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Zacks Small-Cap Research

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Big Sky Industrial (NASDAQ: BSIN)

BSIN: U.S. Energy reports 2nd quarter 2026 financial results and updates developments on the Big Sky project. Company reaches FID and executes EPC on its Phase 1 gas processing facility.

Utilizing a Discounted Cash Flow process containing conservative Zacks SCR estimates combined with other valuation methodologies, we believe BSIN could be worth **$3.50** per share.

Current Price (8/17/26)	$1.43
Valuation	**$3.50**

OUTLOOK

Big Sky Industrial (NASDAQ: BSIN) is an integrated energy company transitioning from a legacy oil & gas E&P focus to an industrial gas, energy, and carbon management platform. BSIN owns and operates the Big Sky Carbon Hub and the Cut Bank oil field in Montana, designed to generate 3 independent revenue streams - helium, carbon credits, CO_2-EOR oil. In March 2026, the company reached an FID on the Phase 1 processing facility and in April 2026 it executed a five-year, 100% take-or-pay helium offtake agreement. BSIN has $16.4 million in available liquidity as of 8/4/26, including $11.5 million of undrawn capacity on its credit facility. We believe the company is well positioned for profitable growth.

SUMMARY DATA

52-Week High	**$1.52**
52-Week Low	**$0.66**
One-Year Return (%)	**18.6**
Beta	**0.58**
Average Daily Volume (sh)	**1,807,534**
Shares Outstanding (mil)	**53.1**
Market Capitalization ($mil)	**73.8**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**3**
Insider Ownership (%)	**26**
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 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**

Risk Level	**Above Avg**
Type of Stock	**Small Value**
Industry	**Energy**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	$5.4 A	$6.1 A	$5.0 A	$4.2 A	$20.6 A
2025	$2.2 A	$2.0 A	$1.8 A	$1.4 A	$7.3 A
2026	$1.6 A	$2.1 A	$1.9 E	$1.9 E	$7.6 E
2027					$20.5 E

EPS / Loss Per Share

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2024	-$0.16 A	-$0.08 A	-$0.04 A	-$0.28 A	-$0.56 A
2025	-$0.10 A	-$0.19 A	-$0.10 A	-$0.04 A	-$0.43 A
2026	-$0.08 A	-$0.04 A	-$0.06 E	-$0.05 E	-$0.23 E
2027					$0.09 E

Quarterly revenues may not equal annual revenues due to rounding.
Quarterly EPS may not equal annual EPS due to rounding or dilution.
Some figures may be non-GAAP.

WHAT'S NEW

2nd Quarter 2026 Financial & Operating Results

The quarterly financial results were mostly related to legacy oil & gas operations with about 86% coming from the Montana region and the remainder from the Mid-Continent region (mostly Texas).

2nd quarter 2026 production was 33,747 barrels of oil equivalent ("BOE") (78% oil), compared to 48,816 BOE in the 2nd quarter of 2025. For the 2nd quarter of 2026, revenue totaled $2.1 million (95% oil), compared to revenue of $2.0 million in the prior year period. Realized average sales prices were $77.73/bbl and $2.20/mcf for oil and natural gas, respectively, resulting in an average realized price of $63.24/BOE as compared to $55.14/bbl, $2.00/mcf for oil and natural gas, respectively, resulting in an average realized price of $41.54/BOE in the prior year period.

While production declined year over year, total revenue was essentially flat, as stronger realized oil prices offset lower volumes. The sequential decline in production and revenue was largely due to the company's strategic divestitures which was the final step in its legacy asset optimization program and the funding source for its now substantially complete pivot to its industrial gas, energy, and carbon management platform.

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(in thousands)			
Revenue:				
Rockies				
Oil	$ 1,831	$ 1,340	$ 3,152	$ 2,697
Natural gas and liquids	10	34	53	103
Total	$ 1,841	$ 1,374	$ 3,205	$ 2,800
Mid-Continent				
Oil	$ 203	$ 504	$ 259	$ 917
Natural gas and liquids	90	150	275	505
Total	$ 293	$ 654	$ 534	$ 1,422
Combined Total	$ 2,134	$ 2,028	$ 3,739	$ 4,222

2nd quarter 2026 lease operating expense totaled $1.0 million, compared to $1.5 million for the second quarter 2025. Cash G&A expense totaled $1.8 million for the 2nd quarter 2026 compared to $1.7 million for the 2nd quarter of 2025 and $2.6 million for the 1st quarter of 2026. The sequential decline reflects lower professional fees and compensation expense associated with the company's strategic transformation, including legal, technical, and advisory work supporting FID, the EPC contract negotiation, the helium offtake agreement, and the amended credit facility. These costs are expected to normalize as Phase 1 transitions from development to construction execution

Big Sky Industrial reported a net loss of ($2.3) million, or $(0.04) per diluted share for the 2nd quarter 2026, compared to a net loss of ($6.1) million, or $(0.19) per share in the prior year period (which included a $2.8 million impairment of oil & gas properties). Adjusted EBITDA was $(0.9) million, compared to $(1.3) million in the 2nd quarter of 2025.

Balance Sheet & Liquidity

During the six month period ended June 30, 2026, the company spent approximately $9.6 million on the acquisition and development of industrial gas properties and expect to continue allocating capital to the Big Sky project for the remainder of the year.

At the end of the 2nd quarter, the company had approximately $6.0 million in cash and total debt outstanding of $4.5 million. Availability on its credit facility was $15.5 million, resulting in period-end total liquidity of approximately $21.5 million.

Subsequent to the end of the quarter, the company drew down an additional $4.0 million to fund ongoing capital expenditures on the Big Sky project.

As of August 4, 2026, the company held $4.9 million in cash and has $16.4 million in total liquidity, including $11.5 million of undrawn capacity under the amended senior secured credit facility. With the Phase 1 capital stack in place and the ELOC formally suspended, the company has stated that it believes it has sufficient liquidity to advance Phase 1 toward targeted commercial operations in the 1st quarter of 2027 without anticipated reliance on the public equity markets, while maintaining flexibility to pursue other value-enhancing opportunities. Achievement of targeted commercial operations is subject to construction, commissioning, regulatory and other risks discussed in this report.

	Balance as of		
	June 30, 2026	December 31, 2025	August 4, 2026*
Cash and debt balance:			
Total debt outstanding	$4,500	$2,500	$8,500
Less: Cash balance	$5,987	$429	$4,900
Net debt balance	**$(1,487)**	**$2,071**	**$3,600**
Liquidity:			
Cash balance	$5,987	$429	$4,900
Plus: Credit facility availability	$15,500	$7,500	$11,500
Total liquidity	**$21,487**	**$7,929**	**$16,400**

**Most recent available balance* — *$ in thousands*

Source: bigskyindustrialinc.com

Business Updates

- **Phase 1 Construction Advancing on Schedule**

  Following the March 2026 FID and execution of a fixed-scope EPC agreement with CANUSA EPC, construction of the Phase 1 processing facility progressed in the quarter. Industrial gas capex totaled $9.6 million in 1H26 versus $2.5 million in the prior-year period as the project transitioned into construction. The facility is designed for 8 MMcf/d of inlet capacity, targeting approximately 14 MMcf of high-purity helium and 125,000 metric tons of annual CO_2 sequestration or utilization, with commercial operations targeted for 1Q27.

- **Five-Year, 100% Take-or-Pay Helium Offtake Secured**

  Big Sky executed a five-year helium sales agreement with an investment-grade global industrial gas company at a fixed, all-in price of $285/Mcf at the plant gate, with CPI escalation beginning in 2028 and a year-three price redetermination. The buyer bears all transportation and downstream costs, providing Big Sky with contracted initial helium revenue and supporting project economics. This agreement captures substantially all of the expected helium output at the plant.

- **Phase 1 Capital Fully Funded Through Operations**

  The company amended its senior secured credit facility in April, doubling the borrowing base to $20 million, fixing the interest margin at 200 bps over the alternate base rate and suspending financial covenant testing through March 2027. Combined with the March equity offering, Big Sky expects to fund Phase 1 through the start of commercial operations.

- **MRV Applications Under EPA Review**

  The Big Rose and Cut Bank MRV applications remain under active EPA review, with approvals expected in coming months. The approvals are required to access Section 45Q tax credits, representing approximately $130 million in value over the first 12 years of Phase 1 operations.

- **Field Development and Gathering Infrastructure on Track**

  Drilling and completions were finished in August 2025, with three wells successfully drilled and two acquired wells. Two Class II injection wells are operational, while gathering infrastructure installation is underway. Commissioning is targeted for late 2026, with first gas revenue expected in 1Q27.

- **Phase 2 Planning Underway**

  Early-stage engineering and planning are advancing for a potential second processing plant utilizing existing infrastructure, permits and field operations. Phase 2 is not included in the company's base case.

- **Corporate Rebrand Completed**

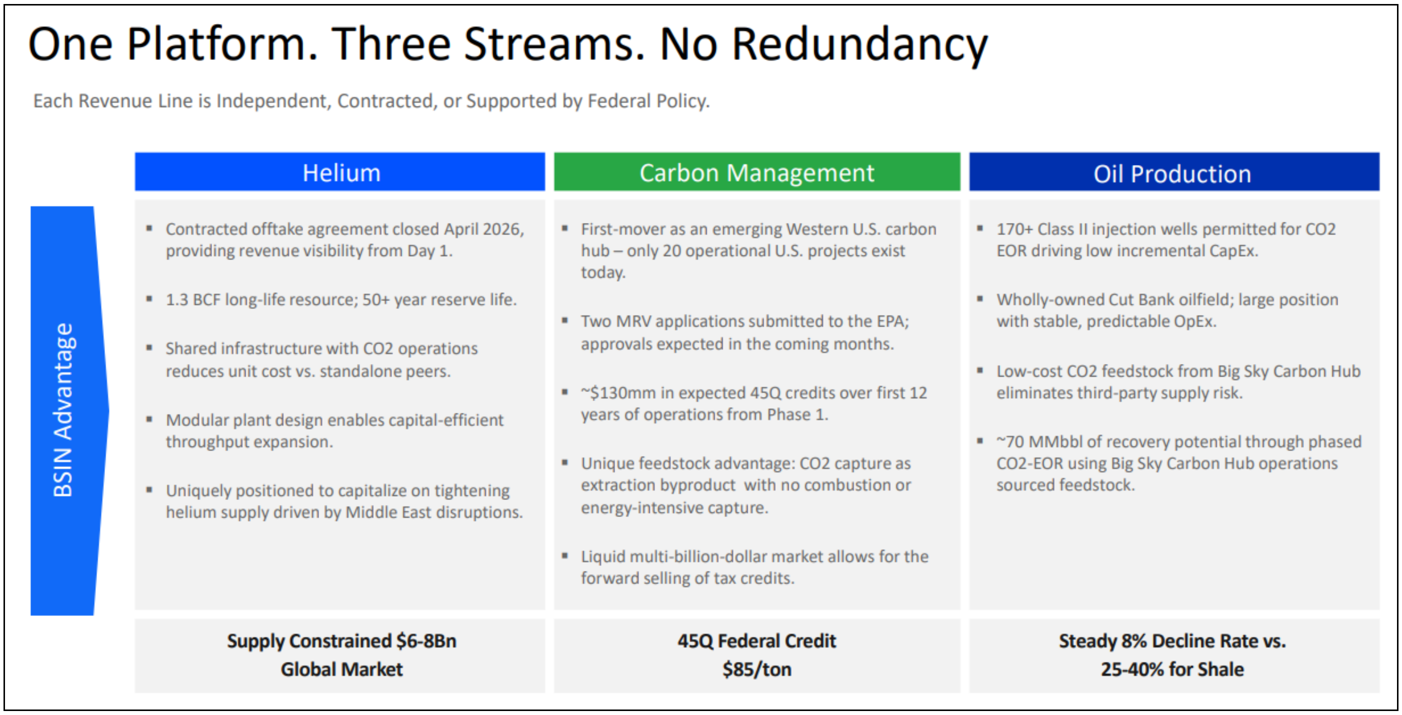
  The company changed its name from U.S. Energy to Big Sky Industrial in June 2026, with its common stock beginning to trade on Nasdaq under the ticker "BSIN," which aligns its corporate identity with its helium and carbon management strategy.

<u>Integrated Platform and New Investor Presentation</u>

The company has recently provided an updated investor presentation that provided additional information and clarified the company's vertically integrated long-term business strategy.

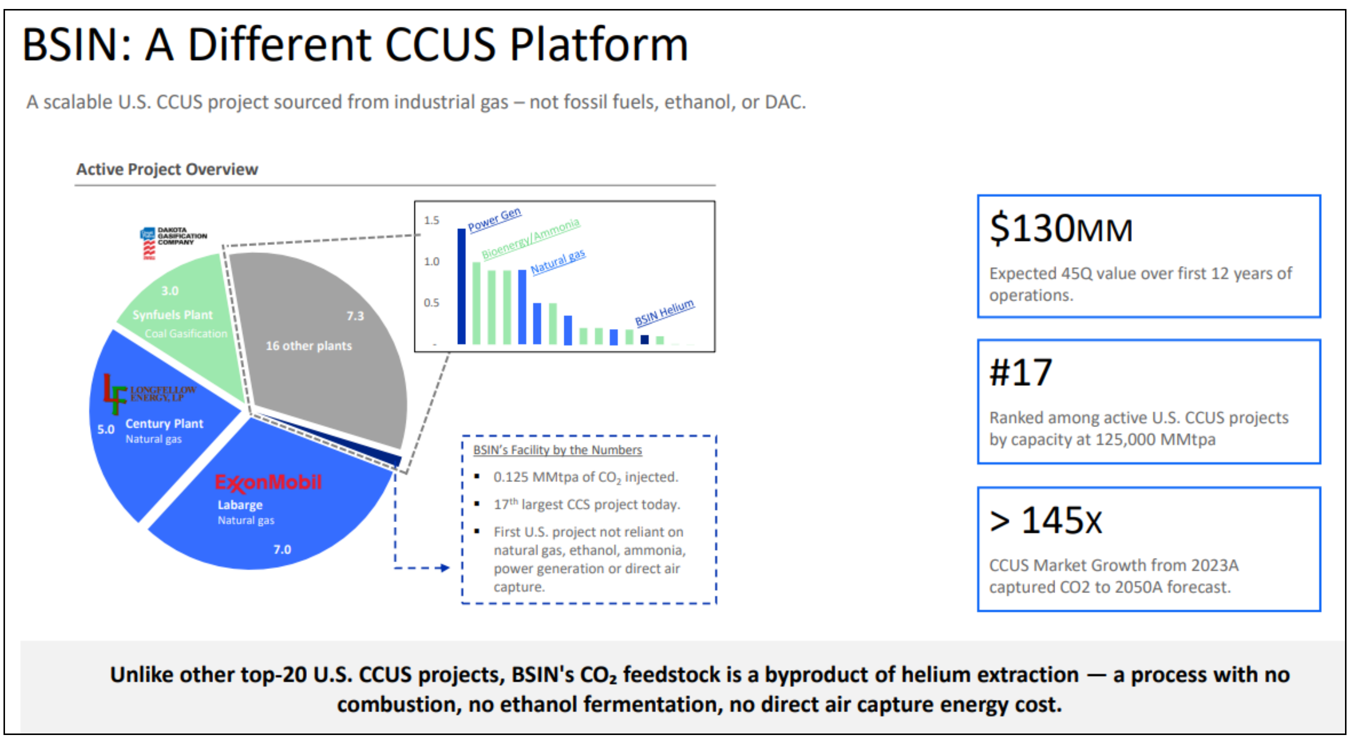
The investor presentation describes an integrated helium and carbon management platform with three independent revenue streams, federal policy incentives, and targeted commercial revenue in the 1st quarter of 2027. $27.0 million has already been invested, wells have been drilled, and key milestones are underway. This includes progress on the CO_2 enhanced oil recovery program at the Cut Bank oil field.

<u>**One Asset with Three Revenue Streams:**</u> The Big Sky Carbon Hub controls 1.3 BCF of certified helium and 444 BCF of CO_2 resources and is integrated with the owned Cut Bank oil field. This creates three monetization pathways: helium sales, Section 45Q-backed carbon management, and CO_2-enhanced oil recovery. The asset base is 100% owned and operated with a 50+ year reserve life and minimal third-party dependencies.



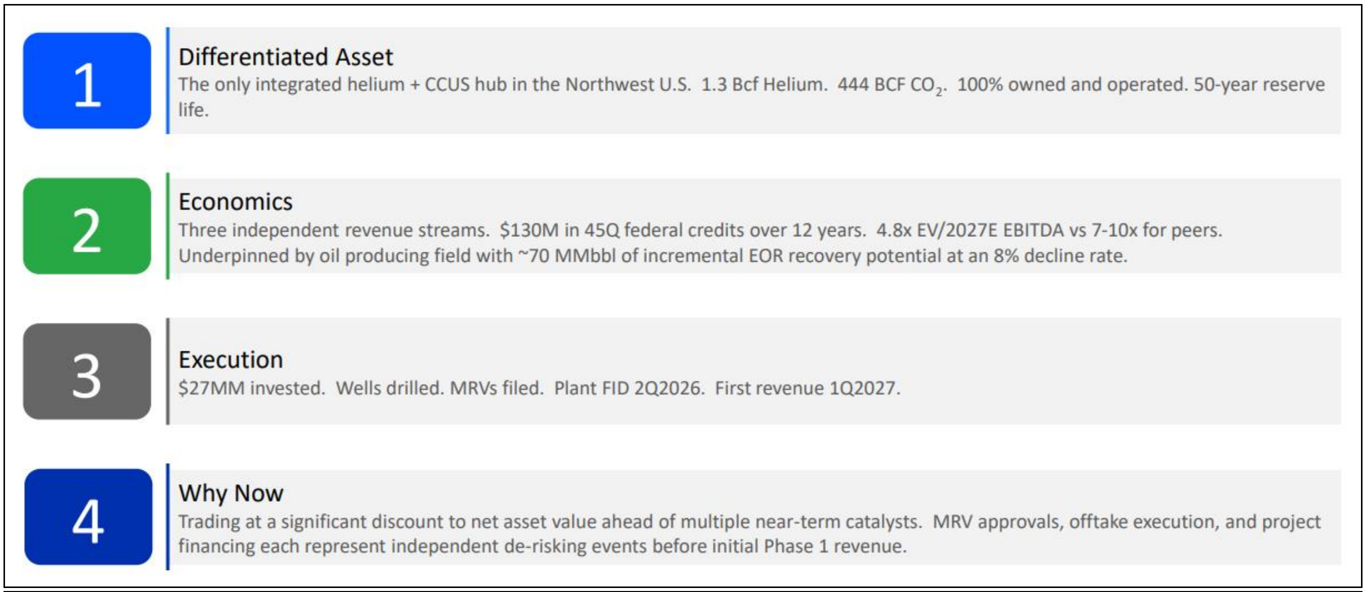
Source: bigskyindustrialinc.com

<u>$130 million of projected Phase 1 Section 45Q tax credits:</u> As an early mover in U.S. Carbon Capture, Utilization, and Storage (CCUS) technologies, the company expects to qualify for $85 per metric ton of CO_2 captured, utilized, and sequestered under Section 45Q, providing a policy-supported, commodity-independent revenue stream. This $85 price per ton has annual escalators of approximately 3.0%.



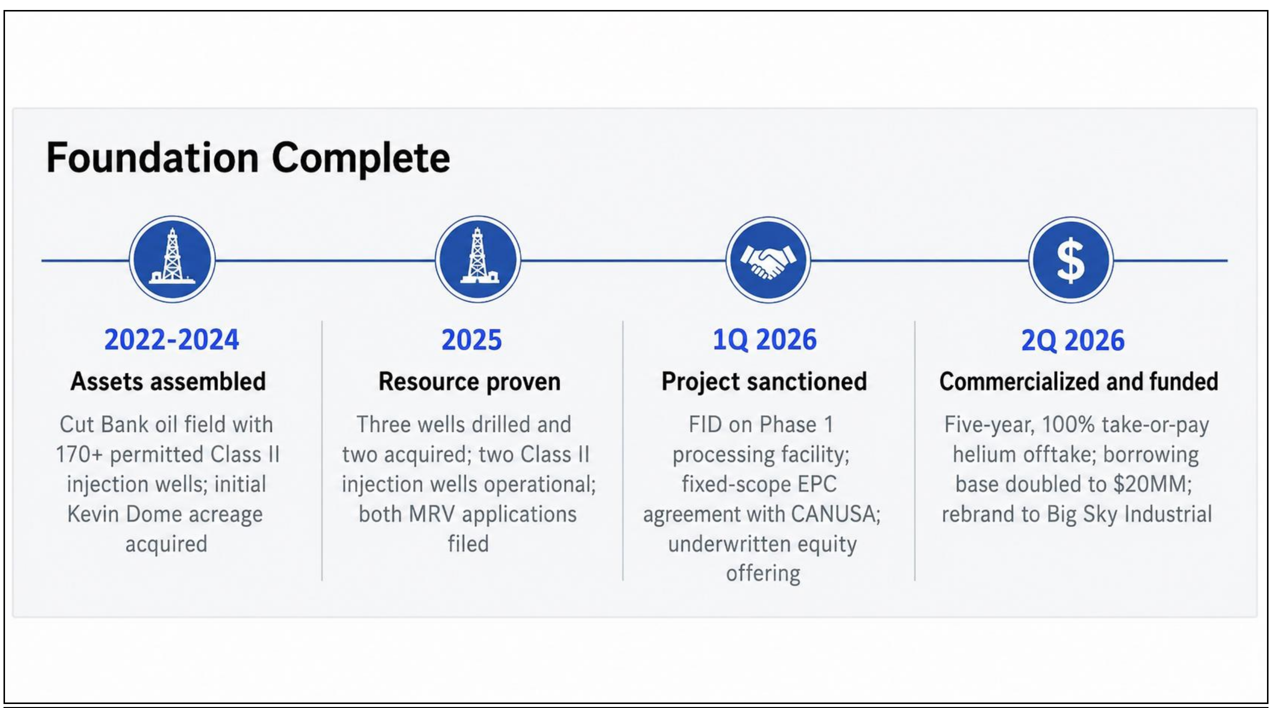
Source: bigskyindustrialinc.com

Attractive Valuation Relative to Forward Cash Flow. At an enterprise value of approximately $75.0 million currently, the company trades at approximately 3.8x estimated 2027 EBITDA based on management forecasts (Zacks SCR forecasts may differ). This is a substantial discount to internally estimated Phase 1 net asset value and to trading multiples typically observed in similar industrial gas and carbon infrastructure companies.



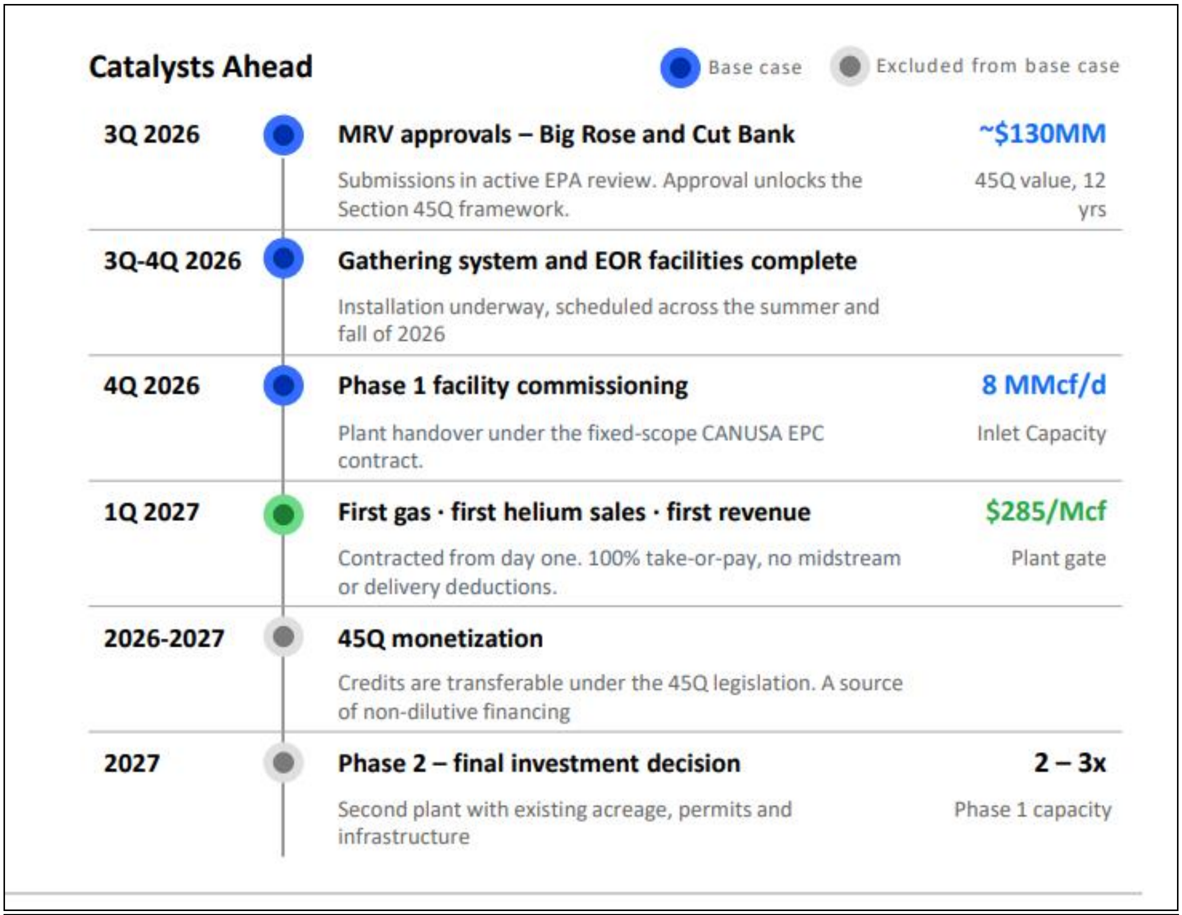
Source: bigskyindustrialinc.com

Execution Momentum: Phase 1 development wells have been drilled, MRV applications have been filed with the EPA and remain under active review, Final Investment Decision was achieved on March 18, 2026, the Phase 1 EPC contract was executed concurrently with FID, the Phase 1 capital stack is in place, and a five-year, 100% take-or-pay helium offtake agreement was executed on April 27, 2026. Initial helium sales, carbon management operations, and CO_2-EOR activity expected to begin in the 1st quarter of 2027.



Source: bigskyindustrialinc.com

<u>Multiple Near-Term Catalysts in 2026 and 2027:</u> Catalysts expected this year include execution of a long-term helium offtake agreement, the expected EPA MRV approvals, and the continued advancement of CO_2-EOR development. We note that the helium offtake agreement was executed on April 27, 2026, and the Phase 1 capital stack was completed concurrently with the April 2026 senior secured credit facility amendment.



Source: bigskyindustrialinc.com

<u>Aligned Leadership:</u> Management and insiders own approximately 36% of outstanding shares, directly aligning leadership with investors.

<u>Valuation & Estimates</u>

We maintain our DCF derived price target of **$3.50** per share which reflects our expectation that initial helium, carbon-management, and CO_2-EOR revenue could begin in March of 2027 which is supported by the achievement of Phase 1 FID in March 2026.

Our Zacks SCR DCF model assumes initial monetization of the three revenue streams beginning in 2027. For 2027, our estimates include oil revenue of $11.0 million, helium revenue of $2.0 million, and Section 45Q tax credit revenue of $7.5 million, which we estimate could generate adjusted EBITDA of approximately $12.0 million. For 2028, our estimates assume total revenue of approximately $29.0 million and adjusted EBITDA of approximately $17.0 million.

Under this scenario, our DCF valuation is approximately **$3.50** per share. The Zacks SCR DCF uses a discount rate of 12.5%, which we view as conservative given the development-stage profile of the project.

Based on Zacks SCR estimates, we believe BSIN is estimated to be trading at approximately 5.0x our 2027 adjusted annualized EBITDA estimate. Small-cap industrial gas peers have historically traded in a 7x–8x forward EBITDA range, and large-cap industrial gas companies at mid-teens forward EBITDA multiples. Big Sky Industrial is in a pre-revenue, construction phase, and any multiple expansion would be dependent on successful execution against the 2027 commercial-operations milestone. We highlight the valuation gap as an observation, not a prediction.

We also note the current market capitalization is substantially below the approximately $130 million of Section 45Q tax credit value the company has estimated could be generated over the first 12 years of Phase 1 operations. Management has also indicated there is a possibility that the carbon tax credits could be monetized in advance through sales or other arrangement.

BSIN does not provide public financial guidance or forecasts to the investment community at this time.

OTHER RECENT NEWS

Well Summary

The company has completed three active industrial gas wells and also owns two CO_2 injection wells.

Industrial Gas

#1) In January 2025, the company acquired 24,000 net acres across the Kevin Dome which included the already drilled Kiefer Farms well targeting the CO_2 rich Duperow formation. CO_2 wells are drilled at a shallower formation than nitrogen wells at approximately 3,000 feet. This well is expected to become a near-term economic contributor to the industrial gas processing facility that is being developed.

#2) and #3) In July 2025, the company drilled and completed two producing wells in CO_2 zones with helium concentrations in the 0.4%-0.5% range. These wells, located within 1-2 miles of the Kiefer Farms well (#1 well), together with the Kiefer well make three productive wells.

Carbon Sequestration

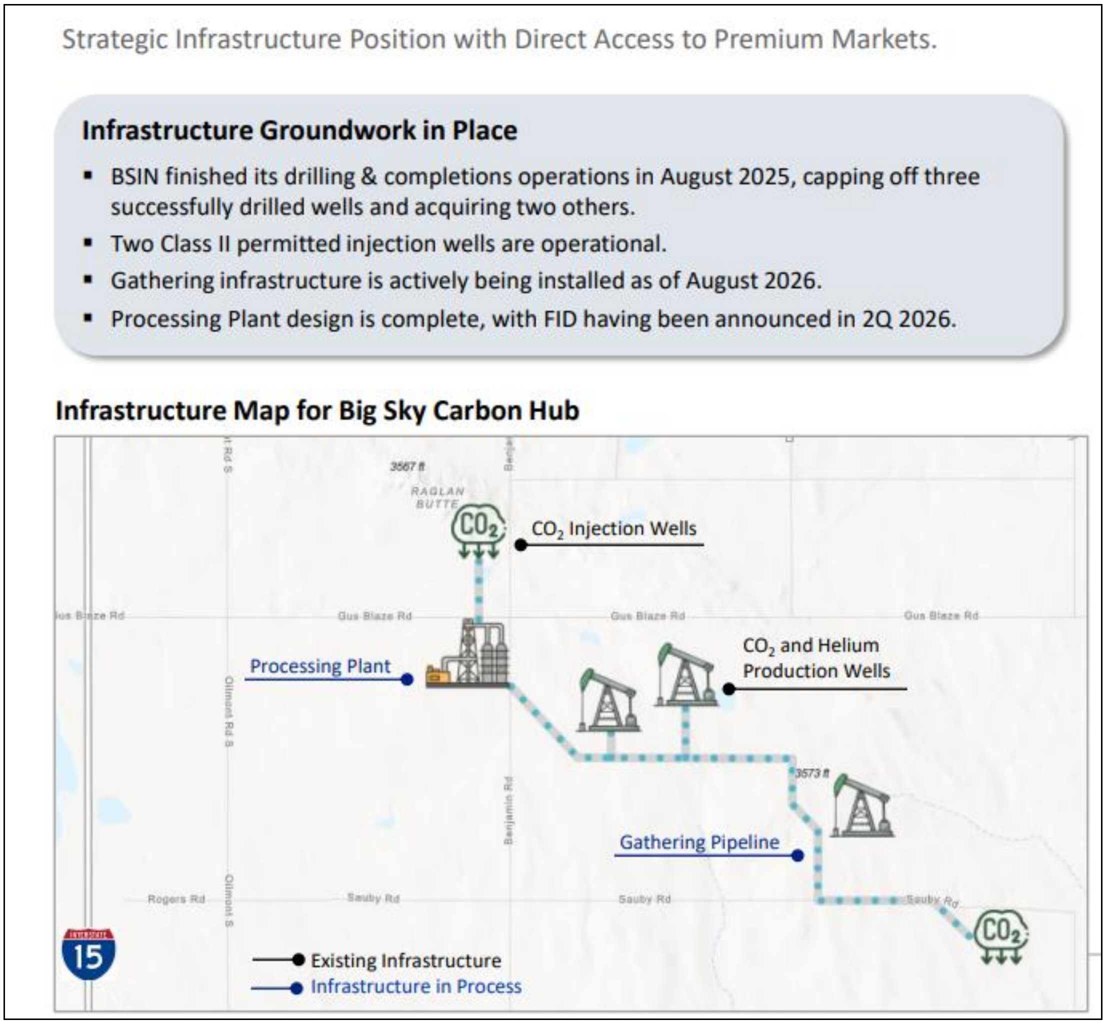
#1) This was the company's first well of its industrial gas program and was completed in October 2024. It was drilled to the nitrogen rich Precambrian formation at approximately 5,000 feet and produced helium concentrations of 1.5%. However, the volumetric flow was not sufficient to make this a viable well to develop required helium extraction at the processing plant. This well is being converted to a CO_2 injector well and has been approved for Class II status. The MRV has been filed on this well with approval expected in the fall of 2026.

#2) In April 2025, the company acquired approximately 2,300 net acres with CO_2 rights that are contiguous to its existing positions across Montana's Kevin Dome structure. This acquisition includes an active Class II injection well to sequester CO_2 captured from the company's industrial gas processing facility (see below for more details).

Final Investment Decision

On March 18, 2026, the company announced that it had reached a Final Investment Decision (FID) for the construction of its processing facility at the Big Sky Carbon Hub in Montana. It has executed an Engineering, Procurement, and Construction (EPC) agreement with CANUSA EPC under a fixed-scope EPC contract structure. CANUSA EPC is a Canadian based firm that specializes in engineering, procurement and construction management for industrial and energy facilities.

The FID represents a key execution milestone for the Big Sky Carbon Hub, with capital deployment underway. The facility is engineered for approximately 8.0 MMcf/d of inlet capacity, supporting targeted annual output of roughly 14 MMcf of helium and 125,000 metric tons of refined CO_2 during initial operations. The project is expected to qualify for Section 45Q federal tax credits of approximately $85 per metric ton, which supports an estimated $130 million in Phase 1 tax credit value. Infrastructure development will advance with gathering pipeline installation beginning in the spring of 2026 and then followed by commissioning in the 3rd quarter of 2026. Initial helium sales alongside carbon management operations are anticipated to begin in the 1st quarter of 2027.



Source: bigskyindustrialinc.com

Under the terms of the agreement, CANUSA EPC will perform engineering, equipment procurement, fabrication, construction, and commissioning for the facility under a fixed-scope EPC structure. The execution of the EPC agreement represents one of the final pre-FID milestones required before commencing construction and was completed concurrently with the FID.

Helium Industry Update

Helium has become a strategically important input for the **AI and data center** ecosystem, driven by its role in advanced semiconductor manufacturing and next-generation cooling systems. It is used in the production of high-performance AI chips, including GPUs and TPUs, and in cooling applications that reduce reliance on water- and air-based methods. Its inert properties and strong thermal characteristics make it well-suited for cryogenic environments, enabling energy-efficient, high-density computing while supporting precision processes in chip fabrication.

In data centers and high-performance computing systems, helium enables efficient cooling of advanced processors and supports leak detection and hard drive performance. Its importance is rising as AI workloads generate increasing heat, pushing traditional cooling methods to their limits and driving adoption of helium-based solutions. Combined with constrained global supply, these trends have elevated helium to a critical raw material, with growing emphasis in the U.S. and EU on domestic sourcing and supply chain resilience as AI infrastructure scales.

Source: bigskyindustrialinc.com

More recently, helium has re-emerged as a geopolitically sensitive commodity, with the current Middle East conflict materially disrupting global supply chains. The shutdown of liquefied natural gas (LNG) facilities in Qatar, one of the world's largest helium producers, has effectively reduced a meaningful portion of global helium supply as helium is a byproduct of LNG processing. This has led to price increases and heightened supply insecurity across key end markets, including semiconductors, medical imaging, and aerospace.

Industrial Gas Resource Report

In the 2nd quarter of 2025, the company had an industrial gas resource report prepared for the volumes in place on its initial target development area across its Kevin Dome asset. The report concluded 1.28 billion cubic feet ("BCF") of net helium resources and 443.8 BCF of net CO_2 resources, contingent upon economics and future development. The gas concentrations used for the report was 0.4% - 0.5% helium and 84% - 85% CO_2, reflecting the composition of the company's recent development activities.

	Contingent Resource (1C)	
	Gross Volumes (BCF)	Net Volumes (BCF)
Helium resource	2.3	1.3
CO2 resource	1,322.6	443.8

Source: bigskyindustrialinc.com

Carbon Management Initiatives

The EPA Monitoring, Reporting, and Verification (MRV) plan was submitted in October 2025, with approval expected in the fall of 2026. This would make the company eligible for federal carbon credits. A second MRV plan for enhanced oil recovery (EOR) operations has also been submitted. The company continues sustained injection of 17.0 MMcf/d across two company-owned wells, equivalent to approximately 325,000 metric tons of CO_2 sequestered annually, while advancing near-term EOR projects utilizing recycled CO_2 on legacy oil assets in Montana. Additionally, a second Class II injection well was approved by Montana regulators in August 2025.

Potential Opportunities in Gas Liquification Markets

There are a limited number of helium liquefaction facilities in the U.S., several of which we understand are unavailable to third-party gas. None are currently located in the northern U.S. or western Canada.

Strategically located in Montana, BSIN’s operations are ideally suited for a West of the Rockies helium liquefier, enhancing internal economics by producing liquefied helium, which commands a 25-50% premium over gaseous form, and attracting strategic capital by serving West Coast and export markets.

We believe the company sees significant potential to support emerging helium producers in the Rocky Mountain region, many lacking processing infrastructure, by offering third-party tolling services that diversify plant revenues through gaseous helium trucked to the facility, independent of throughput volumes. Acquiring iso-container helium trucks would enable downstream transportation, further expanding access to domestic and international buyers. By targeting smaller, early-stage producers, the company can integrate valuable assets, achieve economies of scale, and leverage untapped industrial gas streams for diversified growth.

KEY INVESTMENT POINTS

Source: bigskyindustrialinc.com

- Big Sky Industrial (NASDAQ: BSIN) is an established energy company historically focused on the acquisition and development of oil and natural gas producing properties in the United States.

- On June 26, 2024, the company made a transformative acquisition of 140,000 acres in Northwestern Montana with the goal of producing and marketing industrial gases, including helium, along with the development of carbon sequestration capabilities across the asset base.

- Big Sky Industrial is positioned to develop carbon sequestration initiatives across the asset base, leading to increased economics while commercially diversifying the project.

- The company has established three distinct revenue streams: oil through EOR methods, helium sales and CO2 tax credits. Revenues from these sources are expected to begin in 2027.

- Third party engineering reports show large scale helium, CO_2, and other resources at the acquired properties, while offset operators and analogous fields confirm the presence and viability of helium as well.

- On October 31, 2024, the company announced the successful completion of its first helium well in Montana. The data showed high quality helium concentrations of approximately 1.5% in Nitrogen based formations which appear to make the well economically viable. This well has since been converted to a CO_2 injection well.

- The global demand for helium is estimated to be around 6 billion cubic feet (Bcf) annually, with China importing 1.0 Bcf per year. Annual demand is expected to increase from approximately 6.0 Bcf to 8.7 Bcf by 2030.

- The use of helium is a diverse and growing industry with end markets that include manufacturing, aerospace & defense, healthcare & life sciences, and general industrial.

- The company's SEC PV-10 proved oil & gas reserves as of December 31, 2025 totaled **$18.4** million.

- As of August 4, 2026, the company held **$4.9** million in cash and **$16.4** million in total liquidity, and the credit facility now has $11.5 million in undrawn capacity

- We believe BSIN stock is worth **$3.50** based on a conservative discounted cash flow (DCF) calculation and peer multiple comparisons.

OVERVIEW

Source: bigskyindustrialinc.com

Big Sky Industrial (NASDAQ: BSIN) is an independent energy company historically focused on the acquisition and development of oil and natural gas producing properties in the continental United States. In June 2024, the company acquired acreage in Montana with the goal of extracting and selling helium and other industrial gas products, which will be the primary business focus going forward.

Principal energy and industrial gas (including helium) properties and operations are located in the Rockies region (Montana and Wyoming), the Mid-Continent (Oklahoma, East Texas), and the Gulf Coast.

The company has historically explored for and produced oil and natural gas through a non-operator business model, however, during 2020 the company acquired operated properties in North Dakota, New Mexico, Wyoming and the Texas Gulf Coast. In 2022, the company acquired certain oil and gas properties from three separate sellers, representing a diversified portfolio of primarily operated, producing, oil-weighted assets located across the Rockies, West Texas, Eagle Ford, and Mid-Continent regions. During the 4th quarter of 2023, the company divested substantially all of its non-operated properties. In the 3rd quarter of 2024, the company divested the remainder of its South Texas assets and subsequently paid off all outstanding debt.

The company's business strategy is to enhance the value of acquired operated assets through evaluation of selected properties with the goal of increasing production and reserves. The company plans to deploy capital in a conservative and strategic manner and pursue value-enhancing transactions. The company also continuously evaluates strategic opportunities that it believes will enhance stockholder value.

After the transformative June 2024 acquisition of 140,000 acres in Northwestern Montana with the goal of producing and marketing helium gas, the company will focus on producing industrial gases in the region and advancing its existing carbon sequestration opportunities. Third party engineering studies show substantial helium and CO2 resources while other operators and analogous fields confirm the presence and viability of helium as well. The use of helium is diverse and growing and end markets include manufacturing, aerospace & defense, healthcare, life sciences, and general industrial.
In early 2026, the company clarified its business model in which it expects to generate three strong sources of revenues beginning in 2027:

- <u>Helium Sales</u>: High-purity helium is a critical industrial gas with inelastic global demand and limited domestic supply, commanding premium pricing in long-term supply agreements. The company executed a long-term offtake agreement with an industrial-grade industrial gas company in April 2026.

- <u>Section 45Q Carbon Management Revenue</u>: CO_2 captured from helium processing is expected to qualify for the federal Section 45Q tax credit, providing a policy-supported, commodity-independent revenue stream with meaningful Phase 1 value.

- <u>CO_2-Enhanced Oil Recovery</u>: A portion of captured CO_2 will be deployed in EOR operations at the company's Cut Bank oil field, located near Kevin Dome, creating incremental value through company-controlled supply and existing infrastructure.

OVERVIEW

Developing a diversified industrial platform focused on helium production, carbon management and energy infrastructure. 27% owned by insiders.

LEGACY OIL RESERVES

Proved Reserves, 2Q 2026 (1)	1.3 MBOE
Proved PV-10 (1)	$19.8 million

INDUSTRIAL GAS RESOURCE – PHASE 1

Helium (2)	1.3 BCF
CO_2 (2)	444 BCF
Industrial Gas PV-10 (3)	$90.0 million

CARBON MANAGEMENT

Annual CO_2 Removal	125,000 metric tons
Equivalent Passenger Vehicles	25,000 vehicles

VALUATION FRAMING (4)

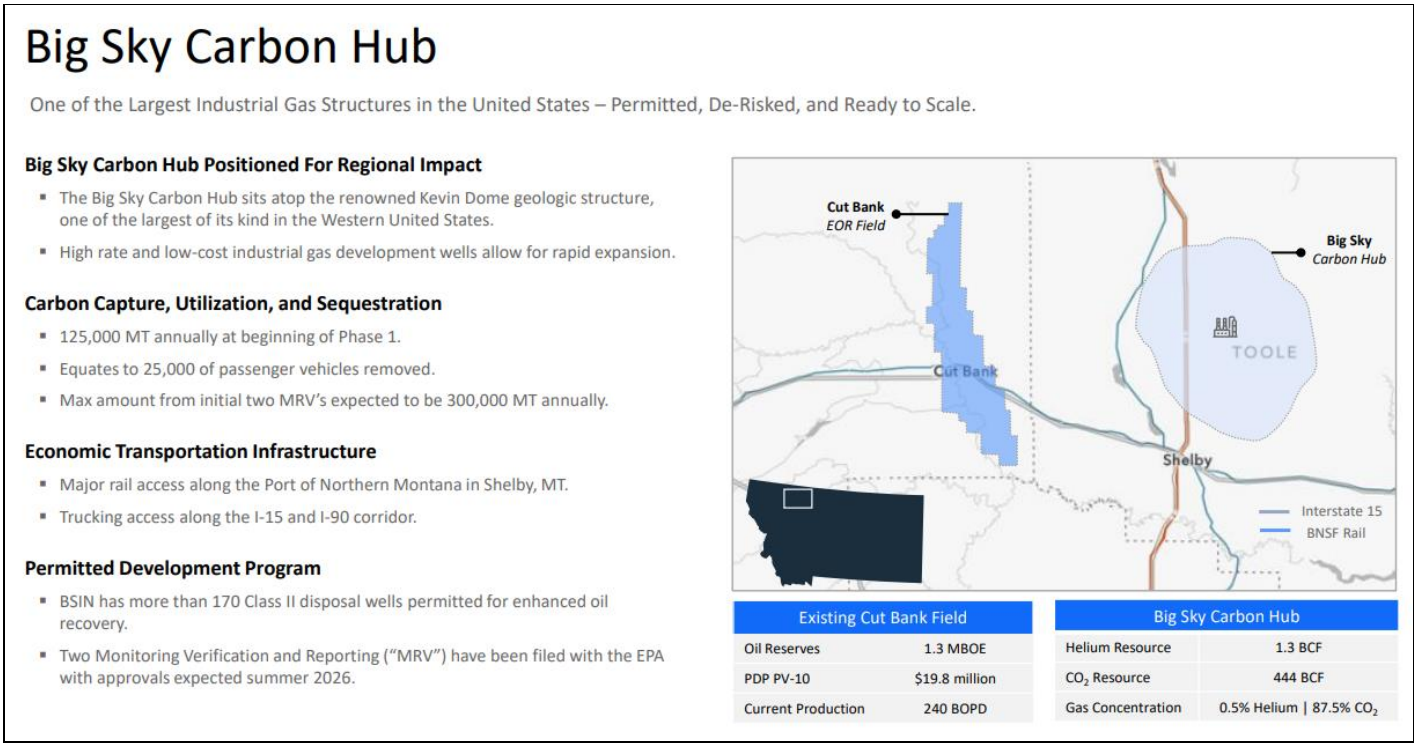
EV/ 2027E EBITDA	4.8x
Discount to Phase 1 NAV	42%

Source: bigskyindustrialinc.com

PROPERTIES

The Big Sky Carbon Hub is positioned as one of the largest industrial gas structures in the Western U.S. and located on the Kevin Dome geologic formation in Northern Montana. It is designed as a permitted, de-risked platform with significant scalability potential.

The high-rate, low-cost industrial gas development wells enable rapid expansion, supporting a carbon capture, utilization, and sequestration (CCUS) program that is expected to initially capture approximately 125,000 metric tons of CO_2 annually in Phase 1. This is the same as removing roughly 25,000 passenger vehicles from the road.



Source: bigskyindustrialinc.com

The company has filed two Monitoring, Verification, and Reporting (MRV) programs with the EPA and the project is expected to eventually scale to approximately 300,000 metric tons of annual CO2 management capacity upon approval in 2026 or 2027. The Big Sky hub benefits from established transportation infrastructure, including major rail access through the Port of Northern Montana in Shelby, Montana, as well as trucking routes along the I-15 and I-90 corridors.

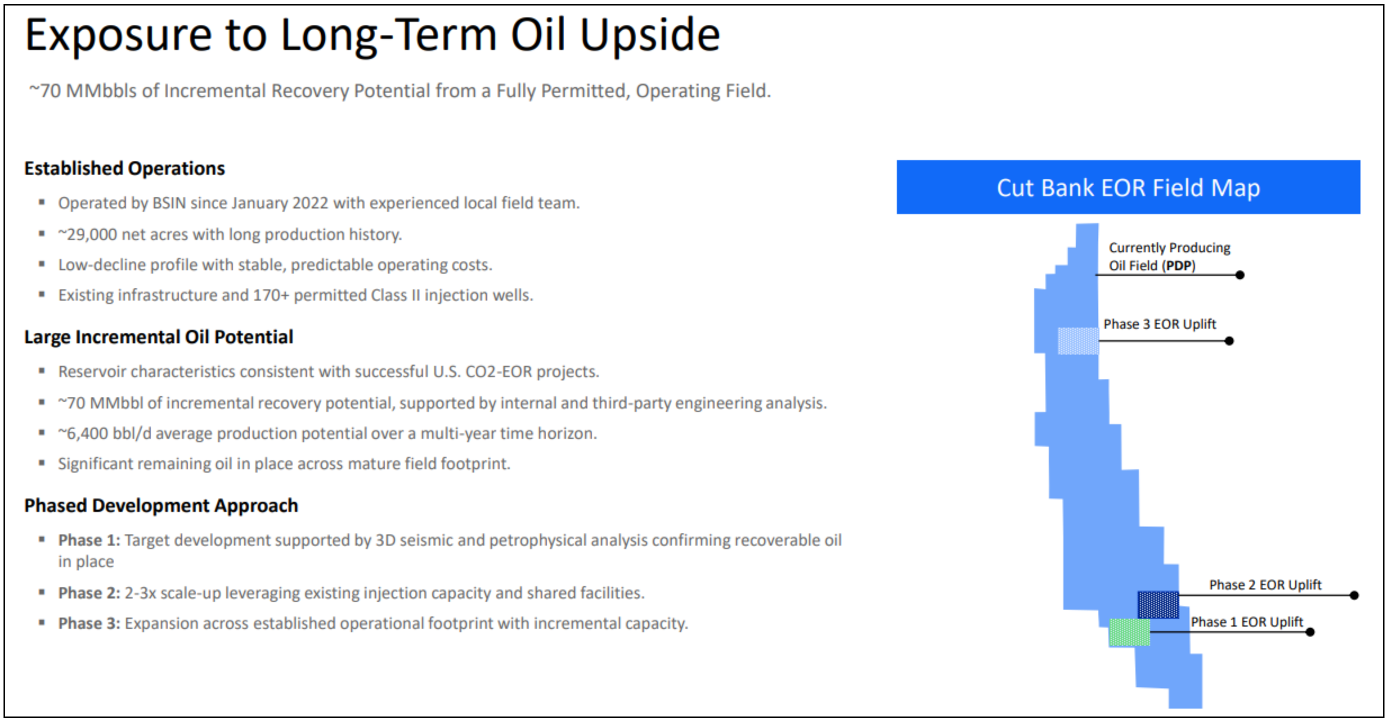
In addition, the development program is supported by more than 170 permitted Class II disposal wells for enhanced oil recovery, providing a substantial regulatory and operational foundation for future growth.

CO2 ENHANCED OIL RECOVERY PROJECTS

The company's CO2-EOR project provides meaningful exposure to long-term oil price upside through an established, fully permitted operating field with significant incremental recovery potential. Operated by BSIN since January 2022, the asset is supported by an experienced local field team and encompasses approximately 29,000 net acres with a long production history.

The field exhibits a low-decline production profile with stable and predictable operating costs, supported by existing infrastructure and more than 170 permitted Class II injection wells. Reservoir characteristics are consistent with successful CO_2 enhanced oil recovery (CO_2-EOR) projects in the U.S. with internal and third-party engineering analyses indicating approximately 70 million barrels of incremental recovery potential. The development could support average production of approximately 6,400 barrels per day over a multi-year horizon, reflecting significant remaining oil in place across the mature field footprint.

Development is expected to proceed through a phased approach, beginning with a targeted Phase 1 program informed by 3D seismic and petrophysical analysis confirming recoverable oil in place, followed by Phase 2 expansion at two to three times the initial scale utilizing existing injection capacity and shared facilities, and a Phase 3 expansion across the broader operational footprint with additional capacity growth.



Source: bigskyindustrialinc.com

A **CO_2-EOR** project is an oil production method where carbon dioxide is injected into a mature oil reservoir to increase the amount of crude oil that can be extracted beyond what primary and secondary recovery methods have achieved.

CO_2 is injected into the reservoir through dedicated injection wells. Under reservoir pressure and temperature conditions, the CO_2 mixes with the remaining oil, causing the oil to swell, reduce its viscosity, and flow more easily toward production wells. The injected CO_2 also helps maintain reservoir pressure and displaces oil that would otherwise remain trapped in the rock formation.

MANAGEMENT TEAM

Executives with decades of combined experience in energy finance, carbon management, and E&P operations

John Weinzierl
Chairman

30+ years of experience

Led two public listings as Co-founder and CEO of Memorial Resource Development, including Memorial Resource Development Corp., and Memorial Production Partners LP. Previously Managing Director and Operating Partner at Natural Gas Partners (NGP). B.S. in Petroleum Engineering and MBA from University of Texas at Austin.

Ryan Smith
CEO

20+ years of experience

CEO since 2019; served as CFO from 2017–2023. Previously CFO and VP of Capital Markets at Emerald Oil (2013–2017), VP in Canaccord Genuity's Investment Banking Group focused on energy, and Analyst at Wells Fargo Energy Group. BBA in Finance from Texas A&M University.

Mark Zajac
CFO

30+ years of experience

Former KPMG partner and national energy industry leader specializing in SEC reporting, PCAOB compliance, IPOs, and M&A transactions across the full energy value chain. Licensed CPA with BBA and MBA from Texas Tech University.

Tug Eiden
VP, Commercial Development

25+ years of experience

Operational and engineering leader spanning CCS, E&P, and major independents including Anadarko, EOG Resources, and BP. Brings deep expertise in commercial development across conventional and emerging energy segments. B.S. in Petroleum Engineering from Montana Technological University and MBA from Southern Methodist University.

Kip Ferguson
VP, Business Development

30+ years of experience

Over 35 years of technical and executive leadership across drilling, completions, A&D, and project development at public and private E&P companies. Former EVP and President of Eagle Ford division at Magnum Hunter Resources. B.S. in Geology from the University of Texas at Austin.

Mason McGuire
VP, Finance and Strategy

8 years of experience

Oversees corporate finance, capital markets, investor relations, and M&A strategy. Previously a restructuring and financial reporting consultant at Opportune LLP, advising on complex transactions across the energy sector. B.A. in Finance and Energy Management from the University of Oklahoma.

Source: bigskyindustrialinc.com

RISKS

- The company has written down and may in the future be forced to further write down material portions of its assets due to low oil and natural gas prices. The full cost method of accounting is used for oil and gas acquisition, exploration, development and production activities.

- The company's operations are subject to disruption from natural or human causes beyond its control, including risks from hurricanes, severe storms, floods, lightning strikes, heat waves, severe weather, wildfires, ambient temperature increases, sea level rise, war, accidents, civil unrest, political events, fires, earthquakes, system failures, cyber threats, terrorist acts and epidemic or pandemic diseases which could result in suspension of operations or harm to people or the natural environment.

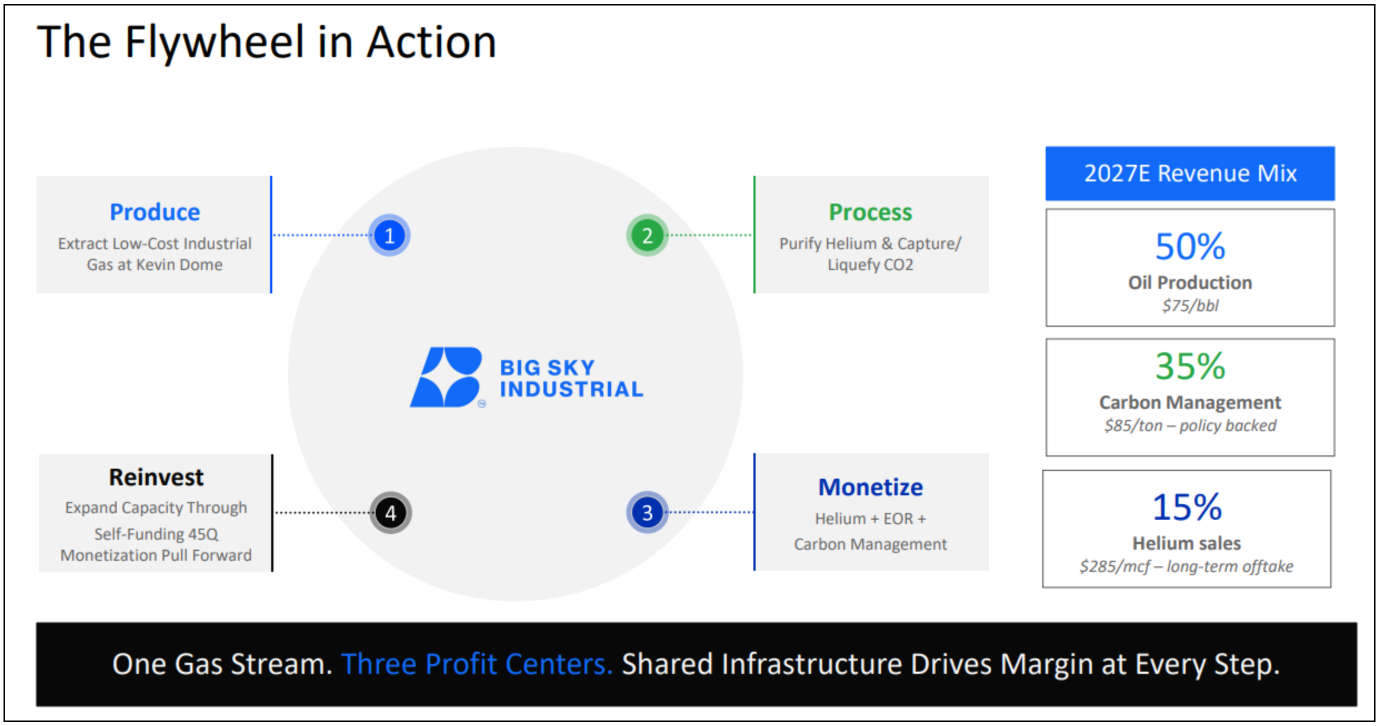
- The future value and resources associated with helium development are unknown and the company may never realize the value of any resources. No reserves have been assigned in connection with helium property interests to date, given their early stage of development. The future value of the company may be dependent on the success of helium drilling and development activities.

- The helium, oil and natural gas operations are subject to environmental, legislative and regulatory initiatives that can materially adversely affect the timing and cost of operations and the demand for helium, crude oil, natural gas, and NGLs. The company's operations are subject to stringent and complex federal, state and local laws and regulations relating to the protection of human health and safety, the environment and natural resource.

- The company has never had any helium producing properties and these newly acquired properties may not result in profitable helium production. The company's helium interests are in exploration stage only at this point. Even with application of best science, there is no assurance that commercial quantities of helium will be discovered at any of the company's properties.

SUMMARY

We believe the company enters 2026 with a strengthened financial position, supported by a solid balance sheet, strong liquidity, and meaningful progress toward initial helium sales and carbon management operations. Its integrated platform is now established, the regulatory pathway is well advanced, and there exist favorable industry dynamics. These include tightening helium supply and supportive federal carbon capture, utilization, and storage (CCUS) policies. As key milestones are achieved and operations advance, the company expects the value of its platform and assets to become increasingly evident to the investor community while remaining focused on delivering sustainable, long-term shareholder value.



Source: bigskyindustrialinc.com

We believe Big Sky Industrial has the potential to generate substantial levels of free cash flow over a mid-to-long-term time frame as the company's forays into industrial gas, EOR, and CCUS become successful. The company's diversification across traditional oil & gas cash flow and industrial gas projects should help reduce the inherent cyclicality in the hydrocarbon markets.

The company's current stock price does not likely reflect that potential level of profitable growth going forward and does not reflect the value of proven reserves in the oil & gas business and potential industrial gas resources. We believe BSIN stock to be undervalued at this time, particularly when compared to competitors.

We believe multiple valuation methods support our DCF valuation which provides a target price of **$3.50** per share.

The Investment Case

1 — Differentiated Asset
The only integrated helium + CCUS hub in the Northwest U.S. 1.3 Bcf Helium. 444 BCF CO_2. 100% owned and operated. 50-year reserve life.

2 — Economics
Three independent revenue streams. $130M in 45Q federal credits over 12 years. 4.8x EV/2027E EBITDA vs 7-10x for peers. Underpinned by oil producing field with ~70 MMbbl of incremental EOR recovery potential at an 8% decline rate.

3 — Execution
$27MM invested. Wells drilled. MRVs filed. Plant FID 2Q2026. First revenue 1Q2027.

4 — Why Now
Trading at a significant discount to net asset value ahead of multiple near-term catalysts. MRV approvals, offtake execution, and project financing each represent independent de-risking events before initial Phase 1 revenue.

Source: bigskyindustrialinc.com

PROJECTED INCOME STATEMENT

Income Statement	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27
Net Sales	**32,316**	**20,619**	**7,353**	**7,601**	**20,500**
Growth	*-27.4%*	*-36.2%*	*-64.3%*	*3.4%*	*169.7%*
Operating Expenses	**15,811**	**11,365**	**5,463**	**4,967**	**4,173**
%	*48.9%*	*55.1%*	*74.3%*	*65.4%*	*20.4%*
Production Taxes	**2,107**	**1,276**	**539**	**658**	**671**
% of sales	*6.5%*	*6.2%*	*7.3%*	*8.7%*	*3.3%*
Depreciation, Depletion, Amortization	**11,235**	**8,254**	**3,607**	**2,368**	**2,391**
% of sales	*34.8%*	*40.0%*	*49.1%*	*31.2%*	*11.7%*
Impairments (or unusual loss)	**26,680**	**11,918**	**3,628**	**0**	**0**
% of sales	*82.6%*	*57.8%*	*49.3%*	*0.0%*	*0.0%*
SG&A Expenses	**11,523**	**8,197**	**8,064**	**10,256**	**8,205**
% of sales	*35.7%*	*39.8%*	*109.7%*	*134.9%*	*40.0%*
Operating Income	**(35,040)**	**(20,391)**	**(14,359)**	**(10,649)**	**5,060**
Margin	*-108.4%*	*-98.9%*	*-195.3%*	*-140.1%*	*24.7%*
Adjusted EBITDA	**4,884**	**3,596**	**1,332**	**1,520**	**11,815**
Margin	*15.1%*	*17.4%*	*18.1%*	*20.0%*	*57.6%*
Other Expenses/(Income)	**(2,907)**	**(504)**	**(199)**	**(241)**	**(5)**
%	*-9.0%*	*-2.4%*	*-2.7%*	*-3.2%*	*0.0%*
EBIT	**(32,133)**	**(19,887)**	**(14,160)**	**(10,407)**	**5,065**
%	*-99.4%*	*-96.4%*	*-192.6%*	*-136.9%*	*24.7%*
Total Interest Exp (net)	**1,114**	**530**	**208**	**823**	**823**
%	*3.4%*	*2.6%*	*2.8%*	*10.8%*	*4.0%*
Net Profit Before Tax	**(33,247)**	**(20,417)**	**(14,368)**	**(11,230)**	**4,242**
%	*-102.9%*	*-99.0%*	*-195.4%*	*-147.8%*	*20.7%*
Income Tax	**(891)**	**20**	**6**	**0**	**0**
% Effective Rate	*2.7%*	*-0.1%*	*0.0%*	*0.0%*	*0.0%*
% Cash Tax Rate	*2.7%*	*-0.1%*	*0.0%*	*0.0%*	*0.0%*
Minority Interests or Preferred Stocl	**0**	**0**	**0**	**0**	**0**
Net Profit	**(32,356)**	**(20,437)**	**(14,374)**	**(11,230)**	**4,242**
%	*-100.1%*	*-99.1%*	*-195.5%*	*-147.8%*	*20.7%*
	0.0%	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Non-recurring income (expense)	26,680	5,347	0	0	0
Average Diluted Shares Outstanding	25,322	26,720	33,820	49,361	49,361
Reported FD EPS					
Zacls EPS	**(0.25)**	**(0.56)**	**(0.43)**	**(0.23)**	**0.09**

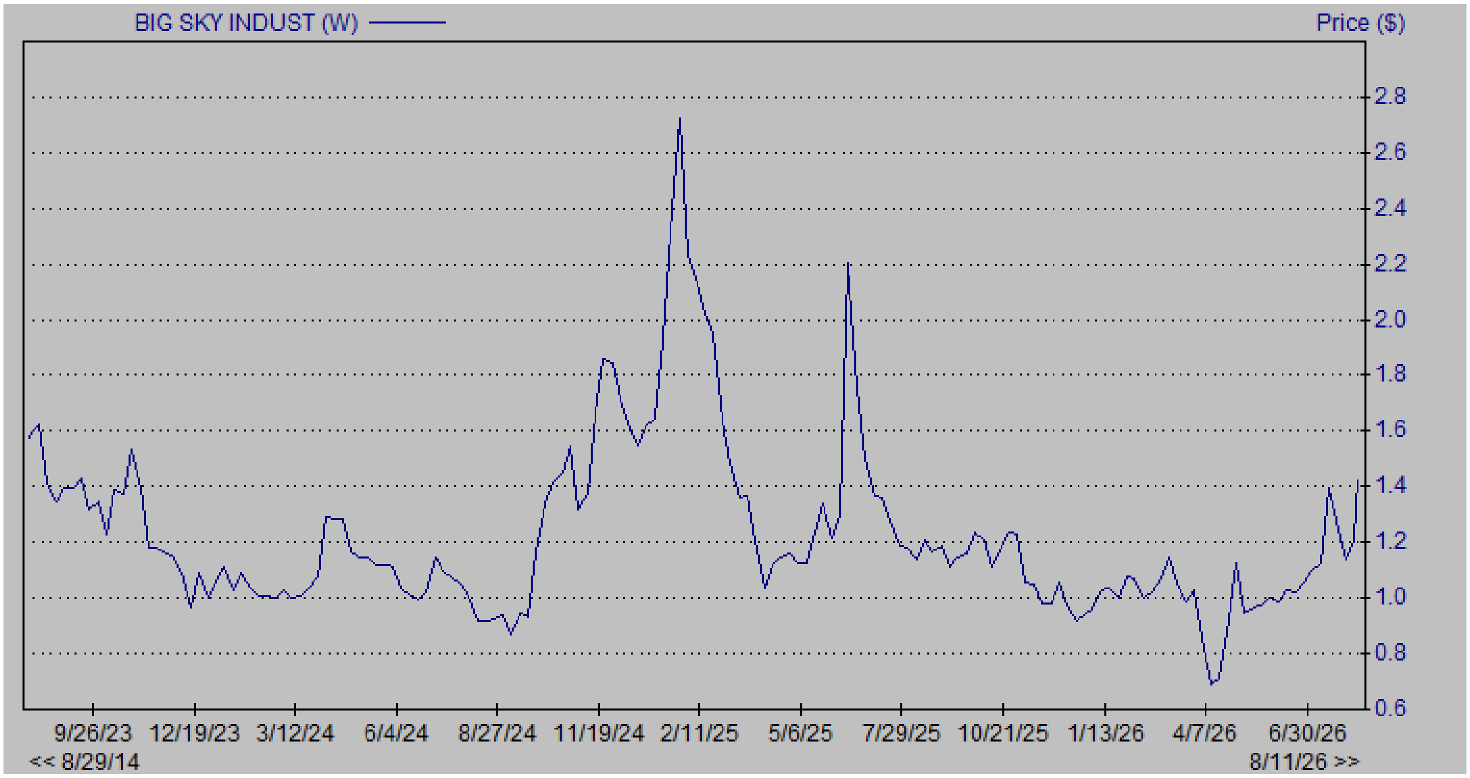
Source: Zacks analyst
Zacks EBITDA may not match BSIN adjusted EBITDA

PROJECTED QUARTERLY INCOME STATEMENT

Quarterly Income Statement	Q1/26A	Q2/26A	Q3/26E	Q4/26E
Net Sales	**1,604**	**2,134**	**1,950**	**1,913**
Growth				
Operating Expenses	**1,011**	**1,116**	**1,502**	**1,339**
%	*63.0%*	*52.3%*	*77.0%*	*70.0%*
Production Taxes	**130**	**165**	**182**	**182**
% of sales	*8.1%*	*7.7%*	*9.3%*	*9.5%*
Depreciation, Depletion, Amortization	**559**	**591**	**603**	**615**
% of sales	*34.9%*	*27.7%*	*30.9%*	*32.1%*
Impairments	**0**	**0**	**0**	**0**
% of sales				
SG&A Expenses	**3,048**	**2,647**	**2,225**	**2,336**
% of sales	*190.0%*	*124.0%*	*114.1%*	*122.1%*
Operating Income	**(3,144)**	**(2,385)**	**(2,571)**	**(2,559)**
%	*-196.0%*	*-111.8%*	*-131.8%*	*-133.8%*
Adjusted EBITDA	**(2,114)**	**(1,794)**	**(1,600)**	**(1,944)**
%				
Other Expenses/(Income)	**(22)**	**(116)**	**(21)**	**(82)**
%				
EBIT	**(3,122)**	**(2,269)**	**(2,550)**	**(2,477)**
%	*-194.6%*	*-106.3%*	*-130.7%*	*-129.5%*
Total Interest Exp. (net)	**63**	**10**	**350**	**400**
%				
Net Profit Before Tax	**(3,185)**	**(2,279)**	**(2,900)**	**(2,877)**
%	*-198.6%*	*-106.8%*	*-148.7%*	*-150.4%*
Income Tax	**0**	**0**	**0**	**0**
% Effect Rate	*0.0%*	*0.0%*	*0.0%*	*-0.4%*
Minority Interest & Preferred Stock	**0**	**0**	**0**	**0**
Net Profit	**(3,185)**	**(2,279)**	**(2,900)**	**(2,877)**
%	*-198.6%*	*-106.8%*	*-148.7%*	*-150.4%*
Non-recurring income (expense)				
Shares Outst.	40,066	52,393	52,493	52,493
Reported FD EPS				
Zacks EPS	**(0.08)**	**(0.04)**	**(0.06)**	**(0.05)**

Source: Zacks analyst
Zacks EBITDA may not match BSIN adjusted EBITDA

HISTORICAL STOCK PRICE



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