

Zacks Small-Cap Research

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Union Jack Oil

(UJOGF-OTCQB;
USO-LSE)

UJOGF: Operations Update Shows Improving Production

Union Jack Oil is an oil and gas company that operates in both the UK and US markets. We value UJOGF at \$0.31 per share based on a discounted cash flow analysis and a discount rate of 12%.

OUTLOOK

Union Jack Oil is primarily an onshore oil and gas company with a focus on production, drilling, development and investment in the United Kingdom and the United States of America.

The company released a project update that featured site upgrades, increased development to obtain better flow from existing rigs, and a focus on expense management.

Current Price (01/29/26)

\$0.04

Valuation

\$0.31

SUMMARY DATA

52-Week High	\$0.12
52-Week Low	\$0.02
One-Year Return (%)	N/A
Beta	N/A
Average Daily Volume (sh)	15

Shares Outstanding (mil)	147
Market Capitalization (\$mil)	\$5
Short Interest Ratio (days)	N/A
Institutional Ownership (%)	N/A
Insider Ownership (%)	N/A

Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00

5-Yr. Historical Growth Rates

Sales (%)	N/A
Earnings Per Share (%)	N/A
Dividend (%)	N/A

P/E using TTM EPS N/A

P/E using 2025 Estimate N/A

P/E using 2026 Estimate N/A

Zacks Rank N/A

Risk Level	Medium-high,
Type of Stock	Small
Industry	Oil and Gas

ZACKS ESTIMATES

Revenue

(in millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Jan)	(June)	(Sept)	(Dec)	(Dec)
2023		\$4.8A		\$2.0A	\$6.8A
2024		\$3.2A		\$2.1A	\$5.3A
2025		\$1.7A		\$2.1E	\$3.8E
2026		\$3.4E		\$3.5E	\$6.9E

Earnings Per Share

	Q1	Q2	Q3	Q4	Year
	(Jan)	(June)	(Sept)	(Dec)	(Dec)
2023		\$0.69A		\$0.36A	\$1.05A
2024		\$0.98A		-\$0.17A	\$0.81A
2025		-\$0.61A		-\$0.34E	-\$0.95E
2026		\$0.32E		\$0.50E	\$0.82E

KEY POINTS

- Union Jack has upgraded its Wressle site, which is its flagship project, and is one of the most productive conventional oil fields in the UK.
- The company is planning to drill two more wells at its Keddington site.
- The US operations continue to be evaluated and have great potential—test results should be coming in the near future.
- Management is focusing on cost controls to improve net cash flow.

Update

Union Jack is an oil and gas company that has traditionally been rooted in the UK onshore market but has now made a substantial investment in the United States to add to its portfolio. For years, its flagship project has been the Wressle oil field in Lincolnshire, UK, which has provided steady production and good cash flow. A further production interest is at Keddington, which has recently been brought back online following extensive site upgrades.

The company has development interests in West Newton, Biscathorpe and North Kelsey, all of which offer longer-term growth opportunities. The operating environment for oil and gas companies has grown difficult in the UK, with a regulatory environment that makes approvals for projects drag on for years and a “windfall tax” on hydrocarbon projects makes developing profitable projects difficult. It must be noted that Union Jack has enough capital loss carryforwards to offset UK income that the company is going to make in the next several years so that it will not have to worry about the tax. To further expand the reach of Union Jack, and to diversify operations in areas other than the UK, company management made the decision several years ago to add the United States to their portfolio.

Union Jack has just released a project update that reinforces the strength and resilience of its diversified portfolio in both the United Kingdom and the United States. In the UK, the company’s flagship Wressle field continues to deliver reliable performance, averaging around 267 barrels of oil per day in January 2026 while ongoing facility upgrades are aimed at improving production efficiency and cutting routine flaring. The quality of this asset is underscored by substantial 2P reserves of over 2.3 million barrels that remain in the ground, supporting long-term value for shareholders. The Keddington oilfield has also been brought back into production, adding to the group’s domestic momentum, and the broader West Newton gas project represents a further growth runway as regulatory approvals progress.

Across the Atlantic in Oklahoma, Union Jack’s strategy of building a balanced mix of production, development and royalty interests is yielding tangible results. For example, its Moccasin site is currently producing around 50 bpd and the company continues to evaluate increasing productions. Its operations with partner Reach Oil and Gas have stayed cash-flow positive even in a challenging pricing environment, with the Moccasin and Andrews wells contributing meaningful output and revenue. The company is planning near-term activity at the high-impact Crossroads prospect and has identified additional productive opportunities, while its expanding mineral royalty portfolio delivers stable, low-risk income that enhances overall financial resilience.

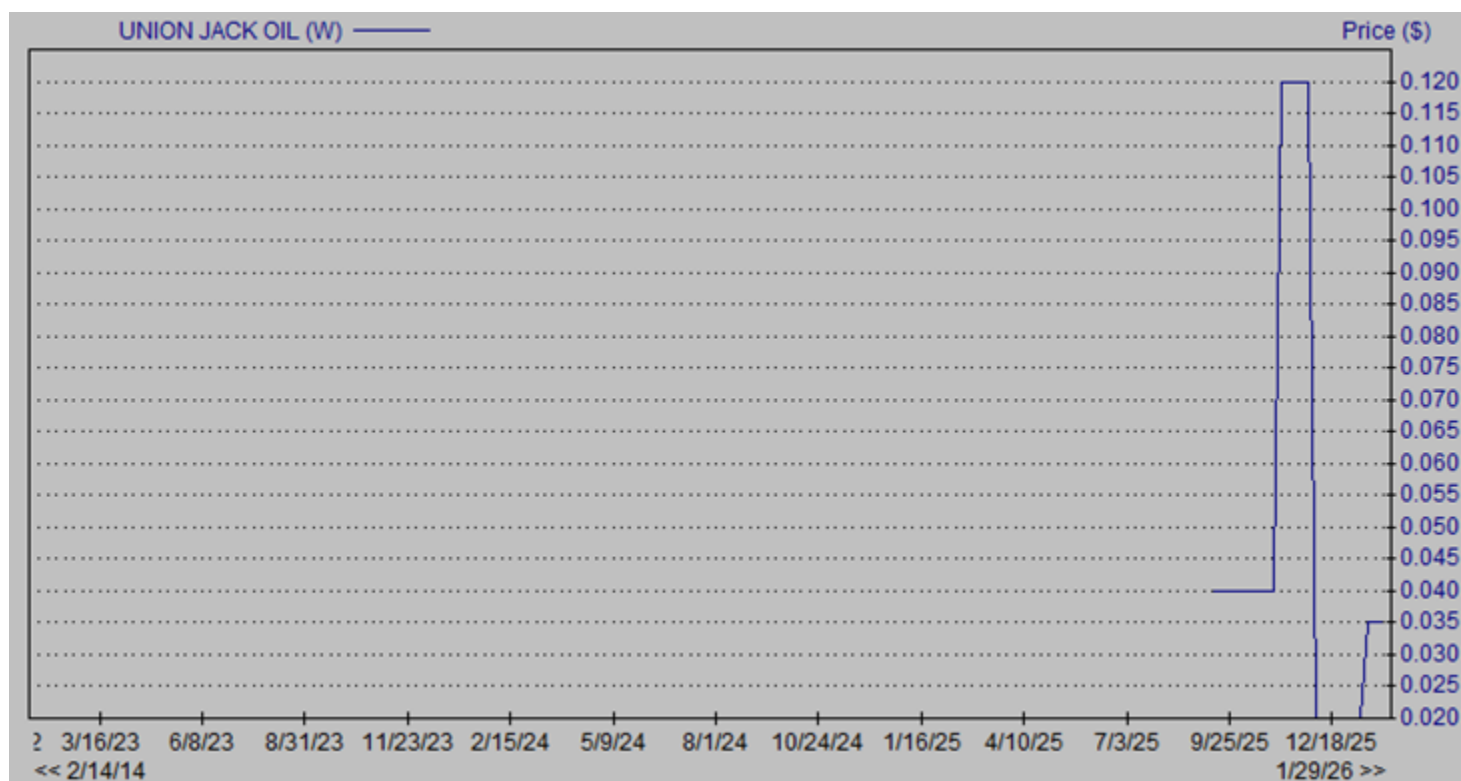
The tone of management’s commentary highlights a disciplined focus on cost efficiencies and cash flow optimization across all of Union Jack’s assets. This operational discipline, combined with the geographic diversity of its portfolio and a zero-debt balance sheet, positions the company to weather short-term

volatility in commodity markets and benefit from future shifts in energy demand and policy. For investors looking for exposure to proactive asset development underpinned by steady production, meaningful reserves and diversified income streams, the latest update paints a picture of a company steadily executing its strategy while laying the foundation for sustainable growth and we encourage investors to take a look at UJOGF.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Union Jack Oil Income Statement and Balance Sheet										
(In thousands of US Dollars except per share data-Conversion rate: 1 pound=1.35 US dollars)										
	1H2023A	2H2023A	1H2024A	2H2024A	1H2025A	2H2025E	1H2026E	2H2026E	2027E	
Revenue	4,840	1,999	3,158	2,148	1,736	2,099	3,379	3,548	7,805	
Operating costs	711	798	977	972	871	840	1,351	1,419	3,122	
Deperciation and amortization	1,751	(1,126)	289	250	217	206	196	186	354	
Net profit interest payment	204	45	84	77	34	37	41	45	99	
Gross profit	2,174	2,283	1,808	849	614	1,016	1,790	1,897	4,230	
General and administration expenses	1,249	1,528	1,154	1,381	1,428	1,500	1,575	1,496	2,842	
Impairment	41	36	3	11	0	0	0	0	0	
Total Administrative Expenses	1,289	1,565	1,157	1,392	1,428	1,500	1,575	1,496	2,842	
Income/(Loss) from operations	884	718	651	(543)	(814)	(484)	216	401	1,388	
Other Income/(Expenses):										
Finance Income	57	134	111	65	16	17	17	17	35	
Royalty Income	0	47	162	103	93	102	113	124	273	
Other	95	(95)	0	0	0	0	0	0	0	
Total other inc./(exp.)	151	86	273	167	109	119	130	141	308	
Net Inc./(Loss) from Operations Before Tax	1,035	805	923	(375)	(705)	(365)	345	543	1,695	
Income Tax Benefit/(Expense)	(262)	(417)	142	186	43	0	0	0	0	
Net Income/(Loss)	774	387	1,065	(189)	(662)	(365)	345	543	1,695	
Net Income/(Loss) per share	\$ 0.69	\$ 0.36	\$ 0.98	\$ (0.17)	\$ (0.61)	\$ (0.34)	\$ 0.32	\$ 0.50	\$ 1.57	
Diluted Common Shares Outstanding	111,351	108,531	108,566	109,266	107,916	107,916	107,916	107,916	107,916	
Current Assets										
Cash and cash equivalents	8,479	7,017	4,251	3,413	1,909	2,100	2,310	2,541	2,795	
Trade and other receivables	3,610	2,060	2,792	1,156	535	551	567	584	602	
Inventory	38	28	16	15	31	31	31	31	31	
Other	0	0	0	0	0	0	0	0	0	
Total Current Assets	12,127	9,106	7,059	4,583	2,475	2,681	2,908	3,156	3,428	
Property, Plant and Equip.	18,901	22,672	25,458	27,147	28,677	29,537	30,423	31,336	32,276	
Investments	1,266	716	170	163	163	163	163	163	163	
Deferred tax asset	2,498	144	286	298	468	298	298	298	298	
Other long-term assets	0	0	0	0	0	0	0	0	0	
Total other assets	22,665	23,532	25,915	27,609	29,309	29,999	30,885	31,798	32,738	
Total Assets	34,791	32,638	32,974	32,192	31,783	32,680	33,793	34,953	36,165	
Current Liabilities										
Current portion on long-term debt	0	0	0	0	0	0	0	0	0	
Trade and other payables	1,492	527	660	301	425	301	301	301	301	
Other current liabilities	0	0	0	0	0	0	0	0	0	
Total current liabilities	1,492	527	660	301	425	301	301	301	301	
Long-term debt	0	0	0	0	0	0	0	0	0	
Other long-term liabilities	3,179	2,552	2,233	2,367	2,493	2,367	2,367	2,367	2,367	
Total long-term liabilities	3,179	2,552	2,233	2,367	2,493	2,367	2,367	2,367	2,367	
Total Liabilities	4,671	3,078	2,893	2,668	2,919	2,668	2,668	2,668	2,668	
Stockholders' equity/(deficit)	30,120	29,682	30,741	29,826	29,289	30,314	31,427	32,587	33,799	
Total Liabilities and Stockholders' Equity	34,791	32,638	32,974	32,192	31,783	32,680	33,793	34,953	36,165	

HISTORICAL STOCK PRICE



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