

# From Surviving to Thriving In the Pandemic World

May 2024



# Disclaimer and Cautionary Statements

## Disclaimer

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This presentation contains forward-looking statements within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The words “believe,” “expect,” “may,” “estimate,” “will,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. However, the absence of these words does not mean that the statements are not forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the Company, including as to the Company’s drilling program, production, hedging activities, capital expenditure levels and other guidance included in this presentation. These statements are based on certain assumptions made by the Company based on management’s expectations and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate and involve subjective judgment and analysis. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. These include risks relating to financial performance and results, current economic conditions and resulting capital restraints, prices and demand for oil and natural gas, availability of drilling equipment and personnel, availability of sufficient capital to execute the Company’s business plan, impact of compliance with legislation and regulations, successful results from the Company’s identified drilling locations, the Company’s ability to replace reserves and efficiently develop and exploit its current reserves, the Company’s ability to successfully identify, complete and integrate acquisitions of properties or businesses and other important factors that could cause actual results to differ materially from those projected. Readers of this presentation are cautioned not to place reliance on any forward-looking statement. Past performance is not a reliable indication of future performance of the Company.

Any forward-looking statement speaks only as of the date on which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

The presentation contains the Company’s estimated 2024 capital expenditures. The actual levels of capital expenditures may be higher or lower than these estimates due to, among other things, uncertainty in drilling schedules, changes in market demand and unanticipated delays in production. These estimates are based on numerous assumptions, including assumptions related to number of wells drilled, average spud to release times, rig count, and production rates for wells placed on production. All or any of these assumptions may not prove to be accurate, which could result in actual results differing materially from estimates. If any of the rigs currently being utilized or intended to be utilized becomes unavailable for any reason, and the Company is not able to secure a replacement on a timely basis, we may not be able to drill, complete and place on production the expected number of wells. Similarly, average spud to release times may not be maintained in 2024. No assurance can be made that new wells will produce in line with historic performance, or that existing wells will continue to produce in line with expectations. Our ability to finance our 2023 capital budget and future capital budgets is subject to numerous risks and uncertainties, including volatility in commodity prices and the potential for unanticipated increases in costs associated with drilling, production and transportation. In addition, our production estimate assumes there will not be any new federal, state or local regulation of portions of the energy industry in which we operate, or an interpretation of existing regulation, that will be materially adverse to our business. We do not undertake any obligation to release publicly the results of any future revisions we may make to this prospective data or to update this prospective data to reflect events or circumstances after the date of this presentation. Therefore, you are cautioned not to place any reliance on this information.

Certain natural gas volumes have been converted on the basis of six thousand cubic feet of gas to one barrel equivalent of oil. Barrels of oil equivalent (boe’s) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## Non-GAAP Financial Measures

This presentation includes certain financial measures that have not been prepared in a manner that complies with generally accepted accounting principles in the United States of America (“GAAP”), including Adjusted EBITDAX and PV-10. A reconciliation of Adjusted EBITDAX to the most directly comparable GAAP measure is presented in the Appendix. We have not presented the standardized measure, which is the nearest comparable GAAP measure to PV-10 even though such presentation would be required under the rules of the U.S. Securities and Exchange Commission. Therefore, you will not be able to analyze the PV-10 measure in conjunction with the standardized measure and will not be able to evaluate the value of our proved, probable or possible reserves as presented in accordance with GAAP. Non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company’s presentation of these measures may not be comparable to similarly-titled measures used by other companies.

## Natural Gas, Oil and NGL Reserves

In this presentation, the Company presents estimated proved, probable and possible reserves as of December 31, 2023 based on the report prepared by Ryder Scott Company, L.P., the Company’s independent reserve engineers. Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reservoir engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil and natural gas that are ultimately recovered.

## Industry and Market Data

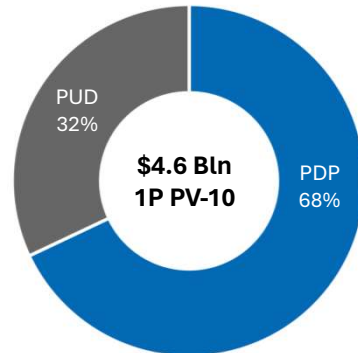
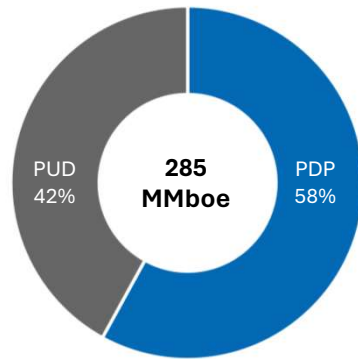
This presentation includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, we have not independently verified the accuracy or completeness of this information. Some data are also based on our good faith estimates, which are derived from our review of internal sources as well as the third-party sources described above.

# Surge Energy Overview

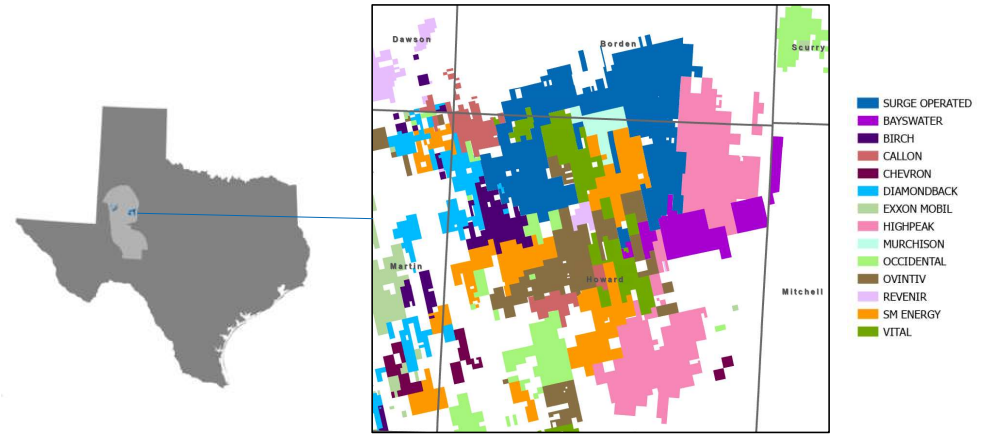
Contiguous Acreage, Strong Reserve Base, Track Record of Strong Execution

- Net leasehold acreage of approximately 106,600 contiguous in the core of the Midland Basin (83% HBP / 93% operated) <sup>(1)</sup>
- 285 MMboe of proved reserves (58% PDP, 65% oil) and 1P SEC PV-10 of \$4.6 Bln <sup>(2)</sup>
- 922 gross identified 3P+3C drilling locations as of YE 2023 <sup>(3)</sup>
- Active producing wells in Wolfcamp A and B, Lower Spraberry, Middle Spraberry, and Lower Clearfork with additional upside from other zones
- Drilled and completed ~543 wells since taking over as operator with 100% success <sup>(4)</sup>
- High EBITDAX margins driven by high oil content
- Approximately 5,000-acre waterflood in Crosby County
- New evaluation acreage position in Dawson and Gaines Counties

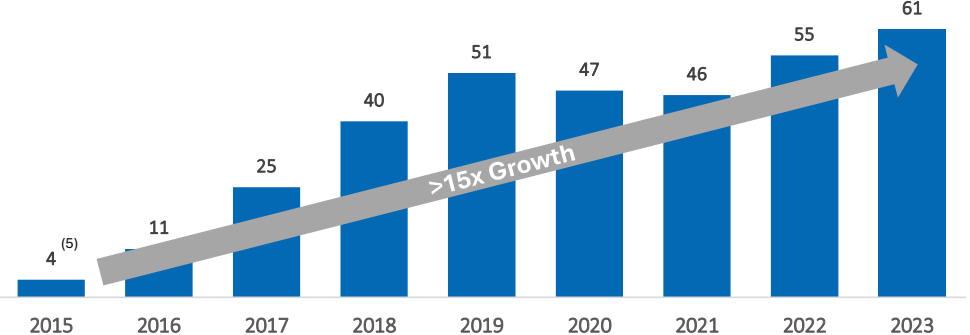
YE 2023 1P RESERVES SUMMARY <sup>(2)</sup>



MOSS CREEK ACREAGE MAP



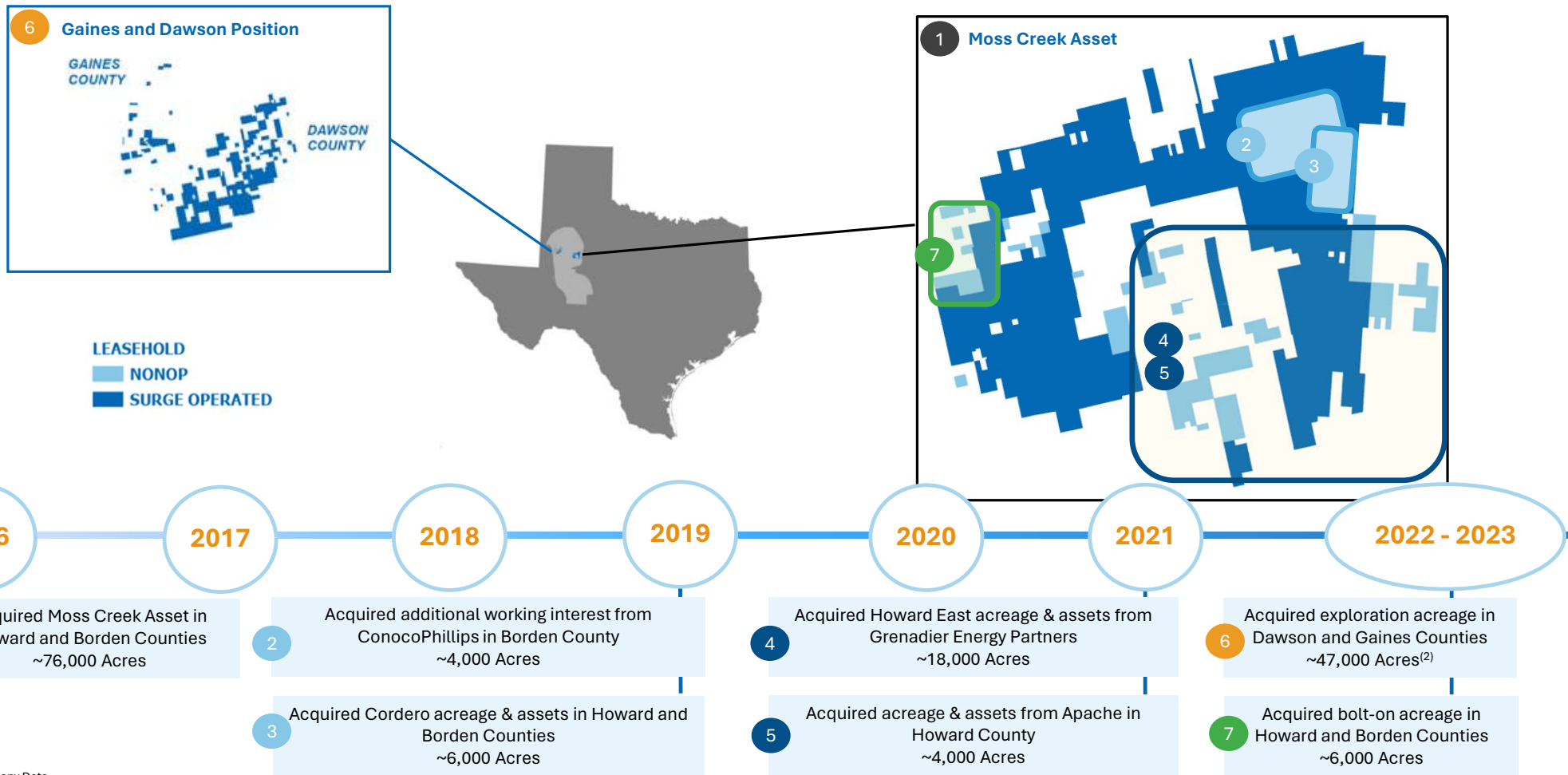
HISTORICAL PRODUCTION (MBOE/D)



(1) Excludes Hoople and Dawson Creek Acreage.  
 (2) Surge Total 1P includes Dawson Creek Moss Creek and Hoople 1P reserves and PV-10 as of 12/31/2023 based on SEC pricing and prepared by Ryder Scott.  
 (3) Total Gross 3P+3C preliminary drilling locations as of 12/31/2023 includes Moss Creek assets and excludes Hoople.  
 (4) As of December 31, 2023. Does not include wells drilled and completed by predecessor companies.  
 (5) 2015 production is based on a partial year of production for Hoople and Moss Creek fields

# Highlighted Acquisitions<sup>(1)</sup>

Proven Track Record of Acquiring and Developing Acreage in Northern Midland Basin



Source: Company Data  
 (1) Highlighted acquisitions reflect the material acquisitions since company inception but do not include full list of acquired acreage, working interest, and mineral interest.

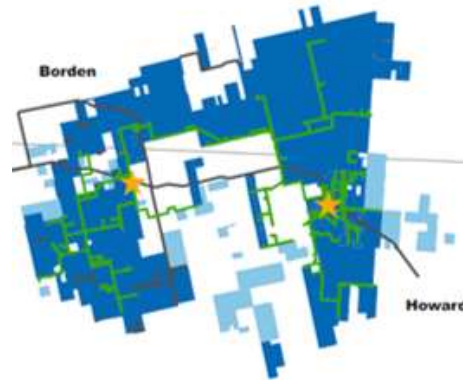
# Decarbonization

Approximately 365,000 metric tons CO2e has been eliminated through operation excellence, innovation and investments

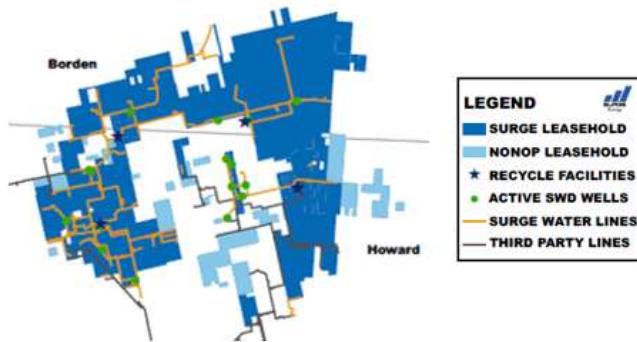
TIGER WATER RECYCLING ASSET



PHOENIX SUBSTATION & ELECTRICAL INFRASTRUCTURE MAP



WATER INFRASTRUCTURE ASSET MAP (2)



## Lessons Learned

