

Non-Operated and Mineral/Royalty Opportunity



Anadarko Basin

MERIT ENERGY COMPANY

Merit Energy's non-operated working interest and mineral/royalty interest assets offer an attractive opportunity to acquire: (i) robust, low-decline production (**~2,100 Mcfed | 8% NTM Decline**) with growth potential including 5 recently drilled DUCs; (ii) long-term cash flow (**\$3.7 NTM PDP cash flow**) bolstered by strong operating margins; and (iii) a large, diversified non-operated working interest and mineral/royalty interest position (**~15,200 net acres**) that supports continued development and delineation of proven pay zones including the prolific Woodford, Springer, and Sycamore formations.

Robust Production

~2,100 Mcfed | 8% NTM Decline

- **Low-decline, stable production provides reliable cash flow**
 - 40+ Hz. PDP | 450+ Vt. PDP
 - 3.4% avg WI & 3.4% avg RI
- **1P Reserves: ~12 Bcfe**
 - Oil: 26% | Gas: 65% | NGL: 9%

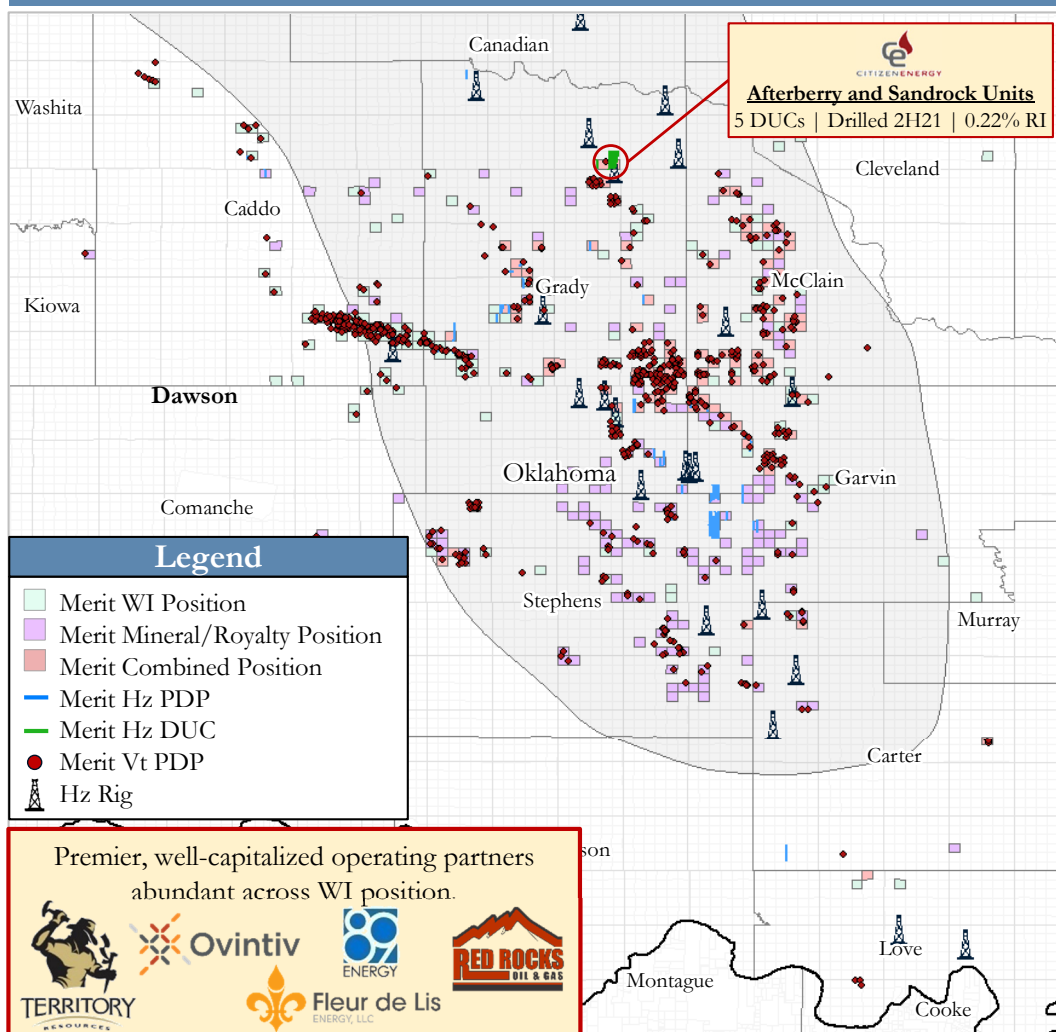
Durable Cash Flow with Strong Cash Margins

- **The efficiently operated asset generates meaningful cash flow**
 - \$3.7MM NTM PDP cash flow
 - \$16MM PDP PV-10%
- **Resilient cash flow stream ensured by low operating expenses and healthy margins**
 - ~\$5/Mcfe NTM operating cash margin
- **Cash flow from blended hydrocarbon production base bolstered by current commodity price rally**

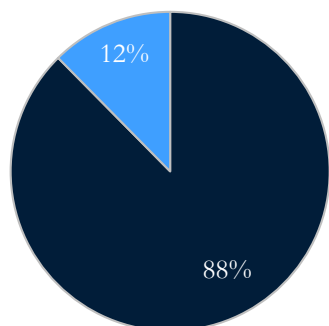
Prolific Acreage Position

- **~15,200 diversified net acre position**
 - Mineral: ~4,300 net acres
 - Non-Op: ~8,300 net acres
 - Mineral & Non-Op: ~2,700 net acres
- **Leasehold acreage retains HBP status**

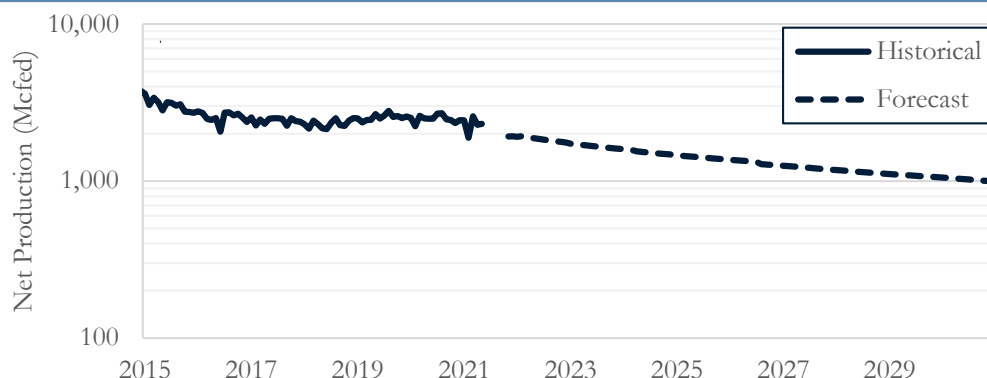
Merit Position | Asset Locator Map



PV-10 (\$17MM)



Stable, Low-Decline Production



Note: Prod., reserves, and cash flow based on a prelim. reserves database as of 11/1/2021 using 10/05/2021 NYMEX 5-year strip pricing.

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Process Calendar

October 2021						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Merit anticipates PSA execution by late November and closing by late December 2021.

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