

UNIT CORPORATION

A Delaware Corporation

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Federal EIN: 73-1283193

NAICS: 211120, 211130, 213111

Issuer's Quarterly Report **For the quarterly period ended March 31, 2026** **(the "Reporting Period")**

The number of shares outstanding of our common stock is 9,896,345 as of May 7, 2026.

The number of shares outstanding of our common stock was 9,895,773 as of December 31, 2025 (end of previous reporting period).

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes No

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes No

Indicate by check mark whether a change in control of the company has occurred over this reporting period:

Yes No

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Forward-Looking Statements

This report contains “forward-looking statements” related to future events within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). All statements, other than statements of historical facts, included or incorporated by reference in this document that address activities, events or developments we expect or anticipate will or may occur, are forward-looking statements. The words “believes,” “may,” “intends,” “expects,” “anticipates,” “projects,” “estimates,” “predicts,” and similar expressions are used to identify forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties, and assumptions. Future actions, conditions or events, and future results may differ materially from those expressed in our forward-looking statements. Many factors that will determine these results are beyond our ability to control or accurately predict. Specific factors that could cause actual results to differ from those in our forward-looking statements include:

- the amount and nature of our future capital expenditures and how we expect to fund our capital expenditures;
- prices for oil, NGLs, and natural gas;
- demand for oil, NGLs, and natural gas;
- our exploration and drilling prospects;
- the estimates of our proved oil, NGLs, and natural gas reserves;
- oil, NGLs, and natural gas reserve potential;
- development and infill drilling potential;
- expansion and other development trends in the oil and natural gas industry;
- our business strategy;
- our production of oil, NGLs, and natural gas;
- our ability to utilize the benefits of net operating losses and other deferred tax assets against potential future taxable income;
- expansion and growth of our business and operations;
- our belief that the outcome of our legal proceedings will not materially affect our financial results;
- our ability to timely secure third-party services used in completing our wells;
- the impact of federal and state legislative and regulatory actions affecting our costs and increasing operating restrictions or delays and other adverse impacts on our business;
- the possibility of security threats, including terrorist attacks and cybersecurity breaches, against or otherwise affecting our facilities and systems;
- any projected production guidelines we may issue;
- our anticipated capital budgets;
- our financial condition and liquidity;
- the number of wells we plan to drill; and
- our estimates of any ceiling test write-downs or other potential asset impairments we may have to record in future periods.

These statements are based on our assumptions and analyses considering our experience and our perception of historical trends, current conditions, expected future developments, and other factors we believe are appropriate in the circumstances. Whether actual results and developments will meet our expectations and predictions is subject to risks and uncertainties, any one or combination of which could cause our actual results to differ materially from our expectations and predictions. Some of these risks and uncertainties are:

- the risk factors discussed in this document and the documents (if any) we incorporate by reference;
- general economic, market, or business conditions, including inflation, tariffs, and interest rates;
- the availability and nature of (or lack of) business opportunities we pursue;
- changes in laws and regulations;
- changes in the current geopolitical situation;
- geopolitical conflicts, including ongoing tensions in the Middle East, and their potential impact on global energy supply, transportation routes (including the Strait of Hormuz), commodity price volatility, and market stability;

- volatility in oil, NGL and natural gas prices, including sudden increases or decreases driven by geopolitical events, supply disruptions, or changes in global demand;
- risks relating to financing, including restrictions in our debt agreements and availability and cost of credit;
- risks associated with future weather conditions;
- decreases or increases in commodity prices;
- the amount and terms of our debt;
- future compliance with covenants under our credit agreement;
- our ability to pay dividends and make share repurchases;
- pandemics, epidemics, outbreaks, or other public health events; and
- other factors, most of which are beyond our control.

You should not construe this list to be exhaustive and additional discussion of factors that may affect our forward-looking statements appear elsewhere in this report. We believe the forward-looking statements in this report are reasonable. However, there is no assurance that the actions, events, or results expressed in forward-looking statements will occur, or if any of them do, of their timing or what impact they will have on our results of operations or financial condition. Because of these uncertainties, you should not put undue reliance on any forward-looking statements. Except as required by law, we disclaim any obligation to update forward-looking information and to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after this document to reflect incorrect assumptions or unanticipated events.

Item 1. Exact Name of the Issuer and the Address of its Principal Executive Offices

The name of the issuer is Unit Corporation. Unless otherwise indicated or required by the context, the terms “Company,” “Unit,” “us,” “our,” “we,” and “its” refer to Unit Corporation or, as appropriate, its wholly-owned subsidiary, Unit Petroleum Company (UPC). Unit was founded in 1963 as an oil and natural gas contract drilling company and has grown to include operations in exploration and production. Unit Corporation is the name of both the successor entity that emerged from bankruptcy on September 3, 2020 and the predecessor entity prior to emergence. Unit is actively conducting operations as a Delaware corporation and is not a "shell company" as defined in the OTCQX U.S. Disclosure Guidelines and the federal securities laws.

Our executive offices are located at 8200 South Unit Drive, Tulsa, Oklahoma 74132; our telephone number is (918) 493-7700. Our company website is at www.unitcorp.com and our investor relations contact is Rene Punch, Investor Relations via mail or telephone as listed above or via email at ir@unitcorp.com.

Item 2. Shares Outstanding

Common Stock

Stockholders of the Company are entitled to dividends if declared by the Board of Directors. Each share of our common stock entitles the holder thereof to one vote on all matters submitted to a vote of the stockholders. Our common stock has certain stockholder consent rights related to, among other things, the nature of the Company’s business, liquidation and dissolution, and tax treatment. Holders of common stock do not have preemptive rights, or rights to convert their common stock into other securities.

The provisions of Unit Corporation’s articles of incorporation and bylaws that are summarized below may have an antitakeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in such stockholder's best interests, including those attempts that might result in a premium over the market price for the shares held by stockholders:

- the requirement that only stockholders owning at least 25% of the outstanding shares of our common stock may call a special stockholders’ meeting; and
- our Board of Directors is classified in two groups, each serving staggered two-year terms.

Under our certificate of incorporation, we may issue shares of preferred stock on terms that are unfavorable to the holders of our common stock. The issuance of shares of preferred stock could also prevent or inhibit a third party from acquiring us. The existence of these provisions could depress the price of our common stock, could delay or prevent a takeover attempt or could prevent attempts to replace or remove incumbent management.

Our common stock was issued at a par value of \$0.01 and trades on the OTCQX Best Market under the symbol "UNTC" (CUSIP Number: 909218406).

Warrants

Each holder of Unit common stock outstanding (Old Common Stock) before the Emergence Date that did not opt out of the release under the Plan was entitled to receive 0.03460447 warrants for every share of Old Common Stock owned. Each warrant is exercisable for one share of common stock, subject to adjustment as provided in the Warrant Agreement. The warrants expire on the earliest of (i) September 3, 2027, (ii) consummation of a Cash Sale (as defined in the Warrant Agreement), or (iii) the consummation of a liquidation, dissolution or winding up of the Company.

As of March 31, 2026, the Company had authorized 1,843,318 warrants of which 100,670 had been exercised or canceled.

Among other provisions, the Warrant Agreement outlines potential adjustments to the warrants if certain events occur, including (i) stock dividends payable in shares of common stock or stock splits, (ii) reverse stock splits or similar combination events, (iii) Liquidity Events (as defined in the Warrant Agreement), and (iv) other events not explicitly contemplated which may have an adverse impact to the intent and purpose of the warrants as set forth in the Plan, provided, however, the warrants will not be adjusted for (a) any issuances of securities in connection with a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, (b) the issuance of any securities by Unit on or after September 3, 2020 (the "Effective Date") pursuant to the Plan or upon the issuance of shares of common stock upon the exercise of such securities, (c) the issuance of any shares of common stock pursuant to the exercise of the warrants, (d) the issuance of shares of common stock pursuant to any management stock option incentive or similar plan, (e) a dividend or distribution to holders of common stock of cash, property, or securities (other than common stock), and/or (f) any change in the par value of the common stock. See Note 15 - Commitments and Contingencies for litigation related to the warrants.

Pursuant to the terms of the Warrant Agreement, the Company determined the initial exercise price of the warrants to be \$63.74. On April 7, 2022, the Company delivered notice of the initial exercise price to the Warrant Agent and the warrants became exercisable for shares of the Company's common stock. On or about April 25, 2022, the warrants began trading over-the-counter under the symbol "UNTCW" (CUSIP Number: 909218125). On March 31, 2023, the warrants began trading on the OTCQX Best Market.

The table below presents information about the securities authorized for issuance as of the dates indicated:

	March 31, 2026	December 31, 2025
Common Stock:		
Number of shares authorized	25,000,000	25,000,000
Number of shares outstanding	9,896,345	9,895,773
Number of shares freely tradable (public float) ⁽¹⁾⁽²⁾	9,684,440	9,614,667
Total number of holders of record ⁽³⁾	5	15
Preferred Stock:		
Number of shares authorized	1,000,000	1,000,000
Number of shares outstanding	—	—
Number of shares freely tradable (public float)	—	—
Total number of holders of record	—	—
Warrants:		
Number of shares authorized	1,843,318	1,843,318
Number of shares outstanding	1,721,561	1,721,563
Number of shares freely tradeable (public float)	—	—
Total number of holders of record	—	—

1. The number of shares freely tradable includes shares held by Prescott Group Capital Management LLC and may include shares held by other stockholders owning 10% or more of our common stock. These stockholders may be considered “affiliates” within the meaning of Rule 144, and their shares may be “control shares” subject to the volume and manner of sale restrictions under Rule 144.
2. The number of shares freely tradable excludes shares of our common stock held by our officers and directors as well as shares issued on the exercise of options that had not yet reached the required holding period. These shares may be “control shares” and “restricted shares,” respectively, subject to the volume and manner of sale restrictions under Rule 144.
3. The majority of common stock shares are held in street name.

Transfer Agent

Equiniti Trust Company, LLC
 28 Liberty Street, Floor 53
 New York, New York 10005
 Phone: (718) 921-8200

Equiniti Trust Company, LLC (formerly American Stock Transfer and Trust Company, LLC) is registered under the Exchange Act. EQ’s procedures and transactions are regulated and audited by the SEC.

Item 3. Unaudited Condensed Consolidated Financial Statements

UNIT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2026	December 31, 2025
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 173,463	\$ 181,713
Accounts receivable, net of allowance for credit losses of \$2.8 million and \$2.8 million at March 31, 2026 and December 31, 2025, respectively	16,842	14,273
Current derivative asset (Note 12)	—	2,135
Prepaid expenses and other	2,173	2,349
Total current assets	192,478	200,470
Property and equipment:		
Oil and natural gas properties, on the full cost method:		
Proved properties	193,059	191,183
Unproved properties not being amortized	5,186	6,703
Other	5,831	5,821
Property and equipment, gross	204,076	203,707
Less: accumulated depreciation, depletion, amortization, and impairment	106,618	104,044
Property and equipment, net	97,458	99,663
Deferred tax assets, net (Note 16)	17,737	19,177
Right of use asset (Note 14)	3,770	1,732
Other assets	9,696	9,700
Total assets	\$ 321,139	\$ 330,742
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,791	\$ 9,052
Accrued liabilities (Note 8)	8,276	15,067
Current operating lease liability (Note 14)	1,316	1,743
Current derivative liability (Note 12)	806	—
Current portion of other long-term liabilities (Note 9)	2,176	2,554
Total current liabilities	22,365	28,416
Operating lease liability (Note 14)	2,454	40
Non-current derivative liability (Note 12)	1,460	—
Other long-term liabilities (Note 9)	21,367	21,212
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, \$0.01 par value, 25,000,000 shares authorized; 12,487,049 shares issued and 9,896,345 outstanding at March 31, 2026, and 12,486,477 shares issued and 9,895,773 outstanding at December 31, 2025	124	124
Treasury stock (Note 5)	(82,839)	(82,839)
Capital in excess of par value	268,356	268,038
Retained earnings	87,852	95,751
Total shareholders' equity	273,493	281,074
Total liabilities and shareholders' equity	\$ 321,139	\$ 330,742

The accompanying notes are an integral part of these
unaudited condensed consolidated financial statements.

UNIT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31,	
	2026	2025
(In thousands except per share amounts)		
Revenues:		
Total revenues	\$ 29,067	\$ 28,387
Expenses:		
Operating costs	10,988	10,063
Depreciation, depletion, and amortization	2,636	2,174
General and administrative	5,262	5,296
(Gain) loss on disposition of assets	(22)	—
Total operating expenses	18,864	17,533
Income from operations	10,203	10,854
Other income (expense):		
Interest income	1,624	547
Interest expense	(8)	(10)
Gain (loss) on derivatives, net (Note 12)	(6,069)	2,302
Other, net	32	93
Total other income (expense)	(4,421)	2,932
Income from continuing operations before income taxes	5,782	13,786
Income tax expense (benefit), net (Note 16):		
Current	(320)	84
Deferred	1,440	2,316
Total income tax expense (benefit), net	1,120	2,400
Income from continuing operations	4,662	11,386
Income (loss) from discontinued operations, net of tax	—	6,550
Net income	\$ 4,662	\$ 17,936
Basic net income per common share (Note 7):		
Continuing operations	\$ 0.47	\$ 1.15
Discontinued operations	—	0.66
Total basic earnings per common share	\$ 0.47	\$ 1.81
Diluted net income per common share (Note 7):		
Continuing operations	\$ 0.47	\$ 1.14
Discontinued operations	—	0.66
Total diluted earnings per common share	\$ 0.47	\$ 1.80

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	<u>Common Stock</u>	<u>Treasury Stock</u>	<u>Capital in Excess of Par Value</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
	(In thousands)				
Balances as of December 31, 2025	\$ 124	\$ (82,839)	\$ 268,038	\$ 95,751	\$ 281,074
Net income	—	—	—	4,662	4,662
Dividends declared (Note 5)	—	—	—	(12,561)	(12,561)
Stock-based compensation	—	—	383	—	383
Vesting of restricted stock units, net of shares withheld for employee taxes	—	—	(65)	—	(65)
Balances as of March 31, 2026	<u>\$ 124</u>	<u>\$ (82,839)</u>	<u>\$ 268,356</u>	<u>\$ 87,852</u>	<u>\$ 273,493</u>

	<u>Common Stock</u>	<u>Treasury Stock</u>	<u>Capital in Excess of Par Value</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
	(In thousands)				
Balances as of December 31, 2024	\$ 123	\$ (82,703)	\$ 267,670	\$ 47,431	\$ 232,521
Net income	—	—	—	17,936	17,936
Dividends declared (Note 5)	—	—	—	(12,478)	(12,478)
Stock-based compensation	—	—	398	—	398
Exercise of stock options, net of shares withheld for taxes and exercise price	1	—	(1,329)	—	(1,328)
Balances as of March 31, 2025	<u>\$ 124</u>	<u>\$ (82,703)</u>	<u>\$ 266,739</u>	<u>\$ 52,889</u>	<u>\$ 237,049</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended	
	March 31,	
	2026	2025
	(In thousands)	
OPERATING ACTIVITIES:		
Net income	\$ 4,662	\$ 17,936
Adjustments to reconcile net income to net cash provided by operating activities:		
Income from discontinued operations, net of tax	—	(6,550)
Depreciation, depletion and amortization	2,636	2,174
(Gain) loss on derivatives, net (Note 12)	6,069	(2,302)
Cash payments on derivatives settled (Note 12)	(1,668)	(483)
Deferred tax expense (Note 16)	1,440	2,316
Gain on disposition of assets (Note 4)	(22)	—
Stock-based compensation plans (Note 6)	383	398
Change in credit loss reserve	(91)	21
ARO liability accretion (Note 10)	179	219
Other, net	(598)	(282)
Changes in operating assets and liabilities increasing (decreasing) cash:		
Accounts receivable	(2,478)	(2,273)
Prepaid expenses and other	176	667
Accounts payable	825	918
Accrued liabilities	(3,061)	(3,470)
Net change in operating assets and liabilities	(4,538)	(4,158)
Net cash provided by operating activities-continuing operations	8,452	9,289
Net cash provided by operating activities-discontinued operations	—	13,530
Net cash provided by operating activities	8,452	22,819
INVESTING ACTIVITIES:		
Capital expenditures	(4,546)	(5,989)
Proceeds from disposition of property and equipment (Note 4)	411	172
Net cash used in investing activities-continuing operations	(4,135)	(5,817)
Net cash used in investing activities-discontinued operations	—	(2,319)
Net cash used in investing activities	(4,135)	(8,136)
FINANCING ACTIVITIES:		
Dividend and dividend equivalent payments (Note 5)	(12,502)	(12,563)
Payments for employee taxes on net settlement of equity awards (Note 6)	(65)	(1,328)
Net cash used in financing activities-continuing operations	(12,567)	(13,891)
Net cash used in financing activities-discontinued operations	—	—
Net cash used in financing activities	(12,567)	(13,891)
Net increase (decrease) in cash and cash equivalents	(8,250)	792
Cash and cash equivalents, beginning of period	181,713	48,884
Cash and cash equivalents, end of period	\$ 173,463	\$ 49,676

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

UNIT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) - CONTINUED

	Three Months Ended March 31,	
	2026	2025
(In thousands)		
Supplemental disclosure of cash flow information:		
Cash paid (received) for:		
Interest	\$ 9	\$ 8
Income taxes	(379)	—
Changes in accounts payable and accrued liabilities related to purchases of property and equipment	(3,816)	2,569
Changes in accrued liabilities related to dividends declared, but not yet paid	59	(85)
Non-cash reductions to oil and natural gas properties related to asset retirement obligations	12	16

The accompanying notes are an integral part of these
unaudited condensed consolidated financial statements.

UNIT CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BUSINESS

Unless the context clearly indicates otherwise, references in this report to “Unit”, “Company”, “we”, “our”, “us”, or like terms refer to Unit Corporation or, as appropriate, its subsidiary, Unit Petroleum Company.

We are engaged in the development, acquisition, and production of oil and natural gas properties through our wholly-owned subsidiary Unit Petroleum Company (UPC). Our producing oil and natural gas properties, and related assets, are primarily located in Oklahoma and Texas.

Sale of Unit Drilling Company

On October 1, 2025, we signed and simultaneously closed a definitive agreement to sell our wholly-owned contract drilling subsidiary Unit Drilling Company (UDC) to Cactus Drilling Company, L.L.C., a related party, for cash consideration of \$119.7 million.

The sale of UDC changed our operations and financial results. Accordingly, the results of operations and cash flows for UDC have been classified as discontinued operations for all periods presented and have been retrospectively adjusted in the unaudited condensed consolidated statements of operations and unaudited condensed consolidated statements of cash flows.

See Note 19 – Discontinued Operations for further discussion.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These interim financial statements are and have been prepared pursuant to the Alternative Reporting Standard: OTCQX U.S. and OTCQB Disclosure Guidelines offered by the OTC Markets Group. Certain disclosures have been condensed or omitted from these financial statements. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States (GAAP) for complete consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in the Company’s Annual Report filed with the OTC Markets Group on March 12, 2026.

In the opinion of management, the unaudited condensed consolidated financial statements are fairly stated and contain all normal recurring adjustments (including the elimination of all intercompany transactions). Our financial statement amounts are prepared in conformity with GAAP, which requires us to make certain estimates and assumptions that may affect the amounts reported in our unaudited condensed consolidated financial statements and notes. Actual results may differ from those estimates. The results for interim periods are not necessarily indicative of annual results. The Company evaluates subsequent events through the date the financial statements are issued.

The unaudited condensed consolidated financial statements include the accounts of Unit Corporation and its subsidiary. All intercompany transactions and accounts between consolidated entities have been eliminated.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Our revenue is reported under one segment in Note 18 – Industry Segment Information. Our revenue is from sales of our oil and natural gas production.

Oil and Natural Gas Revenue

Typical types of revenue contracts entered into by our oil and gas segment are oil sales contracts, North American Energy Standards Board (NAESB) contracts, Gas Gathering and Processing Agreements, and revenues earned as the non-operator with the operator serving as an agent on our behalf under joint operating agreements. Consideration received is variable and settled monthly while contract terms can range from a single month or evergreen to terms of a decade or more. Revenue from oil and natural gas sales is recognized when the customer obtains control of the product, which typically occurs at the point of delivery to the customer.

Certain costs, which can either reduce revenue or be recorded as expenses, are determined based on when control of the product is transferred to the customer. These costs affect our total revenue recognized, but do not impact gross profit. For example, gathering, processing, and transportation costs included in the contract price with the customer on transfer of control of the product are part of the transaction price. In contrast, costs incurred while we control the product are recorded as operating costs.

Contract Assets and Liabilities

We have recognized no contract assets or liabilities for the periods ending March 31, 2026 or December 31, 2025.

NOTE 4 – ACQUISITIONS AND DIVESTITURES

Contract Drilling

As discussed in Note 1 – Organization and Business, the Company sold its wholly-owned subsidiary UDC on October 1, 2025 for cash consideration of \$119.7 million to Cactus Drilling Company, L.L.C., a related party. See additional details in Note 19 – Discontinued Operations.

Oil and Natural Gas

Net proceeds for the sale of other non-core oil and natural gas assets totaled \$0.4 million and \$0.2 million during the three months ended March 31, 2026 and 2025, respectively. These proceeds reduced the net book value of our full cost pool with no gain or loss recognized as the sales did not result in a significant alteration of the full cost pool.

NOTE 5 – SHAREHOLDERS' EQUITY AND DIVIDENDS

Common Stock

On September 3, 2020 (Emergence Date), the Company emerged from Chapter 11 bankruptcy and authorized the issuance of a total of 12.0 million shares of common stock at a par value of \$0.01 per share (New Common Stock) to be subsequently distributed in accordance with the Chapter 11 plan of reorganization filed with the bankruptcy court on June 9, 2020 (as amended, supplemented and modified from time to time, the Plan). On February 21, 2023, a final decree was approved to close the remaining Chapter 11 case and grant related relief. As a result, any shares of common stock not yet claimed were deemed unclaimed property and have been treated as reductions to the number of shares of common stock issued and outstanding as of February 21, 2023.

Under the terms of our certificate of incorporation, the prohibition of any stockholder that owns 4.75% or more of the outstanding shares of our common stock acquiring additional shares without approval by the Board of Directors expired on September 3, 2025.

Common Stock Repurchases

There were no repurchases of common stock made during the three months ended March 31, 2026.

As of March 31, 2026, we had repurchased a total of 2,574,246 shares of common stock since emergence from bankruptcy at an average share price of \$32.16 (unadjusted for dividends paid) for an aggregate purchase cost of \$82.8 million. These repurchases were made through private and open market transactions under the repurchase program authorized by the Board of Directors in June 2021 (as amended), as well as other privately negotiated transactions. The purchase cost and any direct acquisition costs are reflected as treasury stock on the unaudited condensed consolidated balance sheets.

As of March 31, 2026, the remaining value of shares that may be purchased under the repurchase program authorization was \$27.7 million.

Common Stock Dividends

The table below presents information about the dividends paid during the periods indicated:

	Type	Dividend per share	Total Amount ¹	Record Date	Payment Date
2025					
First quarter	Quarterly	\$ 1.25	\$ 12,317	March 18, 2025	March 28, 2025
2026					
First quarter	Quarterly	\$ 1.25	\$ 12,370	March 17, 2026	March 27, 2026

1. Total dividends paid does not reflect changes in dividend equivalent rights as reflected in the statement of changes in shareholders' equity.

The declaration and payment of any future dividend, whether fixed, special, or variable, are at the sole discretion of the Company's Board of Directors. Future dividends will depend upon several factors, including the Company's financial position, results of operations, cash flows, capital requirements, business conditions, future expectations, legal requirements, and other relevant factors at the time of consideration. Future dividends are expected to be funded by cash on the Company's balance sheet.

We have accrued liabilities for dividend equivalent rights related to restricted stock units that were outstanding as of the dividend record date, but have not yet vested.

Warrants

Each holder of Unit common stock outstanding (Old Common Stock) before the Emergence Date that did not opt out of the release under the Plan was entitled to receive 0.03460447 warrants for every share of Old Common Stock owned. Each warrant is exercisable for one share of common stock, subject to adjustment as provided in the Warrant Agreement. The warrants expire on the earliest of (i) September 3, 2027, (ii) consummation of a Cash Sale (as defined in the Warrant Agreement), or (iii) the consummation of a liquidation, dissolution or winding up of the Company.

As of March 31, 2026, the Company had authorized 1,843,318 warrants of which 100,670 had been exercised or canceled.

Among other provisions, the Warrant Agreement outlines potential adjustments to the warrants if certain events occur, including (i) stock dividends payable in shares of common stock or stock splits, (ii) reverse stock splits or similar combination events, (iii) Liquidity Events (as defined in the Warrant Agreement), and (iv) other events not explicitly contemplated which may have an adverse impact to the intent and purpose of the warrants as set forth in the Plan, provided, however, the warrants will not be adjusted for (a) any issuances of securities in connection with a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination, (b) the issuance of any securities by Unit on or after September 3, 2020 (the "Emergence Date") pursuant to the Plan or upon the issuance of shares of common stock upon the exercise of such securities, (c) the issuance of any shares of common stock pursuant to the exercise of the warrants, (d) the issuance of

shares of common stock pursuant to any management stock option incentive or similar plan, (e) a dividend or distribution to holders of common stock of cash, property, or securities (other than common stock), and/or (f) any change in the par value of the common stock.

Pursuant to the terms of the Warrant Agreement, the Company determined the initial exercise price of the warrants to be \$63.74. On April 7, 2022, the Company delivered notice of the initial exercise price to the Warrant Agent and the warrants became exercisable for shares of the Company's common stock. On or about April 25, 2022, the warrants began trading over-the-counter under the symbol "UNTCW". On March 31, 2023, the warrants began trading on the OTCQX Best Market.

See Note 15 - Commitments and Contingencies for litigation related to the warrants.

NOTE 6 – STOCK-BASED COMPENSATION

Unit Corporation Long Term Incentive Plan. On the Emergence Date, the Board adopted the Unit Corporation Long Term Incentive Plan (LTIP) to incentivize employees, officers, directors and other service providers of the Company and its affiliates. The LTIP is administered by the Compensation Committee and provides for the grant, from time to time, at the discretion of the Board or a committee thereof, of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, performance awards, substitute awards or any combination of the foregoing. Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the LTIP, 903,226 shares of New Common Stock were reserved for issuance pursuant to awards under the LTIP. New Common Stock subject to an award that expires or is canceled, forfeited, exchanged, settled in cash, or otherwise terminated without delivery of shares and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery pursuant to other awards under the LTIP.

On July 1, 2025, 52,136 restricted stock units (RSUs) and 36,629 performance restricted stock units (PRSUs) were issued to members of the Board and certain members of management pursuant to the LTIP. Vesting for the awards ranges between one and three years and the underlying compensation will be recorded ratably over the vesting period.

The following table presents the stock-based compensation expense activity recognized during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Recognized stock compensation expense ⁽¹⁾	\$ 383	\$ 398
Tax benefit on stock-based compensation	\$ 90	\$ 94

1. Includes \$0.1 million recorded under discontinued operations for the three months ended March 31, 2025.

The table below summarizes activity pertaining to outstanding RSUs during the periods indicated:

	Three Months Ended March 31,			
	2026		2025	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested RSUs, beginning of period	52,257	\$ 29.73	47,044	\$ 44.79
Granted	—	—	—	—
Vested	(868)	(47.88)	—	—
Forfeited	—	—	—	—
Nonvested RSUs, end of period	51,389	\$ 29.42	47,044	\$ 44.79

1. The aggregate compensation cost related to nonvested RSUs not yet recognized as of March 31, 2026 was \$0.7 million with a weighted average remaining service period of 0.7 years.

The table below summarizes activity pertaining to outstanding stock options during the periods indicated:

	Three Months Ended March 31,			
	2026		2025	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding stock options, beginning of period	—	\$ —	153,399	\$ 0.50
Granted	—	—	—	—
Exercised	—	—	(153,399)	0.50
Forfeited or expired	—	—	—	—
Outstanding stock options, end of period	—	\$ —	—	\$ —

The table below summarizes activity pertaining to Performance RSUs during the periods indicated:

	Three Months Ended March 31,			
	2026		2025	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested PRSUs, beginning of period	50,914	\$ 20.97	29,730	\$ 25.24
Granted	—	—	—	—
Vested	—	—	—	—
Forfeited	—	—	—	—
Nonvested PRSUs, end of period ⁽¹⁾	50,914	\$ 20.97	29,730	\$ 25.24

- The aggregate compensation cost related to nonvested PRSUs not yet recognized as of March 31, 2026 was \$0.5 million with a weighted average remaining service period of 1.3 years.

NOTE 7 – EARNINGS PER SHARE

The table below presents the calculation of earnings per share attributable to Unit Corporation using the treasury stock method during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
(In thousands except per share amounts)		
Net Income (Numerator)		
Continuing operations	\$ 4,662	\$ 11,386
Discontinued operations	—	6,550
Total net income	<u>\$ 4,662</u>	<u>17,936</u>
Weighted Shares (Denominator)		
Basic shares	9,958	9,924
Effect of dilutive restricted stock units and stock options ⁽¹⁾	27	31
Diluted shares	<u>9,985</u>	<u>9,955</u>
Basic Earnings Per Share		
Continuing operations	\$ 0.47	\$ 1.15
Discontinued operations	—	0.66
Total basic earnings per share	<u>\$ 0.47</u>	<u>\$ 1.81</u>
Diluted Earnings Per Share		
Continuing operations	\$ 0.47	\$ 1.14
Discontinued operations	—	0.66
Total diluted earnings per share	<u>\$ 0.47</u>	<u>\$ 1.80</u>

1. The diluted earnings per share calculation excludes the effects related to 1.7 million average warrants with a \$63.74 exercise price for all periods presented because their inclusion would be antidilutive.

NOTE 8 – ACCRUED LIABILITIES

The table below presents the components of accrued liabilities as of the dates indicated:

	March 31,	December 31,
	2026	2025
(In thousands)		
Employee costs	\$ 2,088	\$ 5,317
Lease operating expenses	1,910	2,075
Capital expenditures	886	4,616
Taxes	3,183	2,839
Interest	8	8
Other	201	212
Total accrued liabilities	<u>\$ 8,276</u>	<u>\$ 15,067</u>

NOTE 9 – LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Long-Term Debt

The table below presents the individual components of long-term debt as of the dates indicated:

	March 31, 2026	December 31, 2025
	(In thousands)	
Long-term debt:		
Second Credit Agreement	\$ —	\$ —

Second Amended and Restated Credit Agreement. On March 8, 2024, the Company entered into the Second Amended and Restated Credit Agreement (the Second Amended and Restated Credit Agreement), dated as of March 8, 2024 and effective as of March 1, 2024. This agreement replaces the Exit credit agreement, which was set to mature on March 1, 2024. The Second Amended and Restated Credit Agreement provides a \$10.0 million initial borrowing base, subject to semi-annual redetermination, with BOKF, NA dba Bank of Oklahoma (BOKF). The Second Amended and Restated Credit Agreement matures on March 8, 2027 and is collateralized by the Company's upstream properties.

On September 30, 2025, the Company finalized the first amendment to the Second Amended and Restated Credit Agreement. Under the first amendment, the Company requested, and was granted, the release of UDC as a borrower under the Second Amended and Restated Credit Agreement. In addition, the first amendment to the Second Amended and Restated Credit Agreement reaffirmed the borrowing base of \$10.0 million.

The Second Amended and Restated Credit Agreement requires the Company to comply with certain financial ratios, including: the Net Leverage Ratio (as defined in the Second credit agreement) as of the last day of any fiscal quarter can not be greater than 3.00 to 1.00 and the Current Ratio can not be less than 1.00 to 1.00. The Second Amended and Restated Credit Agreement also contains provisions, among others, that require the Company to provide quarterly financial statements within 45 days after the end of each of the first three quarters of each fiscal year and annual audited financial statements within 90 days after the end of each fiscal year. As of March 31, 2026, the Company was in compliance with these covenants.

As of March 31, 2026, we had no borrowings and \$1.1 million of letters of credit outstanding under the Second Amended and Restated Credit Agreement.

Other Long-Term Liabilities

The table below presents the components of other long-term liabilities:

	March 31, 2026	December 31, 2025
	(In thousands)	
Asset retirement obligation (ARO) liability	\$ 9,536	\$ 9,369
Workers' compensation	8,785	8,838
Separation benefit plans	857	1,254
Gas balancing liability	3,022	3,022
Dividend equivalents liability	1,343	1,283
	23,543	23,766
Less: current portion	2,176	2,554
Total other long-term liabilities	\$ 21,367	\$ 21,212

NOTE 10 – ASSET RETIREMENT OBLIGATIONS

We are required to record the estimated fair value of the liabilities associated with the future retirement of our long-lived assets. Our asset retirement obligations (AROs) primarily relate to the plugging and abandonment of our oil and natural gas wells once the reserves are depleted or the wells can no longer produce.

The fair value of the plugging and abandonment liability is recognized when a well is drilled or acquired and the obligation is incurred. This estimation is based on current costs, applicable regulations, and our historical experience, and it incorporates assumptions about future inflation and discount rates.

None of our assets are restricted for the purpose of settling these AROs. All of our AROs relate to the plugging costs associated with our oil and gas wells. We continually review and adjust these estimates as necessary to reflect changes in regulations, technology, and market conditions.

The following table presents activity for our estimated AROs during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
ARO liability, beginning of period	\$ 9,369	\$ 11,214
Accretion of discount	179	219
Liability incurred	8	1
Liability settled	(12)	(25)
Liability sold	(2)	—
Revision of estimates	(6)	7
ARO liability, end of period	9,536	11,416
Less: current portion	619	697
Long-term ARO liability	<u>\$ 8,917</u>	<u>\$ 10,719</u>

NOTE 11 – WORKERS' COMPENSATION

We are liable for workers' compensation benefits for injuries through our self-insured program to provide income replacement and medical treatment for work-related traumatic injury claims as required by applicable state laws. Workers' compensation laws also compensate survivors of workers who suffer employment related deaths. Our liability for traumatic injury claims is the estimated present value of current workers' compensation benefits, based on our actuarial estimates. Our actuarial calculations are based on a blend of actuarial projection methods and numerous assumptions including claim development patterns, mortality, medical costs and interest rates.

The following table presents activity for our workers' compensation liability during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Workers' compensation liability, beginning of period	\$ 8,838	\$ 7,685
Claims and valuation adjustments	—	89
Payments	(53)	(99)
Workers' compensation liability, end of period	8,785	7,675
Less: current portion	1,180	691
Long-term workers' compensation liability	<u>\$ 7,605</u>	<u>\$ 6,984</u>

Our workers' compensation liability above is presented on a gross basis and does not include our expected receivables on our insurance policy. Our receivables for traumatic injury claims under these policies as of March 31, 2026 and December 31, 2025 were \$5.8 million and \$5.8 million, respectively, and are included in other assets on our unaudited condensed consolidated balance sheets.

The amounts reported above represent claims incurred prior to the sale of UDC on October 1, 2025. Subsequent to the sale, the Company is no longer self-insured having moved to a premium based plan. Per the definitive agreement, workers' compensation claims were retained by the Company.

NOTE 12 – DERIVATIVES

Commodity Derivatives

We have entered into various types of derivative transactions covering some of our projected natural gas, NGLs, and oil production. These transactions are intended to reduce our exposure to market price volatility by setting the price(s) we will receive for that production. Our decisions on the price(s), type, and quantity of our production subject to a derivative contract are based, in part, on our view of current and future market conditions as well as certain requirements stipulated in the Second Amended and Restated Credit Agreement. Our commodity derivative transactions consisted of the following types of hedges:

- *Basis/Differential Swaps.* We receive or pay the NYMEX settlement value plus or minus a fixed delivery point price for the commodity and pay or receive the published index price at the specified delivery point. We use basis/differential swaps to hedge the price risk between NYMEX and its physical delivery points.
- *Swaps.* We receive or pay a fixed price for the commodity and pay or receive a floating market price to the counterparty. The fixed-price payment and the floating-price payment are netted, resulting in a net amount due to or from the counterparty.

We do not engage in derivative transactions for speculative purposes. We are not required to post any cash collateral with our counterparties and no collateral has been posted as of March 31, 2026.

The following non-designated commodity hedges were outstanding as of March 31, 2026:

Remaining Term	Commodity	Contracted Volume	Weighted Average Fixed Price for Swaps	Contracted Market
Apr'26 - Dec'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.22	IF - NYMEX (HH)
Apr'26 - Oct'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.22	IF - NYMEX (HH)
Apr'26 - Dec'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.02	IF - NYMEX (HH)
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	12,000 Bbls/month	\$65.85	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$64.40	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	7,000 Bbls/month	\$69.10	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	8,000 Bbls/month	\$70.50	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$73.75	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$65.00	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$63.90	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$62.10	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	7,000 Bbls/month	\$64.70	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$67.25	WTI - NYMEX

The following tables present the recognized derivative assets and liabilities on our unaudited condensed consolidated balance sheets as of the dates indicated:

		Balances as of March 31, 2026		
Balance Sheet Classification		Presented Gross	Effects of Netting	Presented Net
(In thousands)				
Assets:				
Current commodity derivatives	Current derivative assets	\$ 419	\$ (419)	\$ —
Long-term commodity derivatives	Non-current derivative assets	\$ —	\$ —	\$ —
Total derivative assets		<u>\$ 419</u>	<u>\$ (419)</u>	<u>\$ —</u>
Liabilities:				
Current commodity derivatives	Current derivative liabilities	\$ 1,225	\$ (419)	\$ 806
Long-term commodity derivatives	Non-current derivative liabilities	\$ 1,460	\$ —	\$ 1,460
Total derivative liabilities		<u>\$ 2,685</u>	<u>\$ (419)</u>	<u>\$ 2,266</u>

		Balances as of December 31, 2025		
		Presented Gross	Effects of Netting	Presented Net
Balance Sheet Classification		(In thousands)		
Assets:				
Current commodity derivatives	Current derivative assets	\$ 2,135	\$ —	\$ 2,135
Long-term commodity derivatives	Non-current derivative assets	—	—	—
Total derivative assets		<u>\$ 2,135</u>	<u>\$ —</u>	<u>\$ 2,135</u>
Liabilities:				
Current commodity derivatives	Current derivative liabilities	\$ —	\$ —	\$ —
Long-term commodity derivatives	Non-current derivative liabilities	—	—	—
Total derivative liabilities		<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The following table shows the activity related to derivative instruments in the consolidated statements of operations for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
(In thousands)		
Unrealized gain (loss) on derivatives	\$ (4,401)	\$ 2,785
Loss on commodity derivatives settled	(1,668)	(483)
Gain (loss) on derivatives, net	<u>\$ (6,069)</u>	<u>\$ 2,302</u>

NOTE 13 – FAIR VALUE MEASUREMENTS

We have determined the estimated fair values by using market information and certain valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Using different market assumptions or valuation methodologies may have a material effect on our estimated fair value amounts.

The inputs available determine the valuation technique that we use to measure the fair value of the assets and liabilities presented in our unaudited condensed consolidated financial statements. Fair value measurements are categorized into one of three different levels depending on the observability of the inputs used in the measurement. The levels are summarized as follows:

- Level 1—observable inputs such as quoted prices in active markets for identical assets and liabilities.
- Level 2—other observable pricing inputs, such as quoted prices in inactive markets, or other inputs that are either directly or indirectly observable as of the reporting date, including inputs that are derived from or corroborated by observable market data.
- Level 3—generally unobservable inputs which are developed based on the best information available and may include our own internal data or estimates about how market participants would value such assets and liabilities.

Recurring Fair Value Measurements

The following tables present our recurring fair value measurements by level as of the dates indicated:

	Balances as of March 31, 2026			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets (liabilities)				
Commodity derivative assets	\$ —	\$ —	\$ —	\$ —
Commodity derivative liabilities	\$ —	\$ (2,266)	\$ —	\$ (2,266)

	Balances as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets (liabilities)				
Commodity derivative assets	\$ —	\$ 2,135	\$ —	\$ 2,135
Commodity derivative liabilities	\$ —	\$ —	\$ —	\$ —

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above. There were no transfers between Level 2 and Level 3 financial liabilities.

Commodity Derivatives. We measure the fair values of our crude oil and natural gas swaps using estimated discounted cash flow calculations based on the NYMEX futures index. We consider these Level 2 measurements within the fair value hierarchy as the inputs in the model are substantially observable over the term of the commodity derivative contract and there is a wide availability of quoted market prices for similar commodity derivative contracts.

We determined that the non-performance risk regarding our commodity derivative counterparties was immaterial based on our valuation at March 31, 2026.

There were no Level 3 fair value measurements during the three months ended March 31, 2026 or the three months ended March 31, 2025.

Fair Value of Other Financial Instruments

We have determined the estimated fair values of other financial instruments by using available market information and valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value. The use of different market assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

The carrying values on the unaudited condensed consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, other current assets, and current liabilities approximate their fair values because of their short-term nature.

Fair Value of Non-Financial Financial Instruments

Asset Retirement Obligations (AROs). The initial measurement of AROs at fair value is calculated using discounted cash flow techniques based on internal estimates of future retirement costs associated with our property and equipment. Significant Level 3 inputs used in the calculation of AROs include plugging costs and remaining reserve lives. This process incorporates assumptions about future inflation and discount rates to estimate the fair value accurately. A summary of the Company's ARO activity is presented in Note 10 – Asset Retirement Obligations.

Stock-Based Compensation. We use the Black-Scholes option pricing model to estimate the fair value of stock option grants and modifications while the value of our restricted stock unit grants is based on the grant date closing stock price. Key assumptions for the Black-Scholes models include the stock price, exercise price, expected term, risk-free rate, volatility, and dividend yield. We consider this a Level 3 measurement within the fair value hierarchy as estimated volatility is generally unobservable and requires management's estimation.

We use a Monte Carlo simulation to estimate the fair value of the PRSU grants. Key assumptions within the model include volatility, risk-free rate, and a simulation of stock prices during the performance period. We consider these inputs to be a Level 3 measurement within the fair value hierarchy as estimated volatility and simulated stock process are unobservable and require management's estimation.

NOTE 14 – LEASES

Operating Leases. We are a lessee through noncancellable lease agreements for property and equipment consisting primarily of office space, land, vehicles, and equipment used in both our operations and administrative functions.

The following table presents the maturities, weighted average remaining lease term, and weighted average discount rate of our operating lease liabilities as of March 31, 2026:

	Amount
	(In thousands)
Ending March 31,	
2027	\$ 1,513
2028	1,051
2029	1,072
2030	541
2031	—
2032 and beyond	—
Total future payments	4,177
Less: Interest	407
Present value of future minimum operating lease payments	3,770
Less: Current portion	1,316
Total long-term operating lease payments	\$ 2,454
Weighted average remaining lease term (years)	3.5
Weighted average discount rate ⁽¹⁾	8.39%

1. Our weighted average discount rates represent the rate implicit in the lease or our incremental borrowing rate for a term equal to the remaining term of the lease.

The following table presents our operating lease assets and liabilities as of the dates indicated:

	Balance Sheet Classification	March 31,	December 31,
		2026	2025
(In thousands)			
Assets			
Operating lease right of use assets	Right of use assets	\$ 3,770	\$ 1,732
Total right of use assets		<u>\$ 3,770</u>	<u>\$ 1,732</u>
Liabilities			
Current liabilities:			
Operating lease liabilities	Current operating lease liabilities	\$ 1,316	\$ 1,743
Non-current liabilities:			
Operating lease liabilities	Operating lease liabilities	\$ 2,454	\$ 40
Total lease liabilities		<u>\$ 3,770</u>	<u>\$ 1,783</u>

The following table presents the components of total lease costs for operating leases during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
(In thousands)		
Components of total lease cost:		
Short-term lease cost ⁽¹⁾	\$ 1,282	\$ 1,743
Operating lease cost	435	633
Total lease cost	<u>\$ 1,717</u>	<u>\$ 2,376</u>

1. Short-term lease cost includes amounts capitalized of \$0.5 million and \$0.5 million during the three months ended March 31, 2026 and 2025, respectively.

The following table presents supplemental cash flow information related to our operating leases during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
(In thousands)		
Cash payments made on operating leases	\$ 621	\$ 644
Lease liabilities recognized in exchange for operating lease right of use assets	\$ 2,655	\$ —
Termination of lease liabilities and operating lease right of use assets	\$ (42)	\$ (46)

During the quarter ended March 31, 2026, the Company entered into an agreement to extend the lease for our corporate office location through September 2029. The extended lease agreement reduces our total square footage, providing a better fit for our size and operational needs.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Environmental

We manage our exposure to environmental liabilities on properties to be acquired by identifying existing problems and assessing the potential liability. We also conduct periodic reviews, on a company-wide basis, to identify changes in our environmental risk profile. These reviews evaluate whether there is a probable liability, its amount, and the likelihood that the liability will be incurred. Any potential liability is determined by considering, among other matters, incremental direct costs of any likely remediation and the proportionate cost of employees expected to devote significant time directly to any possible remediation effort. As it relates to evaluations of purchased properties, depending on the extent of an identified environmental

problem, we may exclude a property from the acquisition, require the seller to remediate the property to our satisfaction, or agree to assume liability for the remediation of the property.

Litigation

The Company is subject to litigation and claims arising in the ordinary course of business which may include environmental, health and safety matters, commercial disputes with customers, or more routine employment related claims. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. As new information becomes available or because of legal or administrative rulings in similar matters or a change in applicable law, the Company's conclusions regarding the probability of outcomes and the amount of estimated loss, if any, may change. Although we are insured against various risks, there is no assurance that the nature and amount of that insurance will be adequate, in every case, to indemnify us against liabilities arising from future legal proceedings.

On September 11, 2023, a group of plaintiffs filed an attempted class action lawsuit alleging that during the Company's Chapter 11 bankruptcy, it changed the anti-dilution language of the approved form of warrant agreement without seeking the court's approval under section 1127(b) of the Bankruptcy Code. The case was filed in the United States Federal District Court for the Western District of Oklahoma (WDOK). On December 20, 2023, the Company filed a motion in the U.S. Bankruptcy Court for the Southern District of Texas (the Court) asking it to enter an order that requires the plaintiffs to dismiss the lawsuit in the WDOK because the claims asserted therein are barred by releases granted by the plaintiffs pursuant to the confirmation order entered by the Court in connection with the Company's Chapter 11 Cases, and an injunction enjoining the plaintiffs from bringing any action subject to those releases. On October 4, 2024, the Court entered an order denying the Company's motion for an order enforcing the confirmation order. The Company has appealed the Court's decision to the United States District Court for the Southern District of Texas. The Company also filed a motion with the WDOK asking it to stay proceedings pending the appeal. Proceedings in the WDOK have been stayed since June 13, 2025 pending resolution of the appeal. On March 31, 2026, the United States District Court for the Southern District of Texas affirmed the bankruptcy court's decision. The Company has filed a notice of appeal to the United States Court of Appeals for the Fifth Circuit and intends to continue to pursue appellate review of the enforceability of the plan releases and related injunction.

In the second quarter of 2025, Anthony Reyes, a UDC employee, was fatally injured while working on one of its drilling rigs. On November 7, 2025, Kimberly Galarza individually and on behalf of the estate of Anthony Reyes, and his minor children along with Marcelo Reyes (Decedent's Father) and Natali Alonso (Decedent's Mother) filed a suit seeking damages for wrongful death in Harris County, Texas District Court. An estimate of possible loss cannot be made at this time.

Under the terms of the definitive agreement between the Company and Cactus Drilling Company, L.L.C., for the sale of UDC, the Company has retained all claims and open litigation arising prior to the close of the transaction.

NOTE 16 – INCOME TAXES

The following table presents a reconciliation between the income tax provision computed by applying the federal statutory rate to income before income taxes and our effective income tax expense (benefit) during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Income tax expense at statutory rate	\$ 1,214	\$ 2,895
State income tax expense, net of federal benefit	(225)	429
Stock-based compensation shortfall	—	440
Change in valuation allowance	134	(1,418)
Other permanent items	(3)	54
Income tax expense	<u>\$ 1,120</u>	<u>\$ 2,400</u>

The Company reviews available positive and negative evidence to assess the need for a valuation allowance against the Company's deferred tax assets. Due to an increase in the Company's allowance for losses and nondeductible accruals recognized in the three months ended March 31, 2026, the Company recognized a \$0.1 million increase in the valuation allowance associated with that deferred tax asset. The Company will continue to maintain a partial valuation allowance on its deferred tax assets related to certain non-producing oil and gas properties and allowance for losses and nondeductible accruals. The Company recognized a \$1.4 million decrease in the valuation allowance during the three months ended March 31, 2025.

Realizability of NOL carryforwards is dependent upon the Company's ability to produce future taxable income. Predicting future earnings is uncertain as commodity prices are volatile. As the Company continues to assess the realizability of NOL carryforwards going forward, changes in estimates of future taxable income could result in the need for a valuation allowance to be applied in future periods. As of December 31, 2025, and finalization of the Company's 2024 income tax filings, the Company has an expected federal net operating loss carryforward of \$105.6 million, which is not subject to expiration. See Note 19 – Discontinued Operations for discussion of the tax impact on the sale of UDC.

During the first quarter of 2026, the Company received \$0.4 million of state income tax refunds related to state marginal well income exclusions. As a result, the company has recognized a net current income tax benefit related to state income taxes for the first quarter of 2026.

The following table presents the components of our deferred tax assets and liabilities as of the dates indicated:

	March 31, 2026	December 31, 2025
	(In thousands)	
Deferred tax assets:		
Allowance for losses and nondeductible accruals	4,764	4,631
Net operating loss carryforward	24,194	24,808
Non-producing oil and natural gas properties	18,699	18,699
General business credit carryforward	5,107	5,211
Gross deferred tax assets	52,764	53,349
Valuation allowance	(23,463)	(23,329)
Total deferred tax assets	29,301	30,020
Deferred tax liabilities:		
Other equipment	(298)	(298)
Producing oil and natural gas properties	(11,266)	(10,545)
Total deferred tax liabilities	(11,564)	(10,843)
Deferred tax assets, net	<u>\$ 17,737</u>	<u>\$ 19,177</u>

NOTE 17 – TRANSACTIONS WITH RELATED PARTIES

Robert Anderson, a current director of the Company, also holds an executive position at GBK Corporation. GBK Corporation is a holding company with multiple subsidiaries and affiliates in the energy and industry sectors, including Kaiser Francis Oil Company and Cactus Drilling Company, L.L.C. In the ordinary course of business, the Company has made payments to Kaiser Francis Oil Company for working interests, joint interest billings, and product purchases, and has received payments for working interests and joint interest billings. See Note 4 – Acquisitions and Divestitures and Note 19 – Discontinued Operations for further discussion of the sale of our wholly-owned subsidiary, UDC, to our related party Cactus Drilling Company, L.L.C.

In conjunction with the sale, the Company provided transition services through December 31, 2025. Total fees received by the Company from Cactus Drilling Company, L.L.C. were \$0.2 million.

The table below presents the payment activity with this related party during the periods indicated:

	Three Months Ended March 31,	
	2026	2025
(In thousands)		
<i>Payments made to:</i>		
Kaiser Francis Oil Company	\$ 505	\$ 269
<i>Payments received from:</i>		
Kaiser Francis Oil Company	\$ 2,147	\$ 784

NOTE 18 – INDUSTRY SEGMENT INFORMATION

Effective September 30, 2025, the Company now reports one segment, oil and natural gas. This change is due to the divestiture of our contract drilling segment on October 1, 2025 and the strategic shift in our operations and financial results going forward.

The Company's chief operating decision maker (CODM) is the chief executive officer. The CODM uses the Company's consolidated financial results to make key operating decisions, evaluate performance and to allocate resources. The measure of segment profit or loss utilized by the CODM is net income reported on the unaudited condensed consolidated statements of operations. The significant expense categories and amounts are those that are reported in the Company's unaudited condensed consolidated statement of operations.

NOTE 19 – DISCONTINUED OPERATIONS

Certain assets and liabilities related to our contract drilling segment, mainly net working capital and certain other long-term and contingent liabilities, were not part of the sale of UDC per the terms of the definitive agreement signed on October 1, 2025. These assets and liabilities were retained by Unit Corporation on the sale date and are presented in the unaudited condensed consolidated balance sheet as of December 31, 2025, but they are considered to be part of discontinued operations.

The following table summarizes the assets and liabilities classified as discontinued operations related to our contract drilling segment at the dates indicated:

	December 31, 2025
	(In thousands)
Assets of discontinued operations	
Current assets:	
Accounts receivable, net	\$ 844
Prepaid expenses and other	97
Total current assets of discontinued operations	941
Other assets	5,852
Total assets of discontinued operations	\$ 6,793
Liabilities of discontinued operations	
Current liabilities:	
Accounts payable	\$ 311
Accrued liabilities	508
Current portion of other long-term liabilities	1,497
Total current liabilities of discontinued operations	2,316
Other long-term liabilities	7,833
Total liabilities of discontinued operations	\$ 10,149

The following table summarizes the results of operations from discontinued operations related to our contract drilling segment for the periods indicated:

	Three Months Ended March 31, 2025
	(In thousands)
Revenues:	
Total revenues	\$ 35,085
Expenses:	
Operating costs	24,531
Depreciation, depletion, and amortization	1,962
(Gain) loss on disposition of assets	(84)
Total operating expenses from discontinued operations	26,409
Other income (expense)	2
Income from discontinued operations before taxes	8,678
Income tax expense (benefit), net	
Current	54
Deferred	2,074
Total income tax expense (benefit), net	2,128
Income from discontinued operations, net of tax	\$ 6,550

The sale of UDC resulted in a taxable gain of \$106.5 million. The Company utilized NOLs of \$104.5 million and Federal Tax Credits of \$3.8 million to offset our total Federal tax liability.

NOTE 20 – SUBSEQUENT EVENTS

On April 27, 2026, the Company entered into a purchase and sale agreement to sell certain oil and gas leasehold interests, consisting of deep rights in the Woodford and Mississippian formations underlying acreage located in Caddo and Blaine Counties, Oklahoma, for an aggregate purchase price of approximately \$18.7 million, subject to customary purchase price adjustments. The transaction is expected to close within 60 days of execution, subject to customary closing conditions.

Item 4. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following discussion should be read together with the condensed consolidated financial statements included in Item 3 of this report and in Part D of our 2025 annual report filed with the OTC Markets Group on March 12, 2026.

In light of the October 1, 2025 sale of our subsidiary Unit Drilling Company and the resulting classification of UDC's results as discontinued operations as discussed below, we now operate, manage, and analyze the results of our operations through our subsidiary, UPC. UPC develops, acquires, and produces oil and natural gas properties for our own account.

We are optimizing production and converting non-producing reserves to producing with selective drilling activities. We evaluate future hedging of our production opportunistically depending on future market pricing among other factors.

Recent Developments

Sale of Unit Drilling Company

On October 1, 2025, we signed and simultaneously closed a definitive agreement to sell our wholly-owned contract drilling subsidiary UDC to Cactus Drilling Company, L.L.C. for cash consideration of \$119.7 million.

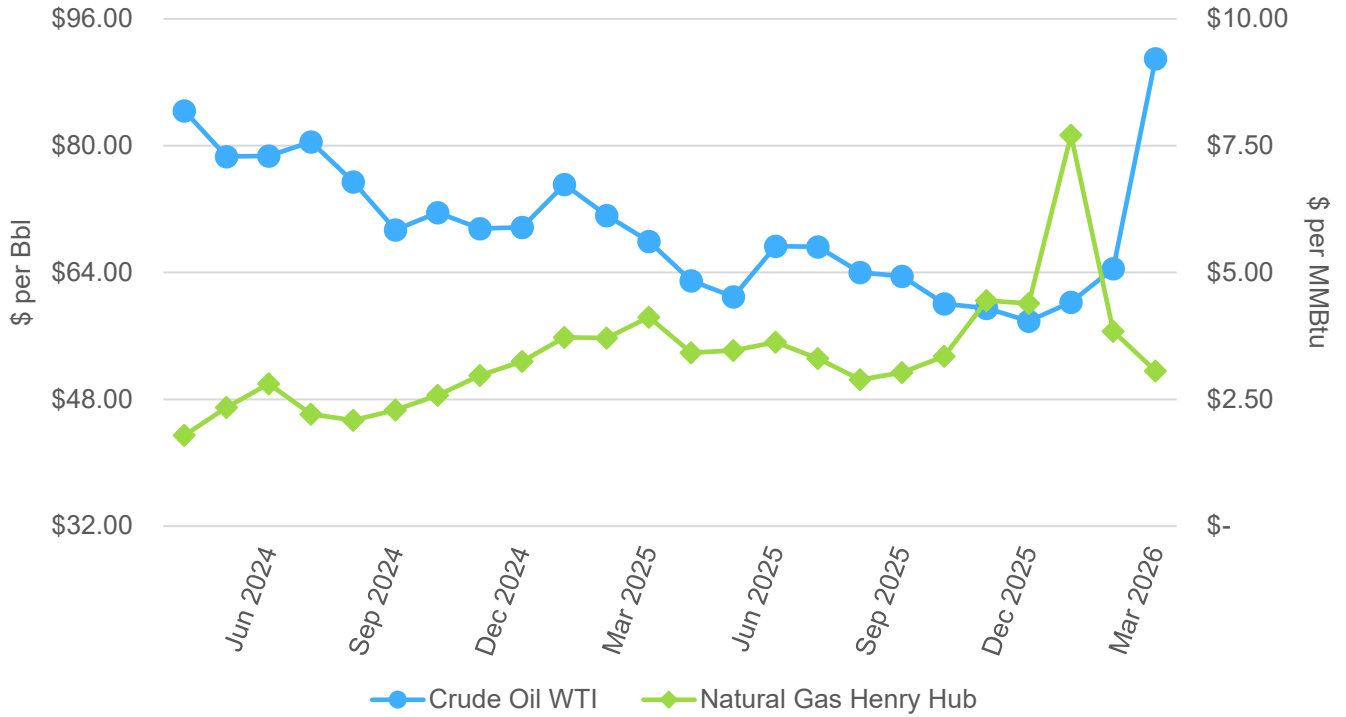
The sale of UDC changed our operations and financial results. Accordingly, the results of operations and cash flows for UDC have been classified as discontinued operations for all periods presented and have been retrospectively adjusted in the unaudited condensed consolidated statements of operations and unaudited condensed consolidated statements of cash flows. Our results of operations discussion below excludes discontinued operations.

See Note 17 – Transactions with Related Parties and Note 19 – Discontinued Operations for further discussion.

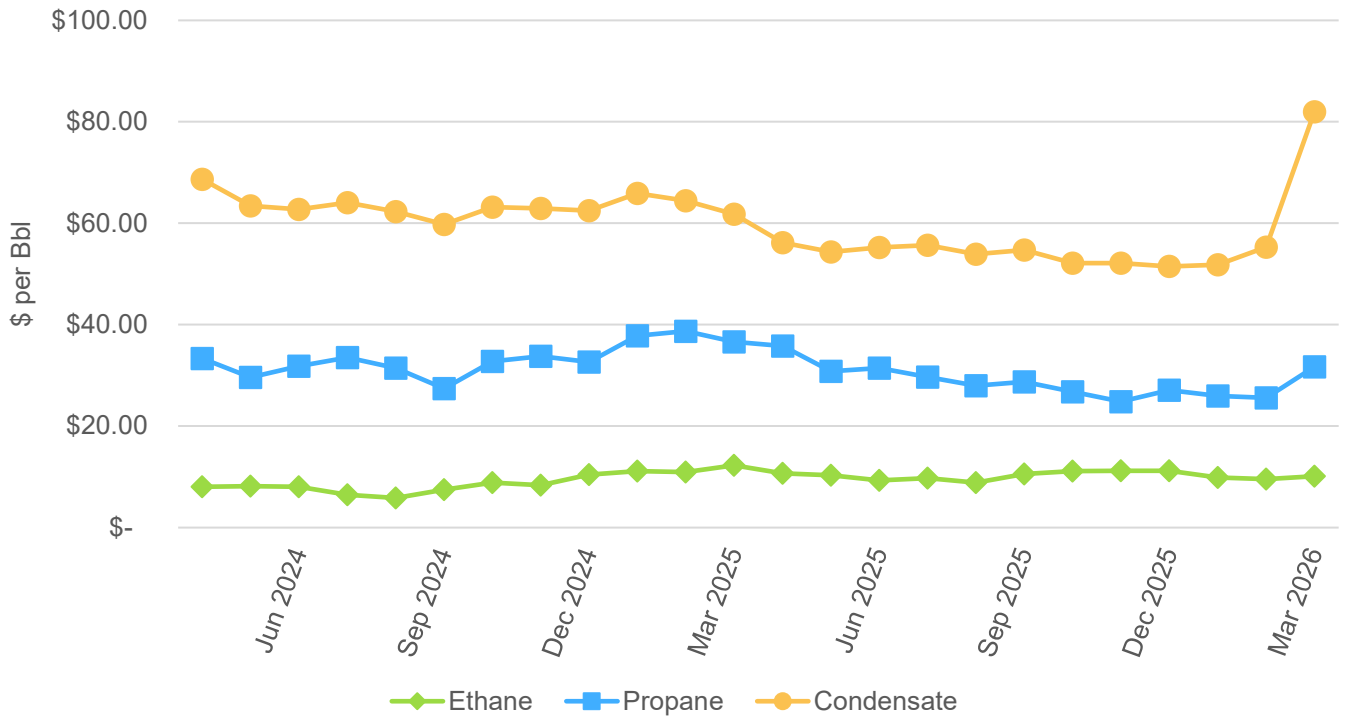
Commodity Price Environment

The prices we receive for our oil and natural gas production, the demand for oil, natural gas, and NGLs, are all significant drivers of our results. While our operations are all within the United States, events outside the United States affect us and our industry, including political and economic uncertainty and geopolitical activity.

The following chart reflects the fluctuations in the historical prices for oil and natural gas:



The following chart reflects the fluctuations in the prices for NGLs ⁽¹⁾:



1. NGL prices reflect the monthly average Mont Belvieu price.

Common Stock Dividends

The table below presents information about the dividends paid during the periods indicated:

	Type	Dividend per share	Total Amount ¹	Record Date	Payment Date
2025					
First quarter	Quarterly	\$ 1.25	\$ 12,317	March 18, 2025	March 28, 2025
2026					
First quarter	Quarterly	\$ 1.25	\$ 12,370	March 17, 2026	March 27, 2026

1. Total dividends paid does not reflect changes in dividend equivalent rights as reflected in the statement of changes in shareholders' equity.

The declaration and payment of any future dividend, whether fixed, special, or variable, will remain at the full discretion of the Company's Board of Directors and will depend upon the Company's financial position, results of operations, cash flows, capital requirements, business conditions, future expectations, the requirements of applicable law, and other factors that the Company's Board of Directors finds relevant at the time of considering any potential dividend declaration. Future dividends are expected to be funded by cash on the Company's balance sheet.

Financial Condition and Liquidity

Summary

Our near-term and long-term financial condition and liquidity primarily depend on our cash and cash equivalents balance, cash flow from our operations, and credit agreement borrowings. The principal factors determining our cash flow from operations are the volume of natural gas, oil, and NGLs we produce, and the prices we receive for our natural gas, oil, and NGLs production.

We currently expect that cash and cash equivalents, cash generated from operations, and available funds under our credit facility will be adequate to support our working capital, capital expenditures, dividend distributions, discretionary stock repurchases, and other cash requirements for at least the next 12 months and we are not aware of any indications that they will not be adequate for the foreseeable periods thereafter.

The table below summarizes cash flow activity, which includes discontinued operations, during the periods indicated:

	Three Months Ended March 31,		Percent Change ⁽¹⁾
	2026	2025	
(In thousands except percentages)			
Net cash provided by operating activities	\$ 8,452	\$ 22,819	(63)%
Net cash used in investing activities	(4,135)	(8,136)	(49)%
Net cash used in financing activities	(12,567)	(13,891)	(10)%
Net increase (decrease) in cash and cash equivalents	\$ (8,250)	\$ 792	

1. NM – A percentage calculation is not meaningful due to a zero-value denominator or a percentage change greater than 200.

Cash Flows from Operating Activities

Our operating cash flow is primarily influenced by the prices we receive for our oil, NGLs, and natural gas production, the volume of oil, NGLs, and natural gas we produce, and settlements of commodity derivative contracts. Our cash flows from operating activities are also affected by changes in working capital.

Net cash provided by operating activities during the first three months of 2026 decreased by \$14.4 million as compared to the first three months of 2025 primarily due to unfavorable derivative positions in the first quarter of 2026 and lower net income

and working capital changes following the disposition of UDC. See Note 19 – Discontinued Operations for further discussion on the sale of UDC.

Cash Flows from Investing Activities

We anticipate using a portion of our free cash flows for capital expenditures related to our development and production of oil, NGLs, and natural gas.

Net cash used in investing activities decreased by \$4.0 million during the first three months of 2026 compared to the first three months of 2025 primarily due to the timing of the UDC sale as well as lower capital expenditures.

Cash Flows from Financing Activities

Net cash used in financing activities decreased by \$1.3 million during the first three months of 2026 compared to the first three months of 2025. This is primarily due to the settlement of employee equity awards in the first three months of 2025.

As of March 31, 2026, we had unrestricted cash and cash equivalents totaling \$173.5 million and no outstanding borrowings under the Second credit agreement.

The following table summarizes certain financial condition and liquidity information as of the dates identified:

	March 31, 2026	December 31, 2025
	(In thousands)	
Working capital	\$ 170,113	\$ 172,054
Current portion of long-term debt	\$ —	\$ —
Long-term debt	\$ —	\$ —
Shareholders' equity	\$ 273,493	\$ 281,074

Working Capital

Our working capital balance primarily fluctuates due to the increase or use of our cash and cash equivalents balances, and the timing of our trade accounts receivable and accounts payable and the fluctuation in current assets and liabilities associated with the mark to market value of our commodity derivatives. We had positive working capital of \$170.1 million as of March 31, 2026 compared to positive working capital of \$172.1 million as of December 31, 2025. The decrease in working capital is primarily due to a decrease in cash and cash equivalents and commodity derivative assets, partially offset by a decrease in accrued liabilities. See Note 19 – Discontinued Operations in regards to working capital related to UDC as it was retained by Unit Corporation.

Credit Agreement

Second Amended and Restated Credit Agreement. On March 8, 2024, the Company entered into the Second Amended and Restated Credit Agreement (the Second Amended and Restated Credit Agreement), dated as of March 8, 2024 and effective as of March 1, 2024. This agreement replaces the Exit credit agreement, which was set to mature on March 1, 2024. The Second Amended and Restated Credit Agreement provides a \$10.0 million initial borrowing base, subject to semi-annual redetermination, with BOKF, NA dba Bank of Oklahoma (BOKF). The Second Amended and Restated Credit Agreement matures on March 8, 2027 and is collateralized by the Company's upstream properties.

On September 30, 2025, the Company finalized the first amendment to the Second Amended and Restated Credit Agreement. Under the first amendment, the Company requested, and was granted, the release of UDC as a borrower under the

Second credit agreement. In addition, the first amendment to the Second Amended and Restated Credit Agreement reaffirmed the borrowing base of \$10.0 million.

Capital Requirements

Most of our capital expenditures are discretionary and directed toward growth. Our decisions to increase our oil, NGLs, and natural gas reserves through acquisitions or through drilling depends on the prevailing or expected market conditions, potential return on investment, and future drilling potential, which provide us flexibility in deciding when and if to incur these costs.

Capital expenditures on 17 gross (0.31 net) in progress or completed wells during the three months ended March 31, 2026 totaled \$0.6 million, compared to \$5.7 million on 12 gross (1.14 net) wells during the three months ended March 31, 2025. In addition, we had \$2.2 million of capital spend on prepaid drilling costs for two gross wells and a recompletion during the three months ended March 31, 2025.

Net proceeds for the sale of other non-core oil and natural gas assets totaled \$0.4 million and \$0.2 million during the three months ended March 31, 2026 and 2025, respectively. These proceeds reduced the net book value of our full cost pool with no gain or loss recognized as the sales did not result in a significant alteration of the full cost pool.

Derivative Activities

Commodity Derivatives. Our commodity derivatives are intended to reduce our exposure to price volatility and manage price risks. Those contracts limit the risk of downward price movements for commodities subject to derivative contracts, but they also limit increases in future revenues that would otherwise result from price movements above the contracted prices. Our decision on the type and quantity of our production and the price(s) of our derivative(s) is based, in part, on our view of current and future market conditions.

The following non-designated commodity hedges were outstanding as of March 31, 2026:

Remaining Term	Commodity	Contracted Volume	Weighted Average Fixed Price for Swaps	Contracted Market
Apr'26 - Dec'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.22	IF - NYMEX (HH)
Apr'26 - Oct'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.22	IF - NYMEX (HH)
Apr'26 - Dec'26	Natural gas - swap Floating to fixed	5,000 MMBtu/day	\$4.02	IF - NYMEX (HH)
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	12,000 Bbls/month	\$65.85	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$64.40	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	7,000 Bbls/month	\$69.10	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	8,000 Bbls/month	\$70.50	WTI - NYMEX
Apr'26 - Dec'26	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$73.75	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$65.00	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$63.90	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$62.10	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	7,000 Bbls/month	\$64.70	WTI - NYMEX
Jan'27 - Dec'27	Crude Oil - swap Floating to fixed	5,000 Bbls/month	\$67.25	WTI - NYMEX

As of March 31, 2026, based on our first quarter 2026 average daily production, the approximated percentages of our production under swaps are as follows:

	2026	2027 and beyond
Daily oil production	56%	41%
Daily natural gas production	46%	0%

Using derivative instruments involves the risk that the counterparties cannot meet the financial terms of the transactions. We considered this non-performance risk regarding our counterparties and our own non-performance risk in our derivative valuation at March 31, 2026 and determined there was no material risk at that time. The fair value of the net assets (liabilities) we had with Bank of Oklahoma, our only commodity derivative counterparty, was \$2.3 million as of March 31, 2026.

Below is the effect of derivative instruments on the unaudited condensed consolidated statements of operations for the periods indicated:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Unrealized gain (loss) on derivatives	\$ (4,401)	\$ 2,785
Loss on commodity derivatives settled	(1,668)	(483)
Gain (loss) on derivatives, net	\$ (6,069)	\$ 2,302

Results of Operations

Three months ended March 31, 2026 versus three months ended March 31, 2025

Provided below is a comparison of selected operating and financial data:

	Three Months Ended March 31,		Change	Percent Change ⁽¹⁾
	2026	2025		
	(In thousands unless otherwise specified)			
Net income from continuing operations	\$ 4,662	\$ 11,386	\$ (6,724)	(59)%
Revenues	\$ 29,067	\$ 28,387	\$ 680	2%
Operating costs	\$ 10,988	\$ 10,063	\$ 925	9%
Average oil price (\$/Bbl)	\$ 66.19	\$ 69.90	\$ (3.71)	(5)%
Average oil price excluding derivatives (\$/Bbl)	\$ 69.98	\$ 69.90	\$ 0.08	0%
Average NGLs price (\$/Bbl)	\$ 18.52	\$ 23.03	\$ (4.51)	(20)%
Average NGLs price excluding derivatives (\$/Bbl)	\$ 18.52	\$ 23.03	\$ (4.51)	(20)%
Average natural gas price (\$/Mcf)	\$ 3.05	\$ 2.94	\$ 0.11	4%
Average natural gas price excluding derivatives (\$/Mcf)	\$ 3.53	\$ 3.23	\$ 0.30	9%
Oil production (MBbls)	199	190	9	5%
NGL production (MBbls)	238	236	2	1%
Natural gas production (MMcf)	2,988	3,089	(101)	(3)%
Total production (MBOE)	935	941	(6)	(1)%
General and administrative expense	\$ 5,262	\$ 5,296	\$ (34)	(1)%
Other income (expense):				
Interest income	\$ 1,624	\$ 547	\$ 1,077	197%
Interest expense	(8)	(10)	2	(20)%
Gain (loss) on derivatives, net	\$ (6,069)	\$ 2,302	\$ (8,371)	NM
Income tax expense, net	\$ 1,120	\$ 2,400	\$ (1,280)	(53)%

1. NM – A percentage calculation is not meaningful due to a zero-value denominator or a percentage change greater than 200.

Revenues

Revenues increased by \$0.7 million, or 2%, during the first quarter of 2026 compared to the first quarter of 2025, primarily due to higher price realizations for natural gas, partially offset by lower price realizations for NGLs. Excluding derivatives settled, average natural gas prices increased by 9% to \$3.53 per Mcf, NGLs prices decreased by 20% to \$18.52 per barrel, and average oil prices were consistent between the two periods, increasing slightly to \$69.98 per barrel.

Operating Costs

Operating costs increased by \$0.9 million, or 9%, during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This was primarily due to higher lease operating expenses and higher employee costs in our upstream operations, partially offset by lower gathering, processing, and transportation expenses.

General and Administrative

General and administrative expenses during the first quarter of 2026 were consistent with the first quarter of 2025. This was due to higher separation benefit expenses offset by lower corporate costs in the three months ended March 31, 2026.

Interest Income

Interest income increased by \$1.1 million during the first quarter of 2026 compared to the first quarter of 2025, primarily due to a higher average cash and cash equivalents balance.

Interest Expense

Changes in interest expense between the comparative first quarters of 2026 and 2025 are primarily related to commitment fees paid on the unused portion of the Second credit agreement. There were no borrowings outstanding on our credit facility during either of the comparative quarters.

Gain on Derivatives

The \$8.4 million unfavorable change in gain on derivatives between the comparative first quarters of 2026 and 2025 is primarily due to timing of market pricing changes on outstanding commodity derivative positions and increased commodity derivative activity in 2026.

Income Tax Expense, Net

The \$1.3 million favorable change in income tax expense, net between the comparative first quarters of 2026 and 2025 is primarily due to lower pre-tax income from continuing operations in the three months ended March 31, 2026 as compared to the three months ended March 31, 2025 and a \$0.4 million state income tax benefit recognized in the first quarter of 2026.

Item 5. Legal Proceedings

For further information about outstanding legal proceedings, please see Item 3. Unaudited Condensed Consolidated Financial Statements, Note 15 – Commitments and Contingencies.

Item 6. Defaults Upon Senior Securities

Not applicable.

Item 7. Other Information

Not applicable.

Item 8. Exhibits

Exhibits:

- | | |
|-----|--|
| 9.1 | Certification of Principal Executive Officer |
| 9.2 | Certification of Principal Financial Officer |

Item 9. Certifications

Current certifications are filed as Exhibits 9.1 and 9.2 to this Quarterly Report.

Exhibit 9.1 Certification of Principal Executive Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Phil Frohlich, Chief Executive Officer of Unit Corporation, certify that:

1. I have reviewed this Quarterly Report of Unit Corporation;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

/s/ Phil Frohlich
Phil Frohlich
Chief Executive Officer

Date: May 7, 2026

Exhibit 9.2 Certification of Principal Financial Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Thomas D. Sell, Chief Financial Officer of Unit Corporation, certify that:

1. I have reviewed this Quarterly Report of Unit Corporation;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

/s/ Thomas D. Sell
Thomas D. Sell
Chief Financial Officer

Date: May 7, 2026