margins and return on invested capital.

Beyond organic growth, the Rockies region remains highly fragmented, with numerous private operators creating potential opportunities for consolidation. In this environment, PEDEVCO's public listing, expanded reserve-based lending capacity, and conservative leverage profile position the company as a potential consolidation vehicle. Management is evaluating Rockies bolt-ons against the returns available from developing its existing inventory. The NPOG and Century acquisitions establish a larger-scale operating and acreage foundation from which PEDEVCO can pursue accretive bolt-on opportunities that deepen inventory, increase working-interest concentration, and support growth in cash flow per share.

Exhibit 5: Inventory Depth & Well Economics



- Deep Rockies inventory supports a multi-year, self-funded organic growth program
- Extensive drilling locations in established formations
- Continued development by nearby operators expands low-risk areas
- Minimal capital required to maintain production — incremental capital drives growth

Play	Formation	Breakeven Oil Price ($/bbl)[3]
DJ Basin	Niobrara, Codell	<$49
Powder River Basin	Sussex, Turner	<$32
Permian Basin	San Andres	<$45

- Multi-year runway for organic growth

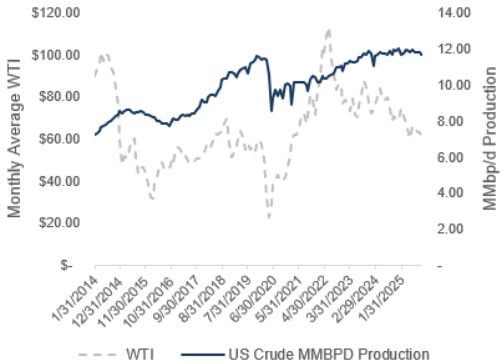
Source: Company Reports

Market Overview

U.S. Onshore Oil Fundamentals

Since 2014, the U.S. onshore oil sector has progressed through four distinct phases: the 2014-2016 commodity collapse, the 2017-2019 shale expansion, the 2020 COVID demand shock, and the post-2021 capital discipline era. WTI declined from over $100/bbl in 2014 to below $30/bbl in early 2016 before recovering into the $50-$70 range during the late-cycle shale expansion (Exhibit 6). Production accelerated materially during 2017-2019, driven by efficiency gains and multi-well pad development.

Exhibit 6: Monthly Avg. WTI vs. U.S. Crude Oil



Source: S&P Capital IQ

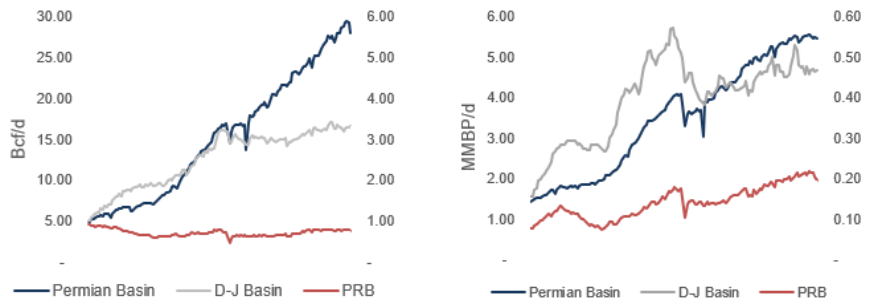
The 2020 COVID shock caused a sharp contraction in both pricing and production. However, the subsequent recovery differed structurally from prior upcycles. Despite WTI exceeding $100/bbl in 2022, U.S. operators broadly maintained capital discipline, prioritizing free cash flow generation, leverage reduction, and shareholder returns over aggressive volumetric growth. U.S. crude oil production averaged 13.7 MMbbl/d in 1H26, according to the EIA.

PEDEVCO's Operating Markets

PEDEVCO's operating footprint spans the DJ Basin, Powder River Basin and Permian Basin, each positioned differently along the development cycle. Per CapIQ, the Permian Basin remains the dominant U.S. hydrocarbon basin, with oil production across the basin increasing from approximately 1.4 MMbbl/d in 2014 to over 5.5 MMbbl/d by 2025 and associated natural gas rising to nearly 30 Bcf/d. While production continues to expand, growth has moderated relative to earlier cycles, reflecting a mature, efficiency-driven basin that serves as a stable production anchor.

The DJ Basin represents a mid-scale, oil-weighted platform with visible capacity for incremental growth. Although production stabilized following regulatory changes in Colorado, oil output was near 0.40-0.50 MMbbl/d and gas near 3.0-3.5 Bcf/d in the period shown in Exhibit 7, per CapIQ, supported by established infrastructure and a sizable resource base. Permitting remains a key development constraint in Colorado, but the basin continues to offer measured expansion potential.

Exhibit 7: Operating Markets Oil & Gas Growth 2014 - Present (Bcf/d & MMBP/d)



Source: S&P Capital IQ

The Powder River Basin provides the strongest relative growth profile from a smaller base. Oil production across the entire basin has increased from approximately 0.08 MMbbl/d in 2014 to nearly 0.20 MMbbl/d by 2025, per CapIQ, while gas volumes remain modest, reinforcing its oil-weighted economics. As a comparatively earlier-stage basin operating within a favorable Wyoming regulatory environment, the PRB offers meaningful development runway. The D-J remains PED's larger operating platform, while Powder River is contributing to near-term production and provides additional operated inventory in the Mowry.

Crude and Natural Gas Pricing Dynamics

Exhibit 8: Monthly Avg. Benchmark Commodity (2014-Present)



Source: S&P Capital IQ

Hydrocarbon pricing remains the primary determinant of upstream cash flow across PEDEVCO's operating basins. Since 2014, crude benchmarks have exhibited pronounced cyclicality, including the 2015–2016 oversupply downturn and the 2020 demand shock, followed by a structurally stronger recovery supported by capital discipline, constrained global investment, and geopolitical risk. WTI and Brent have largely moved in tandem, with Brent generally trading at a premium to WTI and the spread varying over time. Post-2021 price levels have generally supported disciplined reinvestment in oil-weighted plays. By contrast, Henry Hub natural gas prices have been more volatile and structurally weaker on an energy-equivalent basis, with periodic weather- and LNG-driven spikes often retracing amid robust U.S. supply growth. In this context, the asset base in the Permian, the DJ and Powder River basins provides more direct leverage to oil pricing, aligning PEDEVCO's margin sensitivity primarily with crude market fundamentals rather than gas price variability.

Risks

As with any investment, there are certain risks associated with PEDEVCO's operations as well as with the surrounding economic and regulatory environments common to the oil and gas exploration and production industry.

- Commodity prices heavily influence PEDEVCO's results, and the Company's production is primarily oil-weighted, increasing sensitivity to oil price movements. While hedging activities may reduce near-term exposure to price volatility, they do not eliminate commodity risk. They may introduce earnings volatility through mark-to-market adjustments on derivatives and through settlement timing.

- PEDEVCO's development activities are capital-intensive and depend on operating cash flow, access to capital, and commodity prices. Following recent acquisitions, the Company's capital structure includes secured debt that may constrain financial flexibility and introduce refinancing risk, while future equity issuance could dilute shareholders during periods of weaker commodity prices.

- The Company's expanded operating footprint following the North Peak and Century transactions requires effective integration of assets, personnel, and operational systems. Management has acknowledged that merger-related processes can affect development activity and production levels, and execution challenges could adversely impact operating performance and cash flow.

- Estimates of reserves, development inventory, and expected returns are inherently uncertain and based on assumptions regarding reservoir performance, costs, development timing, and commodity prices. A portion of the Company's reserves are proved undeveloped reserves and require substantial capital to convert to production, and actual results may differ materially from expectations. Lease expirations also create development and impairment risk. In 1H26, 3,310 D-J net acres and 720 PRB net acres expired, while the Company recorded a $2.4M impairment associated with 5,662 D-J net acres that expired or were not expected to be drilled before expiration.

- PEDEVCO operates in jurisdictions subject to evolving federal, state, and local regulations governing oil and gas development. Changes in permitting requirements, environmental regulations, or enforcement practices - particularly in the Rocky Mountain region - could increase costs, delay development timelines, or limit operational flexibility. Certain PRB federal leases also remain subject to ongoing BLM litigation. A June 2026 ruling ordered cancellation of certain leases and has been appealed; if all affected leases were ultimately cancelled, PED could lose approximately 43,670 net PRB acres and receive approximately $40.2M of leasehold reimbursement.

- The Company has asset retirement obligations associated with legacy and acquired assets, including inactive wells and remediation activities. Required plugging and abandonment expenditures could reduce available cash flow and increase financial obligations over time.

DISCOUNTED CASH FLOW

PEDEVCO Corp.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	39.6	45.8	152.5	131.8	137.8	144.0	150.5	157.2	164.3	171.7	179.4	187.5	195.9	
Less: Operating Expenses	34.8	54.8	122.6	112.2	117.1	122.4	126.4	132.1	138.0	141.6	148.0	153.7	160.7	
Less: Taxes (benefit)	(12.8)	8.1	0.3	0.7	29.3	30.6	31.6	33.0	34.5	35.4	37.0	38.4	40.2	
NOPAT	17.5	(17.1)	29.6	19.0	(8.6)	(9.0)	(7.5)	(7.9)	(8.2)	(5.4)	(5.6)	(4.7)	(4.9)	
Plus: Depreciation & Amortization	15.9	18.0	42.3	42.5	48.2	49.0	48.1	47.2	49.3	51.5	53.8	56.2	58.8	
Plus: Changes in WC	(10.3)	(3.7)	(1.5)	(1.3)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)	(1.8)	(1.9)	(2.0)	
Less: Capex	(26.7)	(17.5)	(39.5)	(18.5)	(19.3)	(20.2)	(21.1)	(18.9)	(19.7)	(20.6)	(19.7)	(20.6)	(21.6)	
Free Cash Flow	(3.5)	(20.4)	30.9	41.7	18.9	18.4	18.1	18.9	19.7	23.8	26.7	29.1	30.4	387.2
Discount period - months			3	15	27	39	51	63	75	87	99	111	123	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	
Discount factor			0.98	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38	
PV of FCF			30.2	37.0	15.3	13.5	12.0	11.4	10.9	11.9	12.2	12.0	11.4	145.8
Growth rate assumptions:														
Revenue		15.7%	233.3%	-13.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	
Operating Income		######	-429.4%	-34.2%	5.1%	4.5%	11.5%	4.5%	4.5%	14.3%	4.5%	7.5%	4.5%	
EBITDA		43.7%	126.4%	-6.2%	6.9%	3.6%	1.9%	2.7%	4.5%	3.1%	4.5%	4.0%	4.5%	
Free Cash Flow		477.5%	-251.6%	35.1%	-54.6%	-3.1%	-1.6%	4.5%	4.5%	20.8%	12.0%	8.9%	4.5%	
Margin assumptions:														
Operating Income	12.1%	-19.8%	19.6%	14.9%	15.0%	15.0%	16.0%	16.0%	16.0%	17.5%	17.5%	18.0%	18.0%	
D&A as a % of sales	40.2%	39.4%	27.7%	32.2%	35.0%	34.0%	32.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
EBITDA	52.4%	19.5%	47.3%	47.2%	50.0%	49.0%	48.0%	46.0%	46.0%	47.5%	47.5%	48.0%	48.0%	
Taxes	-266.0%	-88.8%	0.9%	3.4%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	-26.0%	-8.1%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Capex as a % of sales	-67.5%	-38.3%	-25.9%	-14.0%	-14.0%	-14.0%	-14.0%	-12.0%	-12.0%	-12.0%	-11.0%	-11.0%	-11.0%	

Valuation:

Shares outstanding	13.3
PV of FCF	177.9
PV of Terminal Value	145.8
Enterprise Value	323.6
less: Net Debt	75.3
Estimated Total Value:	248.3
Est Equity Value/share:	**$18.69**
Price	$11.71

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
9.50%	$17.46	$18.69	$20.24	$22.26	$25.03
9.75%	$16.88	$18.01	$19.44	$21.29	$23.78
10.00%	$16.33	$17.38	$18.69	$20.38	$22.64
10.25%	$15.80	$16.78	$17.99	$19.54	$21.59
10.50%	$15.30	$16.21	$17.33	$18.76	$20.62

Source: Company Reports; Stonegate Capital Partners

BALANCE SHEET

PEDEVCO Corp.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Cash and cash equivalents	25.9	29.4	18.5	4.0	10.4	8.5	10.9	3.2	3.2	7.7	10.8	4.7
Restricted cash	-	-	-	-	-	-	-	-	-	3.6	1.3	1.1
Note, receivable, current	-	-	0.0	0.3	0.5	-	-	-	-	-	-	-
Accounts receivable, current	1.8	2.4	5.8	8.0	11.8	8.6	5.0	25.7	25.7	27.4	24.0	20.2
Inventory	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
Derivative Contract Assets	-	-	-	-	-	-	-	8.4	8.4	3.3	3.3	5.7
Prepaid expenses and other	0.3	0.2	0.3	0.9	0.8	0.6	0.2	0.4	0.4	0.3	0.2	1.4
Total Current Assets	**28.0**	**32.1**	**24.6**	**13.2**	**23.6**	**17.6**	**16.2**	**37.8**	**37.8**	**42.5**	**39.8**	**33.3**
Oil and gas properties, subject to amort.	63.9	79.4	81.9	95.1	93.6	96.2	93.4	303.4	303.4	301.5	295.7	291.4
Oil and gas properties, not subject to amort.	2.6	0.8	12.4	8.4	11.4	6.2	14.4	18.9	18.9	15.9	16.6	27.1
Note receivable	-	-	1.1	0.9	0.8	-	-	-	-	-	-	-
Operating Lease - ROU asset	0.2	0.1	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.1
Derivative contract assets	-	-	-	-	-	-	-	9.6	9.6	7.6	5.3	4.8
Deferred income taxes	-	-	-	12.8	12.7	13.2	7.8	-	-	0.1	-	-
Other assets	3.5	3.8	2.4	3.2	3.4	3.3	3.8	6.0	6.0	2.3	2.1	1.9
Total Assets	**98.2**	**116.1**	**122.7**	**133.8**	**145.6**	**136.8**	**135.9**	**375.9**	**375.9**	**370.1**	**359.7**	**358.4**
LIABILITIES AND SHAREHOLDERS' EQUITY												
Accounts payable	2.6	1.6	6.6	2.6	3.5	5.8	10.3	32.4	32.4	9.9	6.5	5.7
Accrued expense	1.5	13.8	8.7	2.3	9.2	1.6	1.3	8.2	8.2	12.4	13.4	24.4
Revenue payable	0.9	1.0	3.4	1.3	3.4	2.5	2.2	21.5	21.5	22.9	22.2	16.4
Income tax payable	-	-	-	-	-	-	-	-	-	0.0	-	-
Operating lease liabilities, current	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Derivative contract liabilities, current	-	-	-	-	-	-	-	1.0	1.0	16.8	5.7	18.1
Deposit on sale of oil and gas properties	-	-	-	-	-	-	-	-	-	-	2.0	-
Asset retirement obligations, current	0.0	0.5	0.1	0.7	0.7	0.6	0.6	1.2	1.2	0.7	0.7	0.7
Total Current Liabilities	**5.2**	**17.0**	**18.9**	**6.9**	**16.9**	**10.6**	**14.6**	**64.5**	**64.5**	**63.0**	**50.7**	**65.5**
Revolving credit facility	-	-	-	-	-	-	-	87.0	87.0	98.0	85.0	80.0
Operating lease liabilities, net of curr. Port.	0.1	-	0.2	0.1	0.1	0.1	0.1	0.0	0.0	-	-	-
Derivative contract liabilities	-	-	-	-	-	-	-	6.4	6.4	11.4	7.1	8.4
Asset retirment obligations, net of curr. Port.	1.5	2.7	2.2	5.7	6.8	5.5	5.8	7.6	7.6	13.3	13.7	9.2
Deferred income taxes	-	-	-	-	-	-	-	0.8	0.8	-	0.9	1.0
Other long-term liabilities	-	-	-	-	-	-	-	2.2	2.2	2.2	2.2	3.0
Total Liabilities	**6.7**	**19.7**	**21.3**	**12.7**	**23.9**	**16.2**	**20.5**	**168.5**	**168.5**	**187.9**	**159.6**	**167.0**
Series A preferred stock	-	-	-	-	-	-	-	17.0	17.0	-	-	-
Common Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Additional-Paid-In-Capital	221.0	223.1	225.2	227.0	227.5	228.1	228.6	312.2	312.2	329.7	330.1	330.7
Accumulated Defecit	(129.6)	(126.7)	(123.8)	(106.0)	(105.9)	(107.5)	(113.4)	(121.9)	(121.9)	(147.5)	(130.0)	(139.3)
Total Parent Net Equity	**91.5**	**96.5**	**101.5**	**121.1**	**121.7**	**120.7**	**115.4**	**207.4**	**207.4**	**182.2**	**200.1**	**191.4**
Total Liabilities and Shareholders' Equity	**98.2**	**116.1**	**122.7**	**133.8**	**145.6**	**136.8**	**135.9**	**375.9**	**375.9**	**370.1**	**359.7**	**358.4**

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

PEDEVCO Corp.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Oil and Gas Sales	$ 30.0	$ 30.8	$ 39.6	$ 8.7	$ 7.0	$ 7.0	$ 23.1	$ 45.8	$ 40.2	$ 46.1	$ 35.5	$ 30.6	$ 152.5	$ 33.5	$ 32.7	$ 31.9	$ 33.8	$ 131.8
Total Revenues	**30.0**	**30.8**	**39.6**	**8.7**	**7.0**	**7.0**	**23.1**	**45.8**	**40.2**	**46.1**	**35.5**	**30.6**	**152.5**	**33.5**	**32.7**	**31.9**	**33.8**	**131.8**
Lease Operating Costs	10.4	9.8	12.4	3.4	2.8	2.1	10.8	19.1	16.4	16.4	14.3	13.4	60.5	14.5	13.9	13.3	13.4	55.1
SGnA	5.9	6.0	6.4	1.6	1.7	1.5	12.0	16.8	3.1	3.4	4.9	3.5	15.0	3.7	3.7	3.7	3.7	14.6
Impairment of Oil and Gas Properties	-	-	-	0.2	0.5	0.2	0.0	0.9	1.6	0.8	2.4	-	4.8	-	-	-	-	-
D&A	11.2	9.4	15.9	3.3	3.9	4.0	6.8	18.0	12.5	10.2	9.7	10.0	42.3	10.3	10.3	11.0	11.0	42.5
Exploration expense	-	-	-	-	-	-	-	-	-	0.0	0.0	-	0.1	-	-	-	-	-
Total Operating Expenses	27.4	25.3	34.8	8.6	8.9	7.8	29.6	54.8	33.5	30.8	31.4	26.9	122.6	28.4	27.8	27.9	28.0	112.2
Other Expenses																		
Gain/Loss on Sale of O&G Properties	-	(4.3)	(0.1)	-	1.0	-	1.6	2.6	-	0.1	4.7	-	4.8	-	-	-	-	-
Note Receivable	-	-	-	-	(1.4)	-	-	(1.4)	-	-	-	-	-	-	-	-	-	-
Operating Income	**2.6**	**1.2**	**4.7**	**0.2**	**(2.2)**	**(0.8)**	**(4.9)**	**(7.9)**	**6.7**	**15.4**	**8.9**	**3.7**	**34.7**	**5.1**	**4.9**	**4.0**	**5.7**	**19.7**
Interest Income	0.1	0.4	0.4	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.3
Interest Expense	-	-	-	-	-	(0.1)	(1.3)	(1.4)	(2.0)	(2.0)	(1.7)	(1.7)	(7.4)	(1.7)	(1.7)	(1.6)	(1.6)	(6.6)
Gain on Sale of Fixed Asset	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain (loss) on Derivative Contracts	-	-	-	-	-	-	6.3	6.3	(31.3)	5.0	(16.6)	-	(42.8)	-	-	-	-	-
Other gains/loses	0.1	0.0	(0.0)	0.0	0.0	0.4	0.0	0.4	0.0	0.0	0.0	-	0.0	-	-	-	-	-
Profit Before Taxes	**2.8**	**1.7**	**5.0**	**0.2**	**(2.2)**	**(0.5)**	**0.1**	**(2.3)**	**(26.5)**	**18.5**	**(9.2)**	**2.1**	**(15.1)**	**3.5**	**3.3**	**2.4**	**4.1**	**13.3**
Provision for Income Tax	-	-	12.8	(0.1)	0.5	0.2	(8.6)	(8.1)	0.9	(1.0)	(0.0)	(0.1)	(0.3)	(0.2)	(0.2)	(0.1)	(0.2)	(0.7)
Net Income To Common	**2.8**	**1.7**	**17.8**	**0.1**	**(1.7)**	**(0.3)**	**(8.5)**	**(10.4)**	**(25.6)**	**17.5**	**(9.2)**	**2.0**	**(15.4)**	**3.4**	**3.1**	**2.3**	**3.9**	**12.6**
Basic EPS	**$ 0.03**	**$ 0.02**	**$ 0.20**	**$ 0.00**	**$ (0.02)**	**$ (0.00)**	**$ (0.09)**	**$ (2.25)**	**$ (3.28)**	**$ 1.31**	**$ (0.70)**	**$ 0.15**	**$ (1.29)**	**$ 0.25**	**$ 0.23**	**$ 0.17**	**$ 0.29**	**$ 0.94**
Diluted EPS	**$ 0.03**	**$ 0.02**	**$ 0.20**	**$ 0.00**	**$ (0.02)**	**$ (0.00)**	**$ (0.09)**	**$ (2.25)**	**$ (3.28)**	**$ 1.31**	**$ (0.70)**	**$ 0.15**	**$ (1.29)**	**$ 0.25**	**$ 0.23**	**$ 0.17**	**$ 0.29**	**$ 0.94**
WTD Shares Out - Basic	85.8	87.3	89.2	90.9	91.4	92.2	92.3	4.6	7.8	13.3	13.3	13.3	11.9	13.3	13.4	13.4	13.4	13.4
WTD Shares Out - Diluted	85.8	87.3	89.2	90.9	91.4	92.2	92.3	4.6	7.8	13.3	13.3	13.3	11.9	13.3	13.4	13.4	13.4	13.4
EBITDA	**14.0**	**11.1**	**21.0**	**3.6**	**1.7**	**3.6**	**8.2**	**17.1**	**(12.1)**	**30.6**	**2.2**	**13.8**	**34.6**	**15.5**	**15.2**	**15.0**	**16.8**	**62.4**
Adjusted EBITDA	**$ 16.1**	**$ 17.5**	**$ 22.9**	**$ 4.3**	**$ 3.0**	**$ 4.3**	**$ 15.4**	**$ 27.0**	**$ 18.1**	**$ 18.7**	**$ 14.7**	**$ 14.3**	**$ 65.8**	**$ 16.2**	**$ 15.9**	**$ 15.8**	**$ 17.5**	**$ 65.4**
Margin Analysis																		
Operating Margin	8.8%	4.0%	11.9%	1.7%	-32.2%	-12.0%	-21.3%	-17.2%	16.7%	33.3%	25.1%	12.1%	22.7%	15.3%	14.9%	12.4%	16.9%	14.9%
EBITDA Margin	53.6%	56.7%	57.8%	48.9%	43.5%	62.1%	66.7%	59.1%	45.1%	40.5%	41.3%	46.7%	43.1%	48.4%	48.7%	49.4%	51.9%	49.6%
Pre-Tax Margin	9.5%	5.5%	12.7%	2.5%	-31.1%	-7.0%	0.6%	-5.0%	-65.9%	40.1%	-26.0%	6.8%	-9.9%	10.5%	9.9%	7.4%	12.3%	10.1%
Net Income Margin	9.5%	5.5%	45.0%	1.6%	-24.0%	-4.7%	-36.8%	-22.6%	-63.7%	37.9%	-26.0%	6.5%	-10.1%	10.0%	9.4%	7.1%	11.6%	9.6%
Tax Rate	0.0%	0.0%	253.1%	-35.2%	-22.6%	-33.5%	-6540.2%	349.2%	-3.3%	-5.6%	0.2%	-5.0%	1.8%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%
Growth Rate Y/Y																		
Total Revenue	89.4%	2.5%	28.5%	7.6%	-41.0%	-23.1%	118.2%	15.7%	360.4%	561.4%	410.6%	32.7%	233.3%	-16.7%	-29.1%	-10.2%	10.2%	-13.5%
Operating Expenses	40.3%	-7.8%	37.5%	14.3%	-3.4%	12.1%	166.0%	57.7%	290.4%	247.7%	302.3%	-9.0%	123.6%	-15.4%	-9.6%	-10.9%	4.2%	-8.5%
Operating Income	-240.9%	-53.0%	281.3%	-75.7%	-185.1%	-129.5%	259.9%	-266.5%	4368.7%	-784.4%	-1169.1%	-175.1%	-541.5%	-23.6%	-68.3%	-55.5%	54.3%	-43.3%
Pre-Tax Income	-318.9%	-40.3%	196.5%	-72.1%	-180.8%	-116.8%	-109.9%	-145.8%	########	-953.2%	1786.7%	1483.4%	556.7%	-113.3%	-82.4%	-125.7%	97.9%	-187.7%
Net Income	-318.9%	-40.3%	947.0%	-81.9%	-162.5%	-111.1%	-174.4%	-158.2%	########	-1141.4%	2743.7%	-123.4%	48.9%	-113.1%	-82.3%	-124.4%	97.9%	-181.8%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

PEDEVCO Corp.
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 Sep-26
Operating Activities																
Net Income	(1.3)	2.8	1.7	0.8	2.7	2.9	11.4	17.8	0.1	(1.7)	(0.3)	(8.5)	(10.4)	(25.6)	17.5	(9.2)
Depreciation, depletion, amortization and accretion	7.4	11.2	9.4	3.5	4.2	3.1	5.1	15.9	3.3	3.9	4.0	6.8	18.0	12.5	10.2	9.7
Impairment of oil and gas properties	-	-	-	-	-	-	-	-	0.2	0.5	0.2	0.0	0.9	1.6	0.8	2.4
Note receivable - credit loss	-	-	-	-	-	-	-	-	-	1.4	-	-	1.4	-	-	-
Amortization of right-of-use asset	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Amortization of deferred financing costs	-	-	-	-	-	-	-	-	-	-	0.1	0.2	0.3	0.2	0.2	0.2
Share-based compensation expense	2.5	2.1	2.0	0.5	0.5	0.5	0.5	1.9	0.5	0.5	0.5	1.3	2.8	0.5	0.4	0.6
Unrealized gain on derivatives, net	-	-	-	-	-	-	-	-	-	-	-	(6.3)	(6.3)	31.3	(5.0)	16.6
Cash received on derivative settlements, net	-	-	-	-	-	-	-	-	-	-	-	2.1	2.1	0.2	(7.9)	(3.7)
Disposition of escrow cash account	-	-	-	-	(0.1)	0.1	-	0.1	-	-	-	-	-	-	-	-
Deferred Income taxes	-	-	-	-	-	-	(12.8)	(12.8)	0.1	(0.5)	(0.2)	8.6	8.1	(0.9)	1.0	0.1
Gain/loss on sale of oil and gas properties, net	(1.8)	-	4.3	-	-	(0.7)	0.8	0.1	-	(1.0)	-	(1.6)	(2.6)	-	(0.1)	(8.4)
Gain on disposal of fixed asset and other	(0.4)	-	-	(0.0)	-	-	-	(0.0)	-	-	-	-	-	-	-	3.7
Cash Flow from operating activities before working capital changes	**6.5**	**16.2**	**17.6**	**4.7**	**7.4**	**5.8**	**5.1**	**23.0**	**4.3**	**3.1**	**4.4**	**2.7**	**14.5**	**19.7**	**17.1**	**11.9**
Decrease/(Increase) in Accounts receivable - oil and gas	(1.1)	(0.6)	(3.4)	(0.9)	(1.9)	3.3	(2.6)	(2.1)	(3.9)	3.2	3.6	(7.9)	(5.0)	(1.7)	3.4	3.4
Inventory	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	(0.1)	-	-
Increase/ (Decrease) Note receivable accrued interest	-	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	-	-	-	(0.0)	-	-	-
Decrease/(Increase) Prepaid expenses and other current assets	(0.3)	0.1	(0.0)	0.1	0.1	(0.7)	(0.1)	(0.7)	0.1	0.3	(0.4)	(0.8)	(0.9)	0.5	0.1	(0.2)
Decrease/(Increase) Accounts payable	(0.4)	(0.2)	(0.0)	(0.1)	(0.3)	(0.7)	1.6	0.5	(3.2)	0.9	9.5	(5.0)	2.3	(17.0)	(3.5)	(0.9)
Decrease/(Increase) Accrued Interest	1.2	0.4	7.0	(6.6)	0.0	0.6	0.2	(5.9)	6.4	(6.9)	(9.4)	8.8	(1.1)	7.6	(1.0)	1.2
Other long term liabilities	-	-	-	-	-	-	-	-	-	-	-	(0.0)	(0.0)	0.1	0.0	(0.2)
Decrease/(Increase) Revenue payable	0.1	0.1	2.4	(1.5)	(0.6)	(0.0)	0.0	(2.1)	2.2	(1.0)	(0.3)	0.1	1.1	1.5	(0.7)	(5.5)
Cash flow generated/(absorbed) from operating Activities	**6.0**	**16.0**	**23.5**	**(4.3)**	**4.6**	**8.3**	**4.2**	**12.8**	**5.9**	**(0.4)**	**7.4**	**(2.1)**	**10.8**	**10.5**	**15.3**	**9.6**
Investing Activities																
Cash paid for merger and acquisition costs	-	-	-	-	-	-	-	-	-	-	-	(115.6)	(115.6)	-	-	-
Cash paid for drilling and completion costs	(4.6)	(12.3)	(35.0)	(0.9)	(11.4)	(10.8)	(4.7)	(27.9)	(1.4)	(2.3)	(5.2)	(11.6)	(20.5)	(16.5)	(3.5)	(10.3)
Cash received for sale of oil and gas property	1.9	-	0.4	-	-	1.1	0.0	1.1	2.0	0.6	0.3	0.0	2.9	-	2.0	6.3
Acquisition of Oil and Gas Lease Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.1)
Cash Paid on Disposal of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.8)
Cash received for sale of vehicle	-	-	-	0.0	-	-	-	0.0	-	-	-	-	-	-	-	-
Cash paid for vehicle	-	-	-	(0.1)	-	(0.0)	0.1	-	-	-	-	-	-	-	-	-
Cash received from security deposit reimbursement	-	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash paid for property and equipment	(0.0)	-	(0.0)	-	-	-	(0.2)	(0.2)	-	-	-	-	-	-	-	-
Cash paid for issuance of note receivable	-	-	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	**(2.8)**	**(12.3)**	**(35.7)**	**(0.9)**	**(11.4)**	**(9.8)**	**(4.8)**	**(26.9)**	**0.6**	**(1.7)**	**(4.9)**	**(127.2)**	**(133.2)**	**(16.5)**	**(1.5)**	**(11.0)**
Financing Activities																
Proceeds from credit facility	-	-	-	-	-	-	-	-	-	-	-	87.0	87.0	11.0	-	-
Repayment of credit facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.0)	(5.0)
Reverse Stock Split costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)	-
Proceeds from the issuance of convertible preferred stock	-	-	-	-	-	-	-	-	-	-	-	35.0	35.0	-	-	-
Proceeds from issuance of shares, net of offering costs and other	14.7	0.0	-	-	-	-	-	-	-	0.1	-	-	0.1	(0.0)	0.0	-
Cash flow generated/(absorbed) by financing Activities	**14.7**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**122.0**	**122.1**	**11.0**	**(13.0)**	**(5.0)**
Net Cash flow in the year	**17.9**	**3.8**	**(12.3)**	**(5.2)**	**(6.8)**	**(1.5)**	**(0.6)**	**(14.1)**	**6.6**	**(1.9)**	**2.5**	**(7.3)**	**(0.3)**	**5.0**	**0.8**	**(6.4)**
Cash and Cash Equivalents																
Beginning Cash balance	11.3	29.2	33.0	20.7	15.5	8.7	7.2	20.7	6.6	13.2	11.2	13.7	6.6	6.3	11.3	12.1
Ending Cash balance	29.2	33.0	20.7	15.5	8.7	7.2	6.6	6.6	13.2	11.2	13.7	6.3	6.3	11.3	12.1	5.7

Source: Company Reports, Stonegate Capital Partners

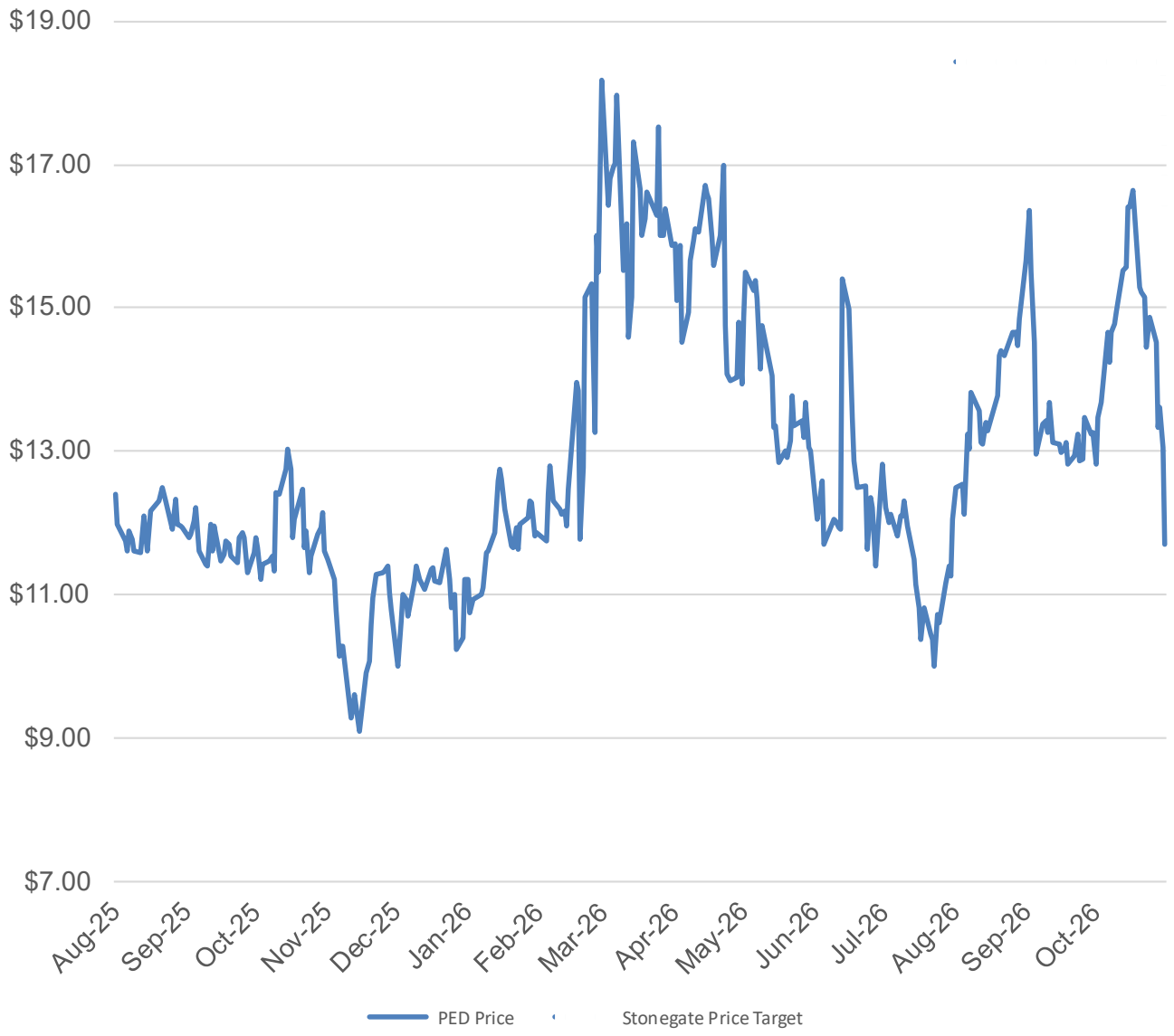
IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate Capital Partners' ("SCP") equity affiliate Stonegate Capital Markets ("SCM"), a FINRA member, investment banking revenues.
(c) SCP or any affiliate has not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects to receive or intends to seek compensation for investment banking services from the subject company in the next 12 months.
(d) SCP has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) SCP or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Neither SCP nor its equity affiliate SCM, a FINRA member, make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) SCP, the research analyst, or associated person of SCP with the ability to influence the content of the research report does not know or have reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of SCP has a position as an officer or director of the subject company.

Ratings - SCP does not provide ratings for the covered companies.
Distribution of Ratings - SCP does not provide ratings for covered companies.
Price Chart - SCP does not have, nor has previously had, a rating for its covered companies, however, SCP does provide a price target on the covered company. Please see the following page for the historical price chart. This chart shows the covered company's stock price since SCP has been covering the covered company as well as the corresponding SCP price target.
Price Targets - SCP may provide price targets for its covered companies. For a complete understanding of valuation methodologies and risks associated please read this report in its entirety. In instances where SCP does not provide a price target SCP will still provide a valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121



Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.