

2 April 2026

Stock Data

Ticker	QHE LN
Share Price:	0.038p
Market Cap:	£12.7m

Price Chart



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Energy Research

Quantum Helium*

QHE LN

SPECULATIVE BUY, 0.08p TP

Sagebrush test to commence next week

Quantum has taken operational control of the Sagebrush Project in Colorado and now plans to mobilise for the extended production test at the Sagebrush-1 well, which is expected to commence shortly after Easter and run for several weeks.

We maintain our Speculative Buy rating and target price of 0.08p/sh, which is based on our updated Risked NAV.

BIA approve operatorship to remove last regulatory hurdle to extended test

- Quantum has received notification that operatorship of the Sagebrush Project (90% WI) in Colorado has been approved by the Bureau of Indian Affairs (BIA), which was the final regulatory step required to take full operational control.
- The Company now plans to move into the next operational phase at Sagebrush, with mobilisation for the extended production test at the Sagebrush-1 well expected to commence shortly after Easter and run over a number of weeks.
- We update our financial forecasts and NAV for the interim results and reiterate our 0.08p/sh target price, which is based on the risked valuation of the Company's portfolio (0.30p/sh unrisks).

Sagebrush-1 well testing anticipated to confirm deeper helium potential

- The Sagebrush-1 well historically encountered non-combustible gas with measured helium concentrations of ~2.76%, providing strong technical validation of the helium potential within the deeper Leadville Formation.
- Wireline logs identified ~94 feet of net gas pay and the drill stem test concluded with the well continuing to build pressure, suggesting the potential for stronger sustained flow rates using modern completion and stimulation techniques.
- Quantum plans to perform extended well production testing of the deeper Leadville intervals in the well over 2Q26, which is designed to assess flow rates and confirm commercial deliverability of the helium resource.

Flagship development opportunity within the Four Corners helium fairway

- An independent resource evaluation confirmed the Sagebrush project as a technically credible helium project with 2U gross prospective helium resources of 134mmcf, which increases to 269mmcf in the 3U case.
- The upcoming well test is designed to validate the resource estimates, provide data to de-risk the project, and contribute to the facilities planning required to unlock the full potential of the Sagebrush project towards commercialisation.
- This independently verified helium resource forms part of Quantum's wider Colorado portfolio, which now totals more than 1bcf of 2U gross helium resources across the Sagebrush and Coyote Wash projects in Colorado.

Reiterate SPECULATIVE BUY rating and 0.08p/sh TP

- The advancement to testing at Sagebrush comes at a time of increasing global focus on helium supply security, with recent geopolitical developments in the Middle East disrupting a significant portion of global production leading to greater recognition of domestic capacity, particularly in the United States.
- We expect a steady stream of news flow in the coming months to validate Quantum's resource estimates and further de-risk the wider portfolio, as well as providing the data needed to advance targets towards drill ready status in 2026.
- Following positive results from the extended well test, we think that investors could look beyond our TP by attaching greater value to the wider prospectivity in the portfolio, subject to the timing of the forward drilling programme.

Valuation

Valuation methodology

In formulating our valuation assumptions, we have forecast long-term constant benchmarks and apply these inputs into our DCF model. Our assumptions reflect a long-term helium price of \$450/mcf (98% He content) and a \$70/bbl Brent oil price (\$3/bbl discount for WTI), as well as a US\$1.35:£1.00 FX rate, discounted to 31 December 2025. We apply a standard 10% discount rate to the assets and incorporate the following assumptions into our financial model:

Table 2: Assumptions table

Potential shares in issue (diluted millions)	33,998.1
LT exchange USD/GBP	US\$1.35
LT Brent oil price	\$70.0/bbl
LT Helium gas price	\$450.0/mcf
NPV discount rate	10%
Discount date	31/12/2025

Source: SP Angel estimates

We value Quantum using a similar approach to all of our Energy companies, with risk-adjusted net asset value of all of its key assets (Risked NAV) as the primary valuation metric. We typically do this by modelling a Discounted Cash Flow (DCF) of the key assets in detail, taking the Company's net effective interest and applying a risk factor. We think it is useful for investors to think of Quantum's asset base in terms of what can already be considered as commercial (e.g. producing oil reserves at Sagebrush) and what still has to be de-risked by further drilling (Coyote Wash North helium exploration prospect). This gives us greater flexibility to 'upgrade' the individual risk factors and adjust each as appropriate on positive news flow and delivery of commercial milestones, and so better reflect the market's evolving view on the "worth" of the asset base

Summary valuation

Asset	Region	Resource (bcfe)	Stage	Net WI	Net resource (bcfe)	NPV (\$/mcf)	Unrisked value (pps)	Risk factor	Net risked resources (bcfe)	Net risked value (\$m)	Net risked value (£m)	Net risked value (pps)
Sagebrush oil production	USA	0.95	D	90.0%	0.86	1.5	0.003	100%	0.86	1.3	0.9	0.003
Production assets		0.95			0.86	1.5	0.003		0.86	1.3	0.9	0.003
Cash @ YE25							0.005			2.2	1.6	0.005
G&A (2Yr)							-0.004			-1.9	-1.4	-0.004
2025 adj							0.001			0.6	0.4	0.001
Core NAV		0.95			0.86		0.005		0.86	2.1	1.6	0.005
Sagebrush project (helium)	USA	0.13	A	90.0%	0.12	110.0	0.029	33%	0.04	4.4	3.3	0.010
Contingent NAV		0.13			0.12		0.029		0.04	4.4	3.3	0.010
Sagebrush oil prospect	USA	0.60	E	90.0%	0.54	1.5	0.002	25%	0.14	0.2	0.1	0.000
Sagebrush upside (helium)	USA	0.17	E	90.0%	0.15	110.0	0.037	20%	0.03	3.4	2.5	0.007
Coyote Wash North (helium)	USA	0.51	E	100.0%	0.51	110.0	0.122	25%	0.13	14.0	10.4	0.031
Coyote Wash project (helium)	USA	0.56	E	100.0%	0.56	110.0	0.135	20%	0.11	12.4	9.2	0.027
Exploration NAV		1.84			1.77		0.296		0.41	30.0	22.2	0.065
Total Risked NAV		2.93					0.329		1.30	36.5	27.1	0.080

Source: SP Angel estimates

The above Risked NAV indicates Quantum's existing portfolio at current equity levels, with the Core NAV reflecting just the acquired oil production at Sagebrush and the net financial items.

The Company has an independent third-party resource report for the Sagebrush project, which is based on a review the Four Corners Helium (FCH) report, petrophysical analysis, and seismic mapping of the Sagebrush-1 well. Quantum has also announced internal estimates for the Coyote Wash project calculated over six identified prospects on the acreage, which uses parameters consistent with the independent evaluation of the nearby Sagebrush Project.

However, today's equity market capitalisation or market "worth" of the Company (based on a share price of 0.038p/sh) falls well short of and does not reflect our long-term risked valuation. We estimate over 100% near-term potential upside to our Risked NAV of 0.08p/sh.

Financial forecasts for Quantum Helium (for financial year ending 30 June)

In US\$ (unless stated), FYE 30Jun		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Avshare price (p)		0.038	0.055	0.039	0.025	0.038	0.038	0.038	0.038
Basic YE NOSH (m)		5,220	6,954	12,821	22,982	33,319	33,319	33,319	33,319
Av \$/AUD		0.73	0.67	0.66	0.65	0.70	0.70	0.70	0.70
YE \$/£		1.24	1.27	1.25	1.37	1.35	1.35	1.35	1.35
Market cap (£m)		2.0	3.8	5.0	5.7	12.7	12.7	12.7	12.7
Market cap (\$m)		2.5	4.9	6.3	7.9	17.1	17.1	17.1	17.1
EV (\$m)		0.7	4.5	5.7	5.3	16.3	17.0	17.9	18.9
Income Statement		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Helium gas	\$/mcf	350.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0
WTI	\$/bbl	87.7	81.0	79.6	70.2	67.0	67.0	67.0	67.0
HH natural gas	\$/mcf	5.0	4.8	2.5	3.1	4.0	4.0	4.0	4.0
Revenue	\$m	1.3	1.5	0.1	0.3	1.3	1.2	1.1	0.9
Opex	\$m	-0.8	-1.1	-0.1	-0.1	-0.8	-0.5	-0.5	-0.5
EBITDAX	\$m	-0.4	-0.7	-0.9	-1.2	-0.9	-0.5	-0.6	-0.8
Exploration W/O	\$m	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0
EBITDA	\$m	-1.6	-1.1	-0.9	-4.7	-0.9	-0.5	-0.6	-0.8
DDA	\$m	-0.2	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
EBIT	\$m	-1.8	-1.4	-1.0	-4.8	-1.1	-0.6	-0.8	-0.9
Exceptionals	\$m	-1.2	-0.4	0.0	-3.0	0.0	0.0	0.0	0.0
Net finance income	\$m	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
EBT	\$m	-1.8	-1.4	-1.0	-4.7	-1.0	-0.6	-0.8	-0.9
Tax	\$m	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	\$m	-1.5	-1.3	-1.4	-6.6	-1.0	-0.6	-0.8	-0.9
EPS (basic)	Cents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS (diluted)	Cents	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance Sheet		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Cash	\$m	1.7	0.4	0.6	2.6	0.8	0.1	-0.8	-1.8
Debt	\$m	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/(cash) BV	\$m	-1.7	-0.4	-0.6	-2.6	-0.8	-0.1	0.8	1.8
Total Assets	\$m	6.2	5.8	6.2	3.4	5.4	4.8	4.0	3.1
Total Liabilities	\$m	1.0	0.9	1.6	0.6	0.2	0.2	0.2	0.2
Net Assets	\$m	5.3	4.9	4.6	2.8	5.2	4.6	3.8	2.9
Equity	\$m	5.3	4.9	4.6	2.8	5.2	4.6	3.8	2.9
Cash Flow		2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Cash flow from Operations	\$m	-0.4	-0.8	-0.3	-1.0	-0.7	-0.4	-0.6	-0.7
Cash used in Investing	\$m	-1.2	-1.7	-0.6	-1.3	-3.3	-0.3	-0.3	-0.3
Cash used in Financing	\$m	1.5	1.3	1.2	4.2	2.2	0.0	0.0	0.0
Change in cash	\$m	0.0	-1.2	0.2	1.9	-1.9	-0.7	-0.9	-1.0
FCF	\$m	-1.5	-2.4	-0.9	-2.8	-3.8	-0.7	-0.9	-1.0
DACF	\$m	-0.4	-0.9	-0.4	-1.3	-0.9	-0.4	-0.6	-0.7
Production (WI)									
Oil production	kbo/d	0.10	0.05	0.04	0.03	0.03	0.03	0.03	0.03
Gas production	mmcf/d	0.00	0.04	0.01	0.00	0.00	0.00	0.00	0.00
Hydro production	kboe/d	0.10	0.05	0.04	0.03	0.03	0.03	0.03	0.03
Production growth	%	66%	-49%	-23%	-29%	17%	-3%	-7%	-7%
Valuation									
Share price	(p)	0.038	0.055	0.039	0.025	0.038	0.038	0.038	0.038
Market cap	\$m	2.5	4.9	6.3	7.9	17.1	17.1	17.1	17.1
EV	\$m	0.7	4.5	5.7	5.3	16.3	17.0	17.9	18.9
P/E	(x)	-0.6	-1.6	-1.8	-0.5	-7.7	-15.0	-11.7	-9.8
EV/DACF	(x)	-1.7	-5.2	-13.5	-4.1	-18.1	-39.2	-31.3	-25.2
EV/2P	(\$/boe)	nm	nm	nm	nm	nm	nm	nm	nm
EV/boe/d	\$/bo/d	7.2	84.4	138.3	183.6	480.0	514.0	582.3	664.2
Div yield	(%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	(%)	-62%	-50%	-15%	-35%	-22%	-4%	-5%	-6%
Net debt/EBITDA	(x)	1.1	0.3	0.7	0.5	0.9	0.2	-1.2	-2.2
Net debt/Equity	(%)	-32%	-7%	-12%	-91%	-15%	-2%	20%	62%
Net debt/EBITDAX	(x)	4.1	0.5	0.7	2.2	0.9	0.2	-1.2	-2.2
EBITDAX/interest	(x)	-172.1	-209.2	-265.1	-359.0	9.4	-148.3	1050.6	157.8
Interest cover	(x)	-731.9	-410.4	-309.5	-1480.5	10.7	-189.3	1244.3	179.2
ROACE	(%)	-65%	-80%	-59%	-189%	-33%	-18%	-29%	-52%
EV/EBITDAX	(x)	na	na	na	na	na	na	na	na

Source: SP Angel estimates

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