

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: Focus on the U.S. Paying Off

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.

Union Jack continues to execute on the increased focus in the U.S. and starting to see benefits as new wells are spudded and the companies U.S. assets expand. This UK company is flying under the radar in the U.S. but continues to warrant attention as oil prices remain elevated.

Current Price (05/25/26) \$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) 703

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 (Jan)	Q2 (June)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2023		\$4.8A		\$2.0A	\$6.8A
2024		\$3.2A		\$2.1A	\$5.3A
2025		\$1.7A		\$1.6A	\$3.3A
2026		\$3.5E		\$3.7E	\$7.2E

Earnings Per Share

	Q1 (Jan)	Q2 (June)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2023		\$0.69A		\$0.36A	\$1.05A
2024		\$0.98A		-\$0.17A	\$0.81A
2025		-\$0.61A		-\$7.14A	-\$7.75A
2026		-\$0.20E		-\$0.01E	\$0.21E

Update

Union Jack Oil has continued to position itself as a differentiated small-cap energy company focused on onshore oil and gas production, development, and exploration across both the United Kingdom and the United States. The company's strategy has increasingly centered on balancing cash-generating UK production assets with higher-growth drilling opportunities in the U.S., creating a geographically diversified portfolio that management believes can deliver both operational stability and upside exploration potential.

A key strength for Union Jack Oil has been its flagship Wressle field in the UK, which remains an important cash-flow engine for the business. The company has continued to invest in upgrades and infrastructure improvements at Wressle while also restarting and enhancing production activities at the Keddington oilfield. These producing assets provide an operational foundation that helps support the company's broader drilling and expansion plans. Management has repeatedly emphasized that Wressle remains a high-value asset with substantial reserves potential, reinforcing the long-term significance of the field within Union Jack's portfolio.

Over the last year, Union Jack has also increased its focus on Oklahoma, where the company has been pursuing a multi-well drilling strategy alongside local operating partners. The successful Moccasin discovery represented an important milestone, with the well entering production and demonstrating the company's ability to generate new production growth outside the UK. The company subsequently advanced additional projects including the Sark, Crossroads, and Wolverine wells, which have the potential to be meaningful catalysts capable of expanding reserves, production volumes, and future cash flow generation.

The financial results associated with the company's recent annual report highlighted both the challenges and resilience of the business. Union Jack remained debt free and maintained a relatively robust balance sheet despite lower oil prices and currency headwinds during portions of 2025. The company reported that weaker oil prices and the decline of the US dollar versus Sterling pressured profitability during the year, yet management continued to stress the strength of the company's asset base and liquidity position. Importantly, Union Jack maintained positive gross profit generation and continued funding operational development while avoiding debt accumulation, a notable distinction among smaller exploration and production companies.

Another encouraging development was the company's successful institutional fundraising during 2025, which brought in approximately £2 million of gross proceeds to support the Oklahoma drilling campaign. Beyond strengthening liquidity, the financing also introduced additional institutional participation to the shareholder register, something we interpret as validation of the company's operational strategy and asset portfolio.

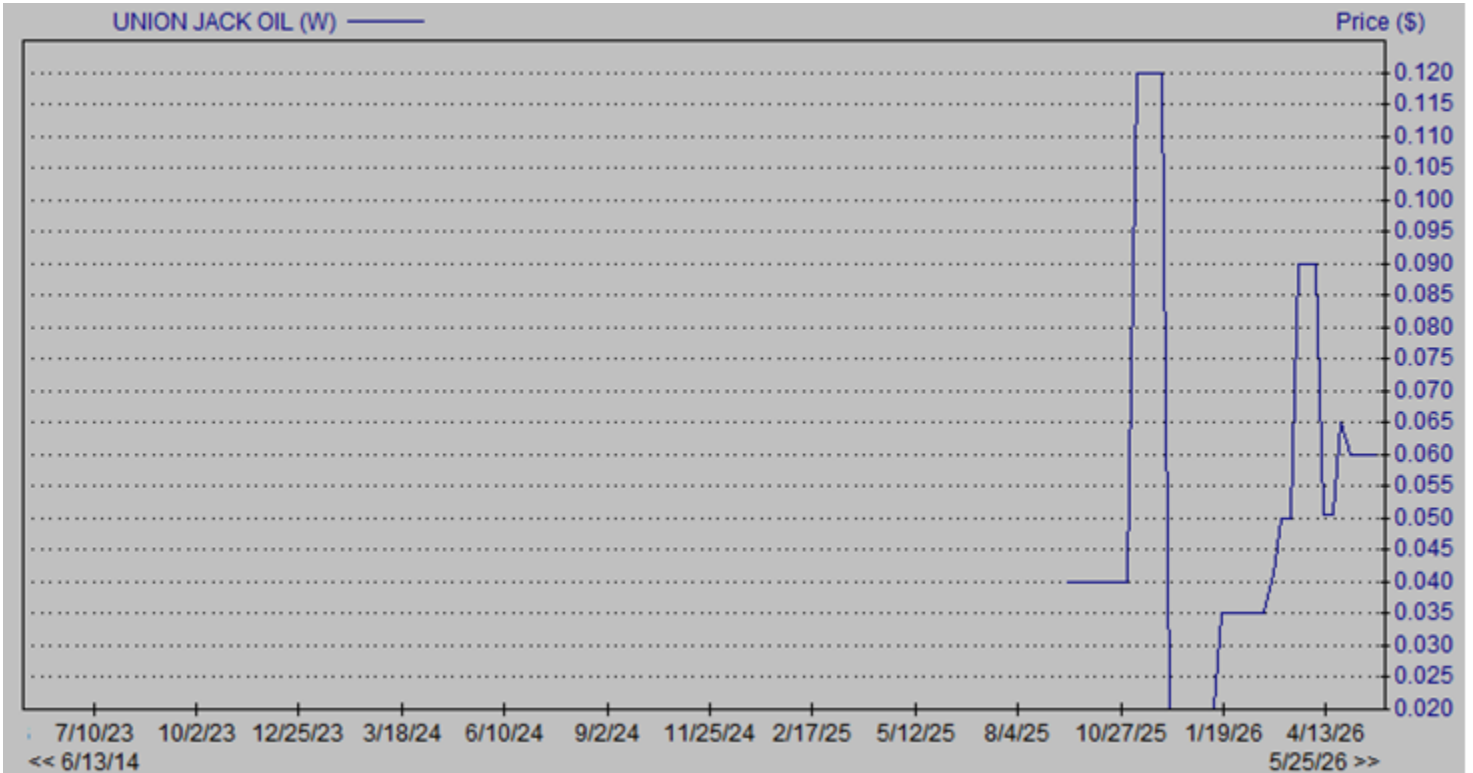
Union Jack's broader investment case continues to revolve around the combination of low financial leverage, existing production revenue, and multiple near-term operational catalysts. With exposure to improving UK production assets, expanding U.S. drilling activity, and leverage to oil prices, the company appears positioned to benefit if energy markets remain supportive. In addition, management's emphasis on disciplined capital allocation and targeted project selection has helped Union Jack maintain operational flexibility during a volatile commodity environment.

Looking ahead, Union Jack appears positioned at an interesting inflection point. The company already has established producing assets and operational experience, which we believe should be attractive to investors. 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	2H2025A	1H2026E	2H2026E	2027E	
Revenue	4,840	1,999	3,158	2,148	1,736	1,625	3,473	3,682	8,174	
Operating costs	711	798	977	972	871	915	1,389	1,473	3,269	
Deperciation and amortization	1,751	(1,126)	289	250	217	382	363	345	655	
Net profit interest payment	204	45	84	77	34	9	10	11	25	
Gross profit	2,174	2,283	1,808	849	614	319	1,711	1,853	4,224	
General and administration expenses	1,249	1,528	1,154	1,381	1,428	1,916	2,011	1,911	3,631	
Impairment	41	36	3	11	0	7,020	0	0	0	
Total Administrative Expenses	1,289	1,565	1,157	1,392	1,428	8,936	2,011	1,911	3,631	
Income/(Loss) from operations	884	718	651	(543)	(814)	(8,617)	(301)	(58)	593	
Other Income/(Expenses):										
Finance Income	57	134	111	65	16	16	17	17	34	
Royalty Income	0	47	162	103	93	28	31	34	75	
Other	95	(95)	0	0	0	0	0	0	0	
Total other inc./(exp.)	151	86	273	167	109	45	48	51	110	
Net Inc./(Loss) from Operations Before Tax	1,035	805	923	(375)	(705)	(8,573)	(253)	(7)	703	
Income Tax Benefit/(Expense)	(262)	(417)	142	186	43	(255)	0	0	0	
Net Income/(Loss)	774	387	1,065	(189)	(662)	(8,828)	(253)	(7)	703	
Net Income/(Loss) per share	\$ 0.69	\$ 0.36	\$ 0.98	\$ (0.17)	\$ (0.61)	\$ (7.14)	\$ (0.20)	\$ (0.01)	\$ 0.57	
Diluted Common Shares Outstanding	111,351	108,531	108,566	109,266	107,916	123,662	123,662	123,662	123,662	
Current Assets										
Cash and cash equivalents	8,479	7,017	4,251	3,413	1,909	1,972	2,170	2,387	2,625	
Trade and other receivables	3,610	2,060	2,792	1,156	535	508	523	539	555	
Inventory	38	28	16	15	31	27	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	2,507	2,723	2,956	3,211	
Property, Plant and Equip.	18,901	22,672	25,458	27,147	28,677	11,975	12,334	12,704	13,085	
Investments	1,266	716	170	163	163	151	151	151	151	
Deferred tax asset	2,498	144	286	298	468	0	298	298	298	
Other long-term assets	0	0	0	0	0	11,129	11,352	11,466	11,580	
Total other assets	22,665	23,532	25,915	27,609	29,309	23,255	24,135	24,619	25,115	
Total Assets	34,791	32,638	32,974	32,192	31,783	25,762	26,859	27,575	28,325	
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	664	301	301	301	
Other current liabilities	0	0	0	0	0	0	0	0	0	
Total current liabilities	1,492	527	660	301	425	664	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	2,376	2,367	2,367	2,367	
Total long-term liabilities	3,179	2,552	2,233	2,367	2,493	2,376	2,367	2,367	2,367	
Total Liabilities	4,671	3,078	2,893	2,668	2,919	3,040	2,668	2,668	2,668	
Stockholders' equity/(deficit)	30,120	29,682	30,741	29,826	29,289	22,722	24,192	24,908	25,658	
Total Liabilities and Stockholders' Equity	34,791	32,638	32,974	32,192	31,783	25,762	26,859	27,575	28,325	

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.