



RATING: BUY
(unchanged)

TARGET: 0.35
(unchanged)

Eighth Update on Production Restoration Program

EVENT: Trillion has provided their eighth update on the workover program at SASB, with the first initial result from the velocity string installation on the Akcakoca-3 with a positive result. Prior to installation, the well was doing ~2.0 MMcf/d (avg. of 27 days prior to velocity string installation) and has increased to average 2.6 MMcf/d on average the past four days, representing an ~30% increase in production. A string has also been installed in the West Akcakoca-1 well, which was not producing ahead of installation (the well did deliver 2.8 MMcf/d following the additional perfs in July) and is expected to resume production following nitrogen stimulation, and the Guluc-2 well is currently undergoing string installation.

IMPACT: POSITIVE. There has been some improvement in production from the first well with a velocity string, which is a positive and what we want to see from the program. That said, the bigger catalysts will come with the additional installations and proof of sustained production improvements once the program is completed, which looks to be a step in the right direction. In the end, we are looking for approximately 10 MMcf/d gross of stabilized volumes once the program is complete, which will drive renewed confidence in this story.

HIGHLIGHTS:

- ▶ If Trillion is successful resolving the production issues and can display a sustain improvement in volumes, we believe the deep value in the stock in the stock will start to be recognized by the market. Our PDP + PDNP NAVPS (the reserves value for the already drilled wells) is \$0.32 on strip prices and \$0.39 on GLJ's price deck, increasing to \$1.57 on strip and \$2.00 on GLJ's price deck on a 2P basis. With that, we believe that there is strong upside in the story, however, this is contingent on resolving the water loading issue and the Company achieving sustained improvement in production volumes.

All figures in C\$ unless otherwise stated

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Company Statistics

Risk:	SPECULATIVE
52-week High/Low:	C\$0.58 / C\$0.08
Pricing Date:	Nov 01 2024
Shares Out. (basic):	158.0M
Shares Out. (fd):	221.5M
Market Cap:	C\$14M
Net Debt:	C\$36M
Enterprise Value:	C\$50M
3-mth Avg Daily Vol:	510K
Dividend Yield:	0.0%

Valuation Summary

Our C\$0.35 target is based on the reserves value of the six current wells (PDP + PDNP reserves) run on strip prices.



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Disclosure Fact Sheet

Ratings

BUY : recommendation: stock is expected to appreciate from its current price level at least 10-20% in the next 12 months.

NEUTRAL : recommendation: stock is expected to trade in a narrow range from its current price level in the next 12 months.

SELL : recommendation: stock is expected to decline from its current price level at least 10-20% in the next 12 months.

U/R : Under Review

N/R : No Rating

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Price Volatility/Risk

SPECULATIVE : The Company has no established operating revenue, and/or balance sheet or cash flow concerns exist. Typically low public float or lack of liquidity exists. In addition, companies operating with significant commodity pricing exposure will typically be rated SPECULATIVE. Rated for risk tolerant investors only.

ABOVE AVERAGE : Revenue and earnings predictability may not be established. Balance sheet or cash flow concerns may exist. Stock may exhibit low liquidity.

AVERAGE : Average revenue and earnings predictability has been established; no significant cash flow/balance sheet concerns are foreseeable over the next 12 months. Reasonable liquidity exists. Price Volatility/Risk analysis while broad based includes the risks associated with a company's balance sheet, variability of revenue or earnings, industry or sector risks, and liquidity risk.

Analyst Certification

I, Adam Gill, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject securities or issuers. 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. I am the research analyst primarily responsible for preparing this report.

Research Disclosures

Company	Disclosure
Trillion Energy International	3, 4, 5

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The attached summarizes Ventum’s analysts review of the material operations of the attached company(s).

Analyst	Company	Type of Review	Operations / Project	Date
Gill, Adam	Trillion Energy International	Management Call	All	09/04/24

Recommendations	Number of Recommendations	Percentage
BUY	91	72.22%
NEUTRAL	7	5.56%
SELL	0	0.00%
UNDER REVIEW	23	18.25%
N/R	0	0.00%
TENDER	3	2.38%
RESTRICTED	2	1.59%
TOTAL	126	

Stock Rating and Target Changes

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Trillion Energy International Rating History as of 11/01/2024



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