

# Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brad Sorensen

312-265-9574

bsorensen@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

## Union Jack Oil

(UJOGF-OTCQB;  
USO-LSE)

### UJOGF: An Overlooked Oil Company Investors Should Pay Attention To

Union Jack Oil is an oil and gas company that operates in both the UK and US markets. We value UJOGF at \$0.34 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 continues to execute, with the spudding of the Crossroads Well in Oklahoma announced recently. Shares in the UK have risen and we are raising our price target as a result of the rise in oil prices and the continued execution. Investors in the US should pay attention.

Current Price (05/07/26) \$0.06  
Valuation \$0.34

### SUMMARY DATA

52-Week High \$0.12  
52-Week Low \$0.02  
One-Year Return (%) N/A  
Beta N/A  
Average Daily Volume (sh) 1,636

Shares Outstanding (mil) 147  
Market Capitalization (\$mil) \$9  
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		\$2.2E	\$3.9E
2026		\$3.5E		\$3.7E	\$7.2E

#### 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		-\$0.30E	-\$0.91E
2026		\$0.37E		\$0.58E	\$0.95E

## Update

Union Jack Oil has increasingly positioned itself as a differentiated small-cap onshore oil and gas producer with exposure to both the United Kingdom and the United States, a strategy that gives the company geographic diversification while maintaining a disciplined capital structure. The company has built a reputation for maintaining relatively low corporate overhead, preserving cash resources, and selectively participating in projects that can provide meaningful production and reserve upside without excessive balance-sheet risk. In an environment where many junior energy companies have struggled with debt burdens and repeated equity dilution, Union Jack has emphasized funding projects from existing cash resources while steadily expanding its portfolio of producing and development assets.

As a result of the company's continued execution, further detailed below and the recent rise in oil prices that we believe will result in crude oil prices trading above \$80 for the balance of year and above \$70 well into 2027—we are raising our price target from \$0.31 per share to \$0.34 per share. We still believe this is a conservative estimate and that US investors should pay attention to what's going on with UJOGF.

A very recent example of execution for the company is the spudding of the Crossroads well in Oklahoma, a project that could become an important catalyst for future growth. Union Jack announced that the Crossroads well was spudded on May 5, 2026, with drilling expected to take approximately ten days. The company currently holds a substantial 43% working interest in the project, and importantly, management stated that its share of drilling costs was funded from existing cash resources.

The Crossroads project is strategically important because it expands Union Jack's exposure to the highly productive and infrastructure-rich Oklahoma hydrocarbon region. Oklahoma remains one of the most established onshore oil jurisdictions in the United States, with extensive pipeline networks, experienced service providers, and relatively efficient permitting and development processes. For a company of Union Jack's size, a successful well can have an outsized impact on both revenues and valuation. Even a modest commercial discovery could materially increase production volumes, reserves, and operating cash flow while validating the company's broader strategy of expanding its U.S. footprint.

The economics of a successful Crossroads well could be particularly attractive given Union Jack's sizable ownership stake. Because the company already funded its participation from cash on hand, the project avoids the near-term burden of additional financing costs or shareholder dilution. If the well encounters commercially productive hydrocarbons, Union Jack would be positioned to benefit from long-lived production revenue while potentially opening additional drilling opportunities in the surrounding acreage. In many onshore U.S. plays, one successful well can substantially de-risk neighboring prospects, creating the potential for follow-on development that extends beyond the initial discovery.

The timing of the Crossroads drilling program may also prove highly advantageous given the recent recovery in oil prices. Crude prices have strengthened in recent weeks amid ongoing geopolitical tensions, supply concerns, and expectations for tighter global inventories. Higher oil prices can have a dramatic effect on small-cap producers because incremental revenue often flows disproportionately to cash flow and profitability once fixed operating costs are covered. For Union Jack, stronger commodity prices improve the potential economics not only of Crossroads, but also of its broader portfolio of producing and development assets.

This rising oil price environment could create a powerful operational and financial tailwind for the company. Higher realized prices increase project returns, shorten payout periods on new wells, and improve reserve valuations. They can also enhance investor sentiment toward smaller independent producers that offer leverage to commodity upside. Union Jack's combination of existing production, low debt exposure, and active development projects means that it may be particularly well positioned to benefit if elevated oil prices persist through 2026 and beyond.

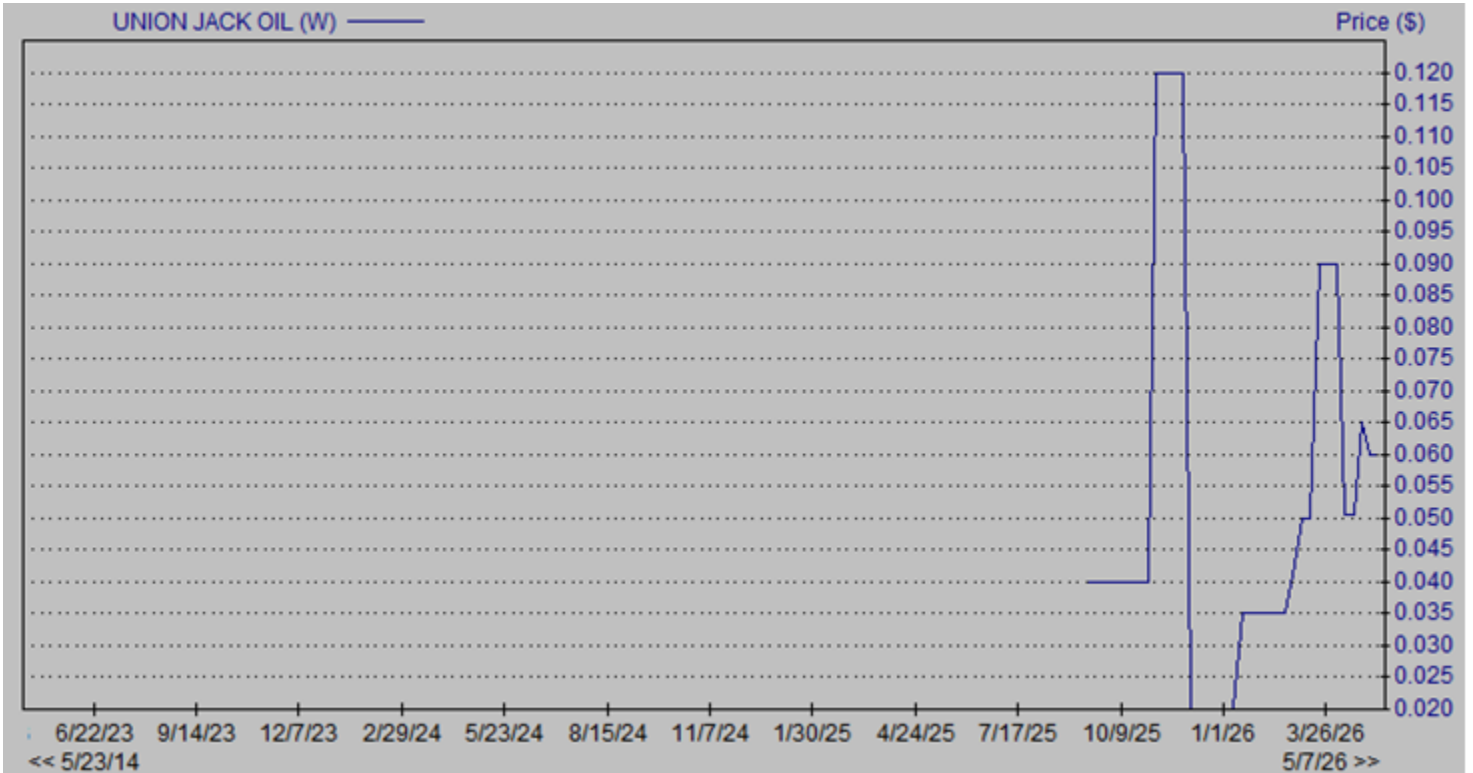
Another encouraging aspect of Union Jack's current position is the company's financial discipline. The announcement that drilling costs for Crossroads were funded from existing cash reserves reinforces management's focus on maintaining balance-sheet flexibility. This conservative approach may allow the company to participate in additional opportunities while limiting dilution risk for shareholders.

Looking ahead, Union Jack appears positioned at an interesting inflection point. The company already has established producing assets and operational experience, but the Crossroads well introduces a potentially transformative growth opportunity at a time when oil market fundamentals have become more supportive. If the well delivers encouraging results, the project could significantly strengthen the company's production profile, cash flow generation, and reserve base while reinforcing the value of its expanding U.S. portfolio. Combined with elevated oil prices and disciplined financial management, we believe investors should 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	2,159	3,473	3,682	8,174	
Operating costs	711	798	977	972	871	864	1,389	1,473	3,269	
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	1,052	1,847	1,978	4,451	
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)	(448)	272	482	1,609	
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)	(329)	402	623	1,917	
Income Tax Benefit/(Expense)	(262)	(417)	142	186	43	0	0	0	0	
Net Income/(Loss)	774	387	1,065	(189)	(662)	(329)	402	623	1,917	
Net Income/(Loss) per share	\$ 0.69	\$ 0.36	\$ 0.98	\$ (0.17)	\$ (0.61)	\$ (0.30)	\$ 0.37	\$ 0.58	\$ 1.78	
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



## DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

### ANALYST DISCLOSURES

I, Brad Sorensen, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

### INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

### POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

### ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

### CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.