November 17, 2026

Zacks Small-Cap Research

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Big Sky Industrial (NASDAQ: BSIN)

BSIN: Big Sky Industrial reports 3rd quarter 2026 financial results and updates developments on the Big Sky project. Company continues to execute on its industrial 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 (11/16/26)	$1.12
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 $14.4 million in available liquidity as of 9/30/26 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	**$1.67**
52-Week Low	**$0.66**
One-Year Return (%)	**6.7**
Beta	**1.00**
Average Daily Volume (sh)	**600,404**
Shares Outstanding (mil)	**52.6**
Market Capitalization ($mil)	**58.3**
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 A	$1.5 E	$7.2 E
2027					$21.3 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	-$0.07 A	-$0.05 E	-$0.24 E
2027					$0.08 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.

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WHAT'S NEW

3rd Quarter 2026 Financial & Operating Results

The quarterly financial results were largely related to legacy oil & gas operations with about 86% coming from the Montana region and the remainder from the Mid-Continent region (mostly Texas). Subsequent to the end of the quarter, the company sold 15 non-core wells in Texas which generated $400,000 in net proceeds.

3rd quarter 2026 production was 30,628 barrels of oil equivalent ("BOE") (76% oil), compared to 35,326 BOE in the 3rd quarter of 2025. In the quarter, revenue totaled $1.96 million (93% oil), compared to revenue of $1.7 million in the prior year period. Realized average sales prices were $77.30/bbl and $3.35/mcf for oil and natural gas, respectively, resulting in an average realized price of $63.83/BOE as compared to $60.12/bbl, $2.82/mcf for oil and natural gas resulting in an average realized price of $49.20 BOE in the prior year period.

Revenue increased 12% year over year, as a 30% increase in average realized price per BOE more than offset lower production volumes. The production decline largely was the result of the 2025 divestitures of the Wyoming and West Texas properties, along with natural declines across its remaining assets. Proceeds from the legacy asset monetization program have helped fund the strategic transition toward industrial gas, energy, and carbon management.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue:				
Rockies				
Oil	$ 1,725	$ 1,097	$ 4,877	$ 4,012
Natural gas and liquids	40	26	93	129
Total	$ 1,765	$ 1,123	$ 4,970	$ 4,141
Mid-Continent				
Oil	$ 85	$ 490	$ 344	$ 1,189
Natural gas and liquids	105	125	380	629
Total	$ 190	$ 615	$ 724	$ 1,818
Total Revenue	$ 1,955	$ 1,738	$ 5,694	$ 5,959

Source: bigskyindustrialinc.com

3rd quarter lease operating expense increased to $2.1 million from $1.0 million a year ago, primarily reflecting $1.2 million in remediation costs related to a produced-fluid release at a legacy gathering line. The company expects to recover up to $1.0 million under its insurance policy, although no receivable was recognized pending the claim approval. Excluding remediation costs, lease operating expense was $0.9 million, or $29.71 per BOE, largely unchanged compared to the prior year period. Cash G&A declined to $1.6 million from $1.7 million, reflecting lower professional fees, while stock compensation expense increased to $0.6 million from $0.4 million.

The company reported a 3rd quarter 2026 net loss of ($3.5) million, or ($0.07) per share, compared to a net loss of ($3.3) million, or ($0.10) per share, in the prior-year period (which included a $0.9 million impairment charge on oil & gas properties). Adjusted EBITDA, excluding $1.2 million in environmental remediation costs, improved to a loss of ($0.8) million from a loss of ($1.3) million a year earlier.

Balance Sheet & Liquidity

During the nine month period ended September 30, 2026, the company spent approximately $15.2 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. We expect Q4 2026 industrial gas capex to be approximately $6.0 million and Q1 2027 capex to be in the $10-$12 million range.

At the end of the 3rd quarter, the company had approximately $2.9 million in cash and total debt outstanding of $8.5 million. Availability on its credit facility was $11.5 million, resulting in period-end total liquidity of approximately $14.4 million.

Subsequent to the end of the 3rd quarter, the company drew down an additional $2.5 million to fund ongoing capital expenditures on the Big Sky project.

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 spring of 2027 without anticipated reliance on the public equity markets, while maintaining flexibility to pursue other value-enhancing opportunities.

	Balance as of	
	September 30, 2026	December 31, 2025
Cash and debt balance:		
Total debt outstanding	$ 8,500	$ 2,500
Less: Cash balance	$ 2,915	$ 429
Net debt balance	$ 5,585	$ 2,071
Liquidity:		
Cash balance	$ 2,915	$ 429
Plus Credit facility availability	$ 11,500	$ 7,500
Total Liquidity	$ 14,415	$ 7,929

Source: bigskyindustrialinc.com

Business Updates

- **Phase 1 Construction Advancing on Schedule**

  Fabrication of the modular Phase 1 processing facility for the Big Sky Carbon Hub is underway under the company's fixed-scope EPC agreement with CANUSA EPC. On-site civil work is expected to begin shortly, with equipment installation planned from late Q4 2026 through Q1 2027, allowing for Montana's winter weather. The gathering systems for the new helium wells and injection lines to the Big Rose CO_2 injection site are complete, with first helium sales expected in 2027. At initial operations, the facility is designed to produce approximately 14 MMcf of high-purity helium annually while capturing and permanently sequestering or utilizing approximately 125,000 metric tons of CO_2 per year.

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

  In April 2026, the company executed a five-year helium sales agreement with an investment-grade global industrial gas company for the sale of contained helium produced at the Big Sky hub. The agreement is structured as 100% take-or-pay over a five-year initial term at a fixed, all-in price of $285 per Mcf realized at the plant gate. There is also a CPI-linked escalation beginning March 1, 2028, and a year-three pricing redetermination. The buyer is responsible for all transportation, logistics, and downstream delivery, so the company realizes the full $285 per Mcf at the plant gate

with no midstream or delivery deductions. The important agreement provides contracted revenue from first production at the Big Sky hub.

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

  The company is advancing two complementary financing processes. It is in discussions on a new, larger senior secured credit facility that would expand its borrowing capacity and financial flexibility. In addition, discussions on monetizing its Phase 1 Section 45Q tax credits are progressing.

- **MRV Applications Under EPA Review**

  The company has submitted two MRV plans to the EPA. The Big Rose plan, submitted October 9, 2025, covers CO_2 sequestration from Phase 1 and future phases and has advanced to the final stage of EPA review, with the company having addressed agency comments. The Cut Bank plan, submitted December 17, 2025, supports longer-term CO_2-enhanced oil recovery at the Cut Bank field and remains under review. These MRV approvals are not required to begin Phase 1 operations or begin helium sales.

- **In-Field Gathering and Injection Lines Complete.**

  Installation of the in-field lines connecting the production wells to the processing facility and carrying CO_2 to the Big Rose injection well has been completed. The company's three production wells are drilled, completed, and ready for tie-in to the installed gathering lines, and two Class II permitted injection wells are operational.

- **Phase 2 Planning Underway**

  Engineering and planning are underway for Phase 2, a second processing plant on the same footprint that would use the company's existing infrastructure, permits, and field operations. An FID on Phase 2 is expected in the 4th quarter of 2026 or 1st quarter of 2027. The company will provide additional detail as planning progresses.

- **Helium Added to U.S. Critical Materials List.**

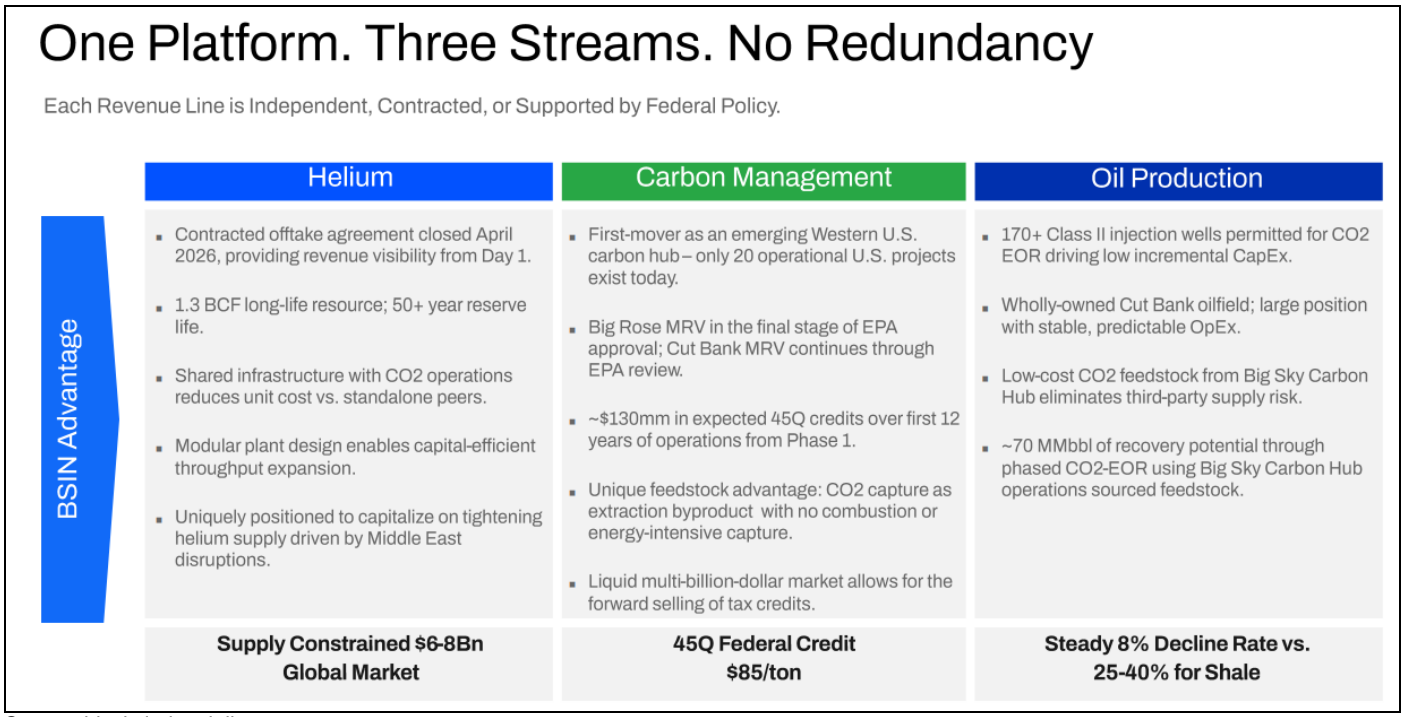
  On October 23, 2026, the U.S. Department of Energy designated helium a critical material under the Energy Act of 2020, citing helium's essential role in semiconductor manufacturing and other advanced technologies, as well as growing supply chain risk. The Company believes the designation underscores the strategic value of secure, domestic helium supply such as the Big Sky Carbon Hub.

Integrated Platform and New Investor Presentation

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

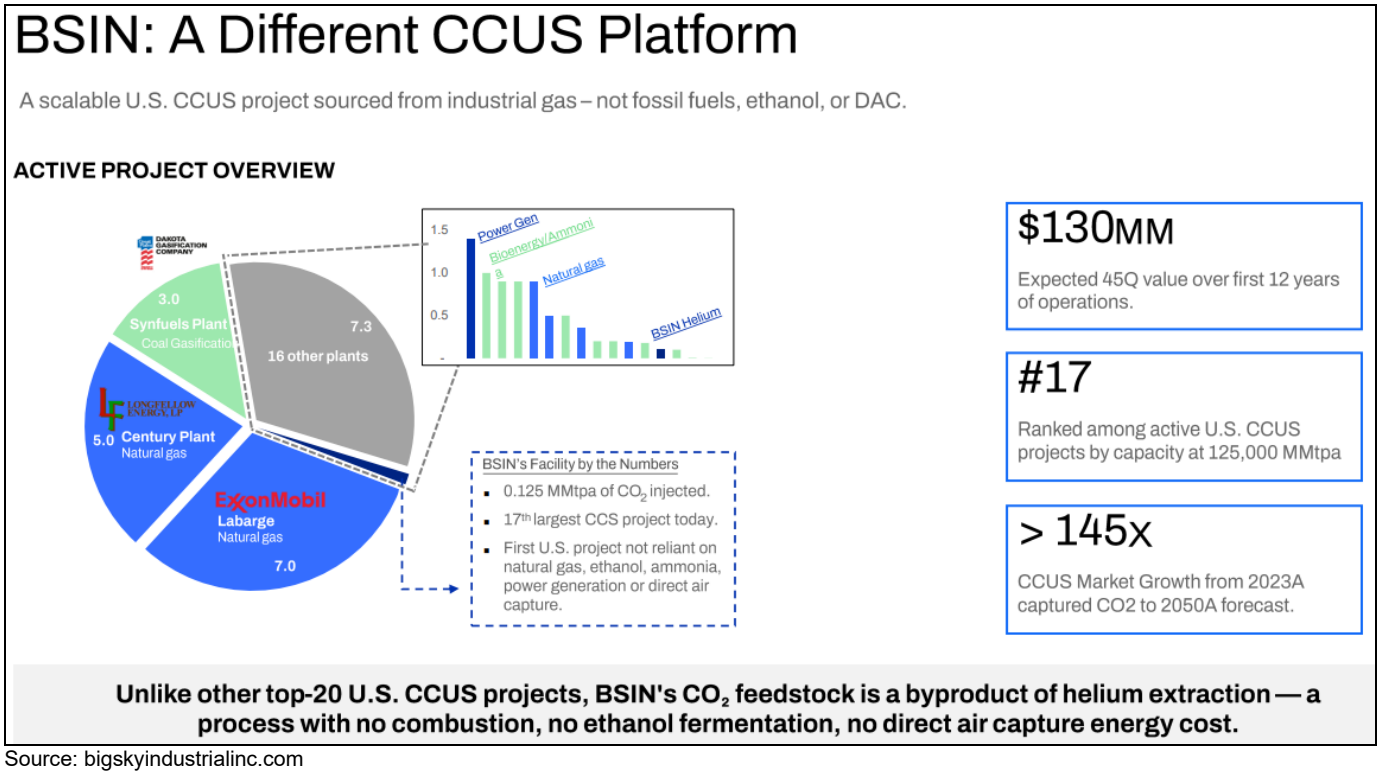
The investor presentation describes an integrated helium and carbon management platform with three independent revenue streams, federal policy incentives, and targeted commercial revenue in the spring of 2027. $42.5 million has already been invested, wells have been drilled, and key milestones are underway. This includes progress on the CO_2 enhanced oil recovery program at the Cut Bank oil field.

One Asset with Three Revenue Streams: 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.



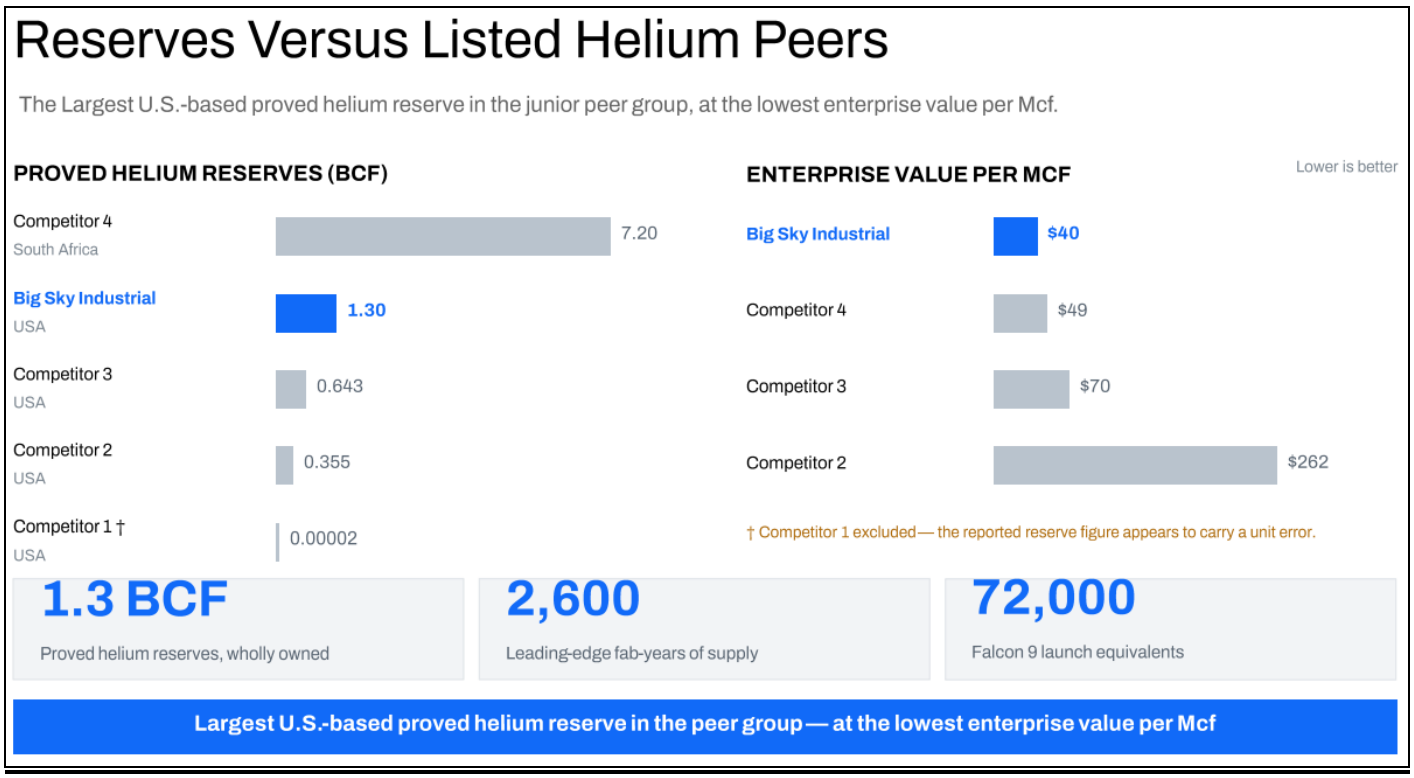
Source: bigskyindustrialinc.com

$130 million of projected Phase 1 Section 45Q tax credits: 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%.



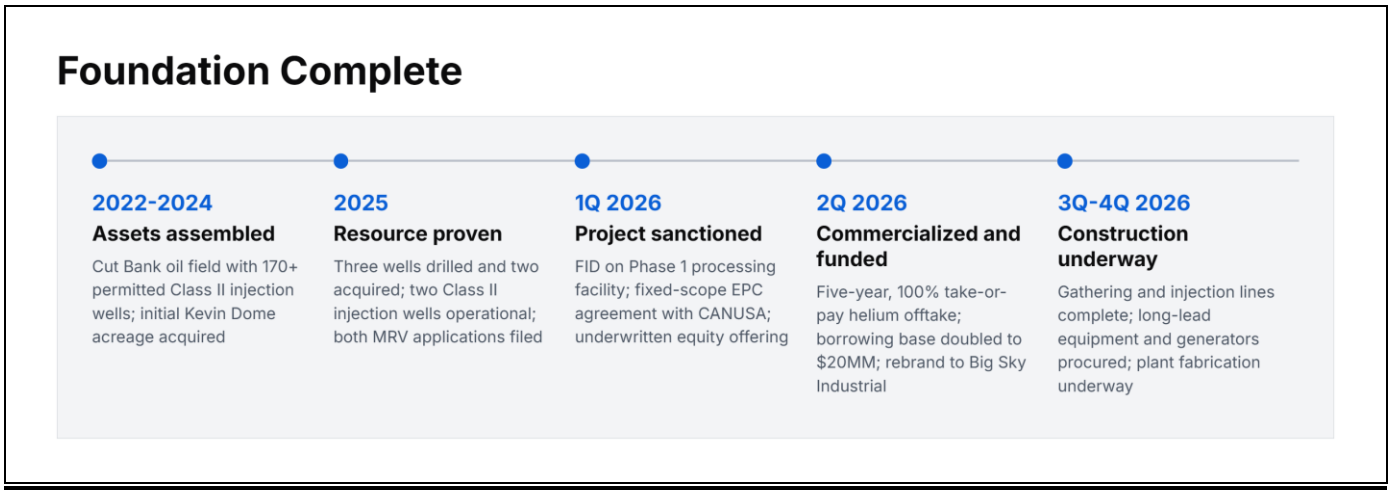
Source: bigskyindustrialinc.com

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.



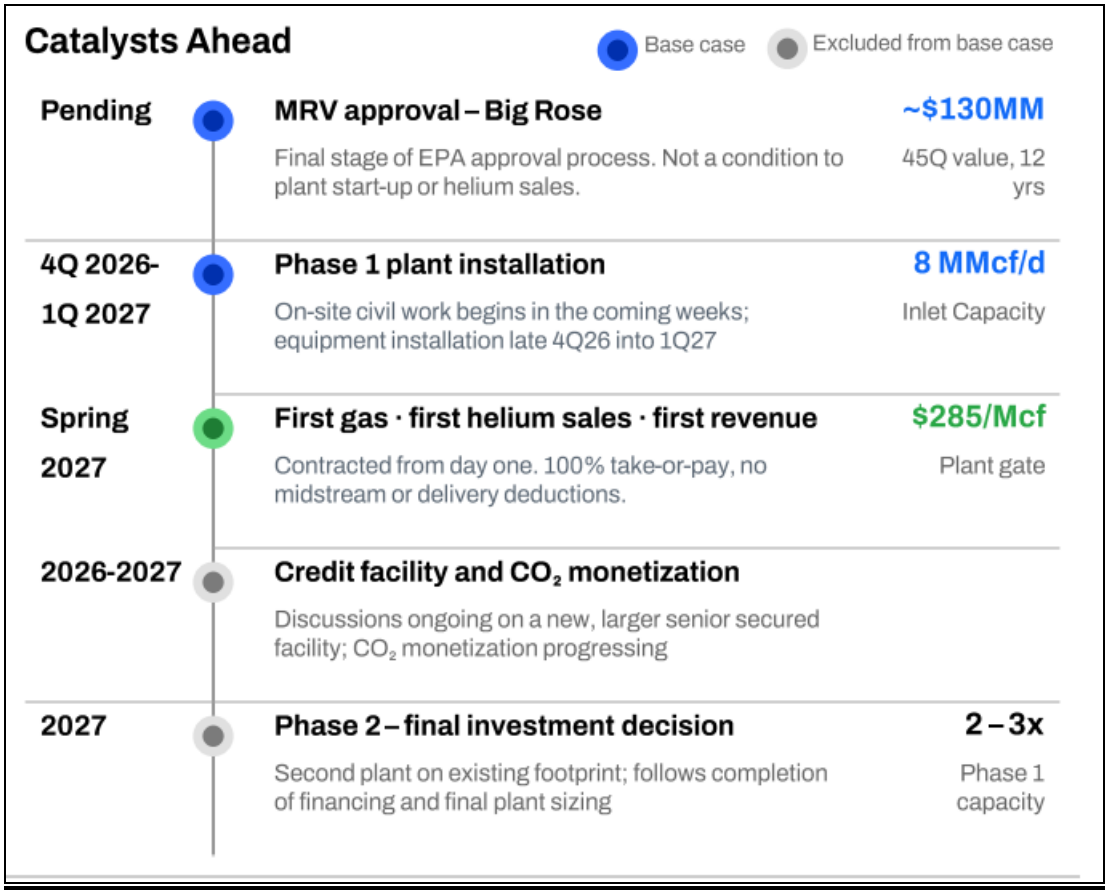
Source: bigskyindustrialinc.com

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 spring of 2027.



Source: bigskyindustrialinc.com

Multiple Near-Term Catalysts in 2026 and 2027: Catalysts expected this year included the 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

Valuation & Estimates

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 should begin in the middle 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 $11.3 million, helium revenue of $2.5 million, and Section 45Q tax credit revenue of $7.5 million, which we estimate could generate adjusted EBITDA of approximately $12.3 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 the 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.

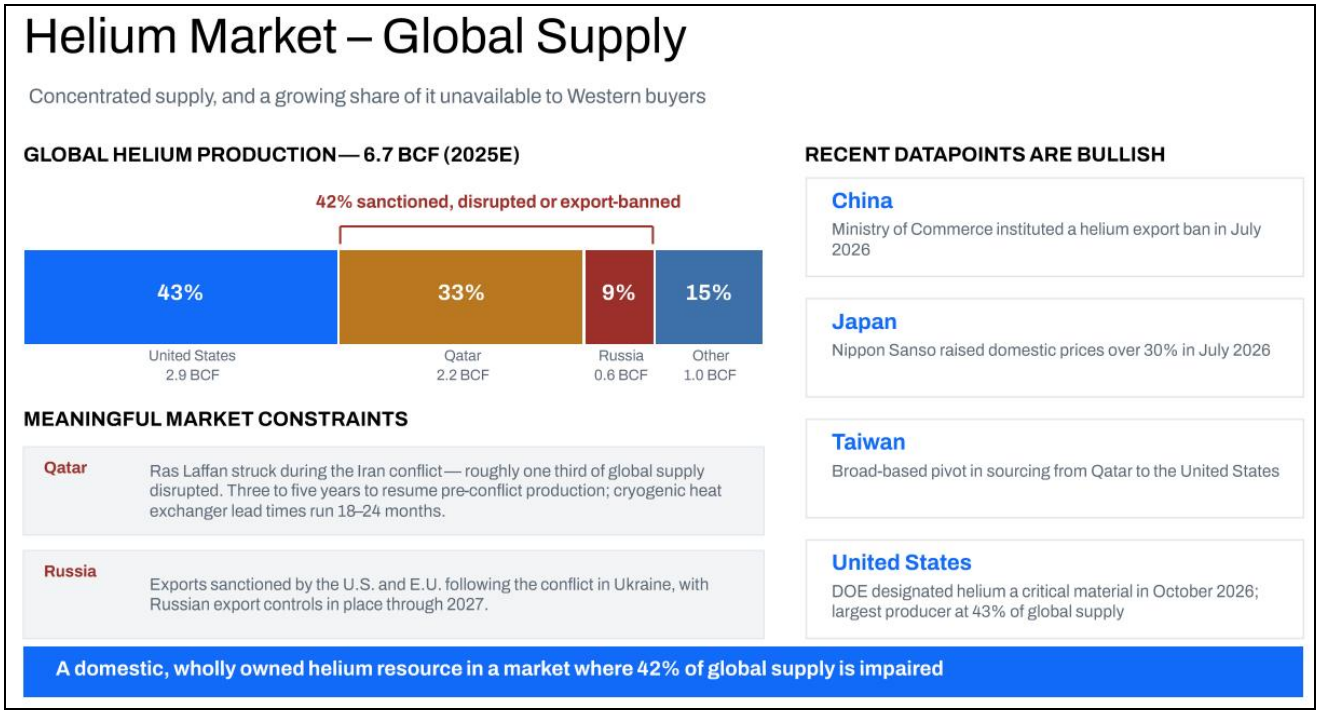
We also note the current market capitalization is substantially below the approximately $130 million of Section 45Q tax credit value the company has estimated could be generated over the first 12 years of Phase 1 operations. Management has also indicated there is a possibility that the carbon tax credits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

HELIUM UPDATE

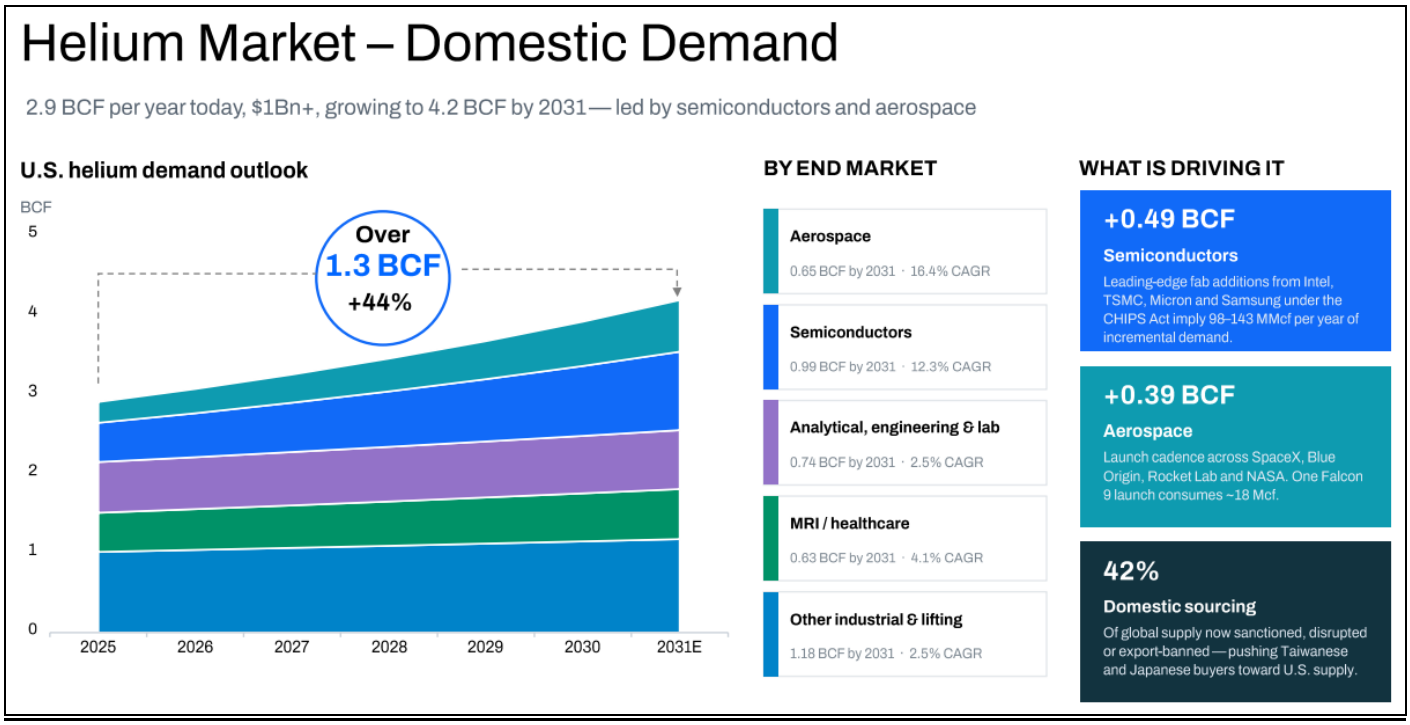
Helium has become a strategically important input for the **AI and data center** ecosystem, driven by its role in advanced semiconductor manufacturing and next-generation cooling systems. It is used in the production of high-performance AI chips, including GPUs and TPUs, and in cooling applications that 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.



Source: bigskyindustrialinc.com

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 CO2 resources, contingent upon economics and future development. The gas concentrations used for the report was 0.4% - 0.5% helium and 84% - 85% CO2, 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

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, CO2, 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 CO2 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 September 30, 2026, the company held **$2.9** million in cash and **$14.5** 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.

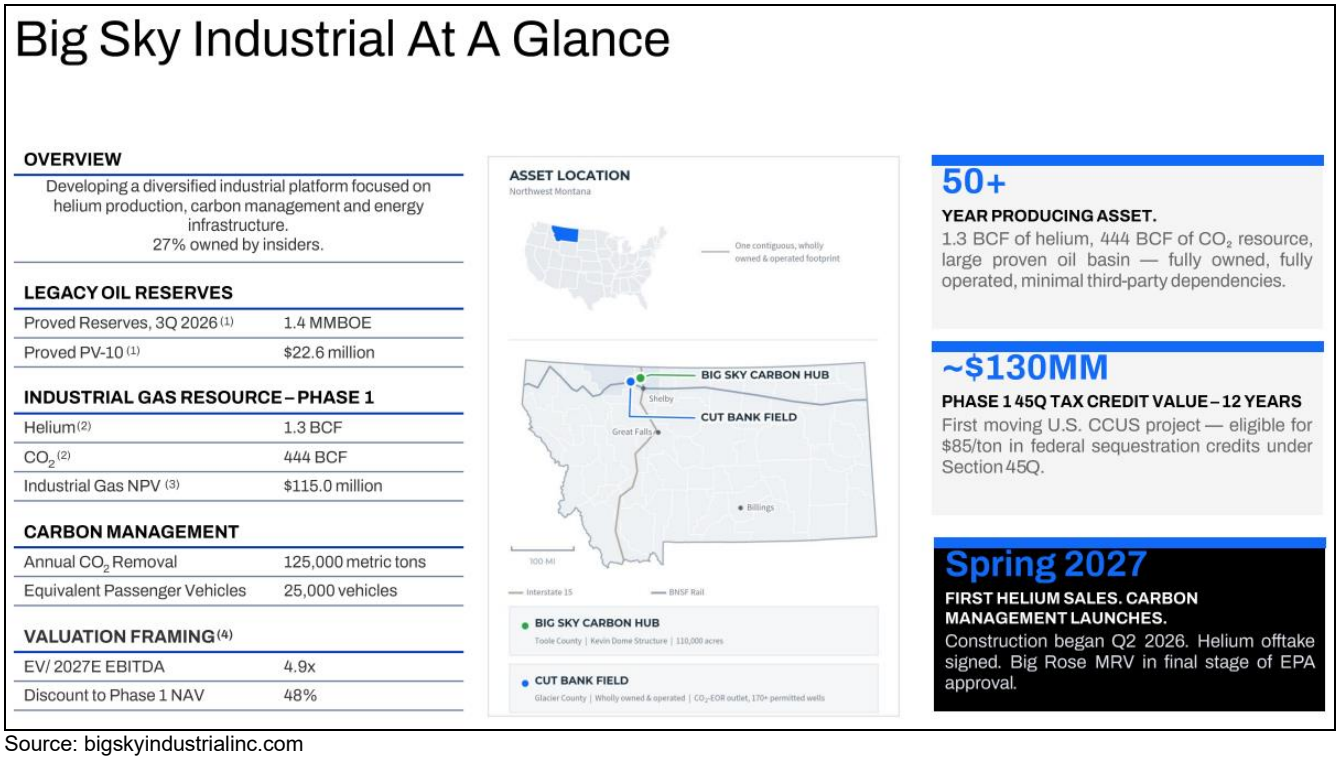
OVERVIEW



Source: bigskyindustrialinc.com

Big Sky Industrial (NASDAQ: BSIN) is an independent energy company transitioning from its historical focus on oil and natural gas exploration and production to industrial gas development, primarily helium. Following the divestiture of substantially all non-operated properties in 2023 and remaining South Texas assets in 2024, the company eliminated its outstanding debt and shifted its strategic focus to a June 2024 acquisition of approximately 140,000 acres in Northwestern Montana. Its remaining energy and industrial gas interests are located across the Rockies, Mid-Continent, and Gulf Coast regions.

The company's primary objective is to develop and market helium and other industrial gases from its Montana acreage while advancing existing carbon sequestration opportunities. Third-party engineering studies indicate substantial helium and CO_2 resources, with nearby operations providing additional evidence of helium potential. Helium demand is supported by diverse end markets, including healthcare, life sciences, aerospace and defense, manufacturing, and general industry.



Source: bigskyindustrialinc.com

In 2026, the company clarified its business model in which it expects to generate three strong sources of revenues beginning in 2027:

- Helium Sales: 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 investment-grade industrial gas company in April 2026.

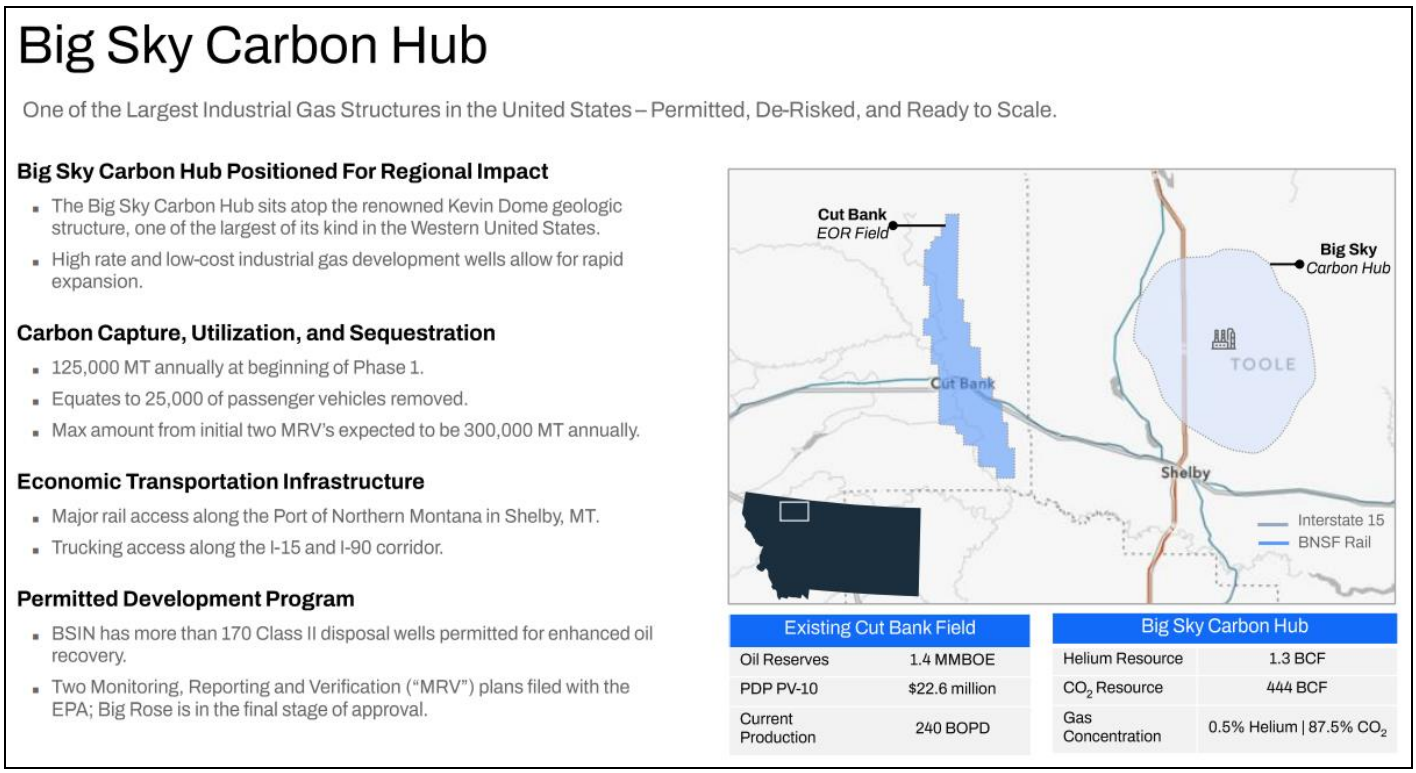
- Section 45Q Carbon Management Revenue: CO_2 captured from helium processing is expected to qualify for the federal Section 45Q tax credit, providing a policy-supported, commodity-independent revenue stream with meaningful Phase 1 value.

- CO_2-Enhanced Oil Recovery: 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.

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.

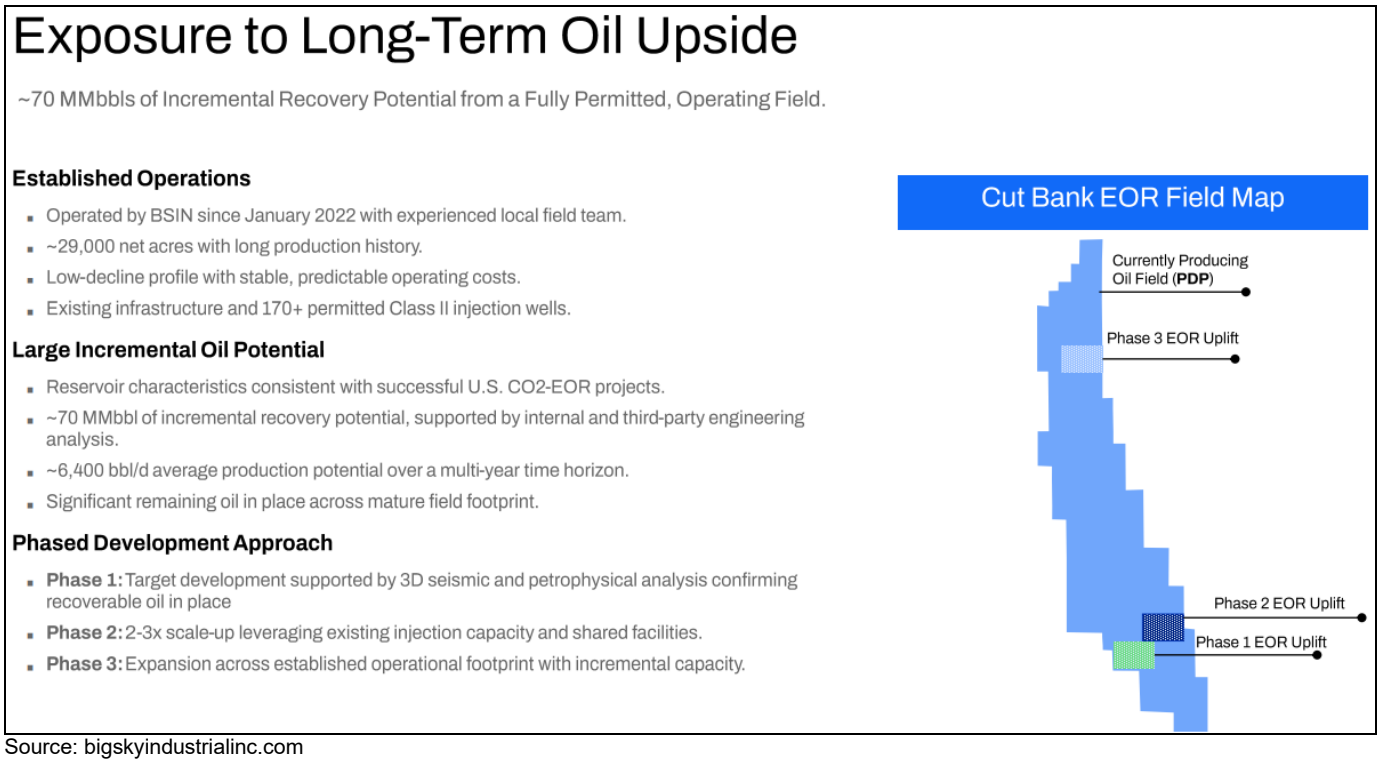
In addition, the development program is supported by more than 170 permitted Class II disposal wells for enhanced oil recovery, providing a substantial regulatory and operational foundation for future growth.

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.

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.

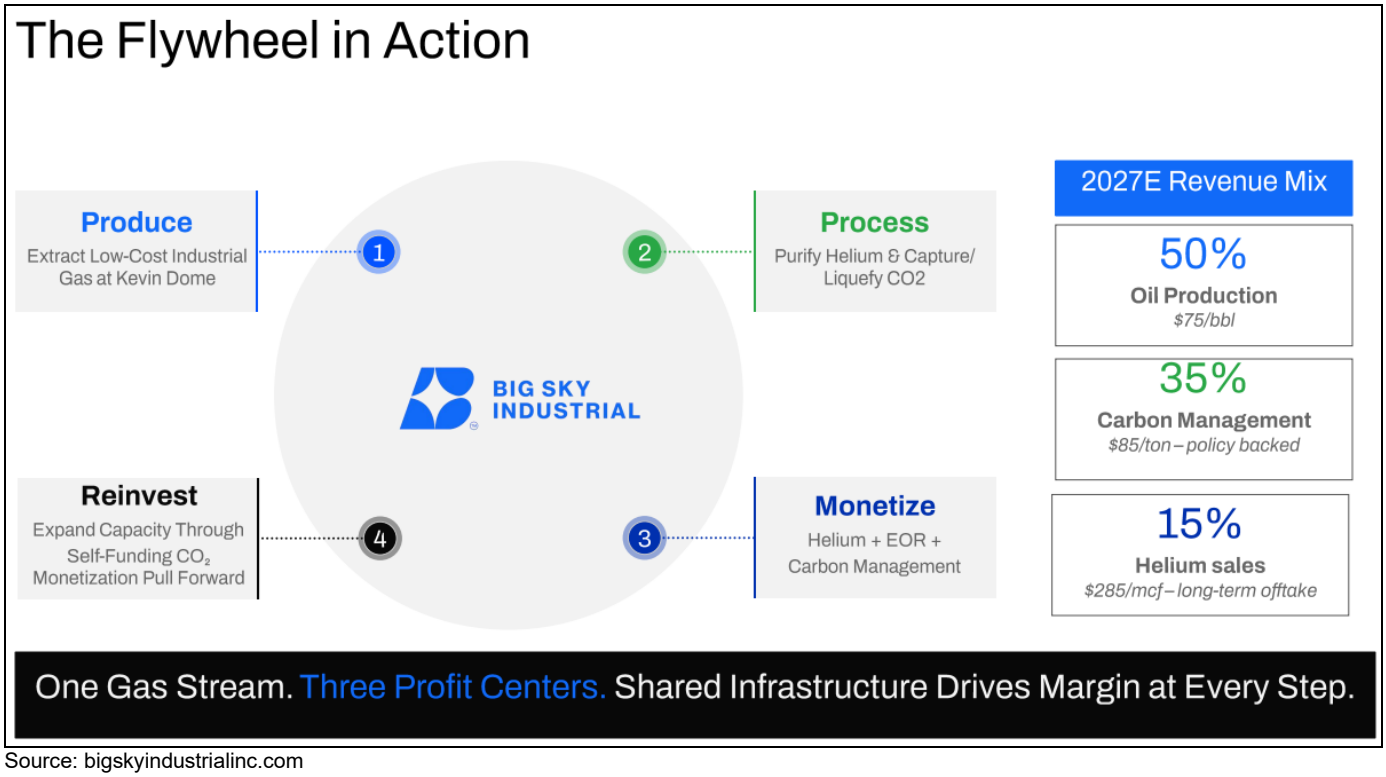
- The future value and resources associated with helium development are unknown and the company may never realize the value of any resources. No reserves have been assigned in connection with helium property interests to date, given their early stage of development. The future value of the company may 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 2027 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.

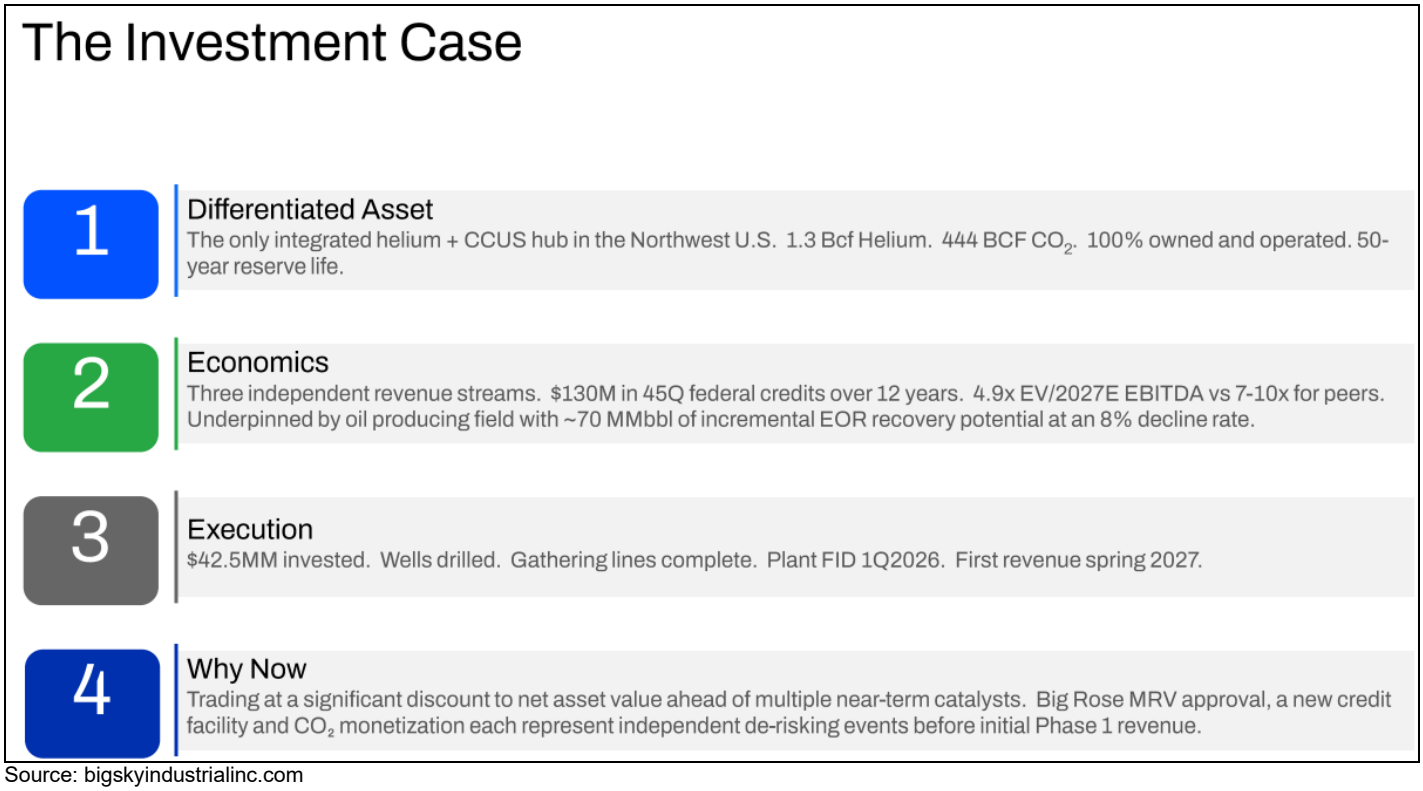


Source: bigskyindustrialinc.com

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.



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**	**7,209**	**21,250**
Growth	*-27.4%*	*-36.2%*	*-64.3%*	*-2.0%*	*194.8%*
Operating Expenses	**15,811**	**11,365**	**5,463**	**5,521**	**6,710**
%	*48.9%*	*55.1%*	*74.3%*	*76.6%*	*31.6%*
Production Taxes	**2,107**	**1,276**	**539**	**611**	**623**
% of sales	*6.5%*	*6.2%*	*7.3%*	*8.5%*	*2.9%*
Depreciation, Depletion, Amortization	**11,235**	**8,254**	**3,607**	**2,223**	**2,245**
% of sales	*34.8%*	*40.0%*	*49.1%*	*30.8%*	*10.6%*
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**	**10,207**	**7,145**
% of sales	*35.7%*	*39.8%*	*109.7%*	*141.6%*	*33.6%*
Operating Income	**(35,040)**	**(20,391)**	**(14,359)**	**(11,352)**	**4,527**
Margin	*-108.4%*	*-98.9%*	*-195.3%*	*-157.5%*	*21.3%*
Adjusted EBITDA	**4,884**	**3,596**	**1,332**	**1,442**	**12,313**
Margin	*15.1%*	*17.4%*	*18.1%*	*20.0%*	*57.9%*
Other Expenses/(Income)	**(2,907)**	**(504)**	**(199)**	**143**	**(5)**
%	*-9.0%*	*-2.4%*	*-2.7%*	*2.0%*	*0.0%*
EBIT	**(32,133)**	**(19,887)**	**(14,160)**	**(11,495)**	**4,532**
%	*-99.4%*	*-96.4%*	*-192.6%*	*-159.5%*	*21.3%*
Total Interest Exp (net)	**1,114**	**530**	**208**	**123**	**123**
%	*3.4%*	*2.6%*	*2.8%*	*1.7%*	*0.6%*
Net Profit Before Tax	**(33,247)**	**(20,417)**	**(14,368)**	**(11,618)**	**4,409**
%	*-102.9%*	*-99.0%*	*-195.4%*	*-161.2%*	*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)**	**(11,618)**	**4,409**
%	*-100.1%*	*-99.1%*	*-195.5%*	*-161.2%*	*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	49,399	52,641
Reported FD EPS					
Zacls EPS	**(0.25)**	**(0.56)**	**(0.43)**	**(0.24)**	**0.08**

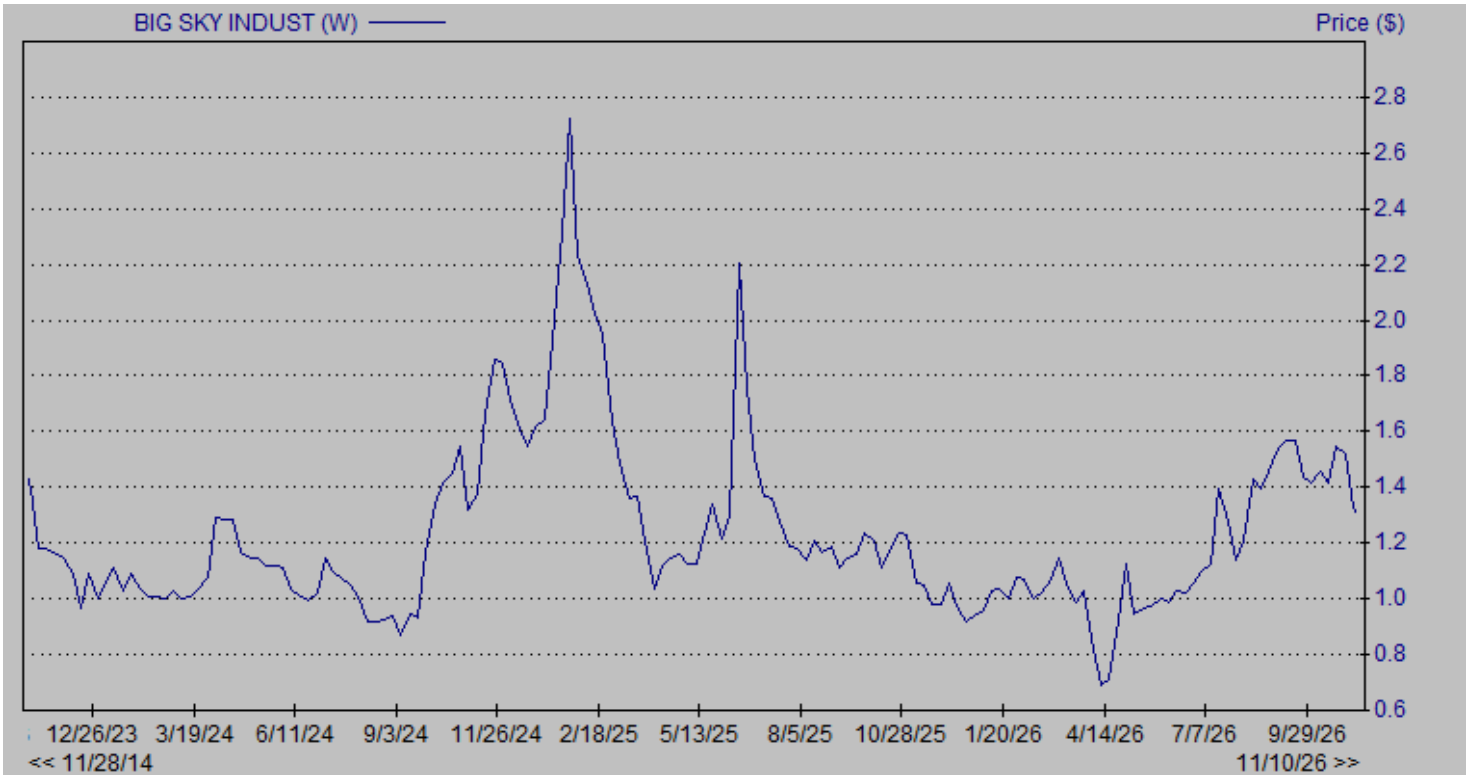
Source: Zacks analyst
Zacks EBITDA may not match BSIN adjusted EBITDA

PROJECTED QUARTERLY INCOME STATEMENT

Quarterly Income Statement	Q1/26A	Q2/26A	Q3/26A	Q4/26E
Net Sales	**1,604**	**2,134**	**1,955**	**1,516**
Growth				
Operating Expenses	**1,011**	**1,116**	**2,198**	**1,196**
%	*63.0%*	*52.3%*	*112.4%*	*78.9%*
Production Taxes	**130**	**165**	**158**	**158**
% of sales	*8.1%*	*7.7%*	*8.1%*	*10.4%*
Depreciation, Depletion, Amortization	**559**	**591**	**531**	**542**
% of sales	*34.9%*	*27.7%*	*27.2%*	*35.7%*
Impairments	**0**	**0**	**0**	**0**
% of sales				
SG&A Expenses	**3,048**	**2,647**	**2,201**	**2,311**
% of sales	*190.0%*	*124.0%*	*112.6%*	*152.4%*
Operating Income	**(3,144)**	**(2,385)**	**(3,133)**	**(2,690)**
%	*-196.0%*	*-111.8%*	*-160.3%*	*-177.4%*
Adjusted EBITDA	**(2,114)**	**(1,794)**	**(2,234)**	**(2,148)**
%				
Other Expenses/(Income)	**(22)**	**(116)**	**363**	**(82)**
%				
EBIT	**(3,122)**	**(2,269)**	**(3,496)**	**(2,608)**
%	*-194.6%*	*-106.3%*	*-178.8%*	*-172.0%*
Total Interest Exp. (net)	**63**	**10**	**0**	**50**
%				
Net Profit Before Tax	**(3,185)**	**(2,279)**	**(3,496)**	**(2,658)**
%	*-198.6%*	*-106.8%*	*-178.8%*	*-175.3%*
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)**	**(3,496)**	**(2,658)**
%	*-198.6%*	*-106.8%*	*-178.8%*	*-175.3%*
Non-recurring income (expense)				
Shares Outst.	40,066	52,393	52,495	52,641
Reported FD EPS				
Zacks EPS	**(0.08)**	**(0.04)**	**(0.07)**	**(0.05)**

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

HISTORICAL STOCK PRICE



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