

CUSTOM RESEARCH

Investment Research
Chicago IL 60606

US ENERGY CORP USEG \$6.51 March 14, 2022

- A Wyoming corporation founded in 1966, U.S. Energy Corp. (NASDAQ: USEG) is focused on the development of natural resource assets — acquiring properties on favorable terms, adding value through the application of its expertise in the natural resources sector, and seeking joint venture partners to assist in the development of its projects. It is now headquartered in Houston, Texas.
- It is currently focused on the Gulf Coast of Texas, Southeastern Texas, New Mexico, Wyoming, and the Williston Basin in North Dakota.
- Estimated proved reserves of 1,255,236 BOE (78% oil and 22% natural gas) as of December 31, 2020, with a standardized measure value of \$8.6 million.
- As of December 31, 2020, oil and natural gas leases covered 90,136 gross acres and 6,064 net acres.
- 134 gross (30.7 net) producing wells as of December 31, 2020
- As of December 31, 2020, USEG had 2 full-time employees. It utilized several consultants on an as-needed basis during 2020.

Company Highlights	Current ⁽¹⁾⁽²⁾
Enterprise Value (\$mm) (Assuming Share Price of \$3.38)	\$83.1
Debt (\$mm)	\$3.5
Cash (\$mm)	\$3.5
Estimated Proved Producing Reserves (Mmboe) ⁽¹⁾	6.3
Estimated Proved Producing Reserves PV-10 (\$MM) ⁽²⁾	\$132.6
% Oil / Gas Mix	80% Oil / 20% Gas

Going Forward

In 2021 and beyond, USEG plans intend to seek additional opportunities in the oil and natural gas sector, including but not limited to further acquisition of assets, participation with current and new industry partners in their exploration and development projects, acquisition of existing companies, and the purchase of oil producing assets. In addition, it plans to grow production by performing workovers on operated idle wells acquired in 2020 to return them back to production.

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