MERCER CAPITAL
BUSINESS VALUATION & FINANCIAL ADVISORY SERVICES

VALUE FOCUS

Exploration & Production

Third Quarter 2025 // Region Focus: Appalachia

EXECUTIVE SUMMARY

Appalachian production rates improved modestly in the twelve-month period through September 2025 supported by steadier drilling activity and incremental takeaway capacity following the mid-2024 start-up of the Mountain Valley Pipeline (“MVP”). The basin’s 6% year-over-year production increase came despite subdued natural gas prices for much of the year and ongoing supply competition from other U.S. shale regions. Activity levels were sustained as operators balanced capital discipline with expectations for gradually tightening fundamentals heading into 2026.

EQT, Range Resources, and other basin-focused producers continue to benefit from the MVP’s full operational ramp, which has begun to narrow regional basis differentials and improve flow reliability to downstream markets. Rising data-center build outs in the region provide incremental demand for Appalachian gas and the project’s impact on realized pricing and takeaway flexibility is expected to remain a positive factor through next year.

Meanwhile, exploration in the Utica’s oil window continues to attract interest. EOG’s acquisition of Encino increases its optionality across both oil and gas windows and reinforces its scale in the Utica play. These developments provide the basin with a potential source of long-term diversification beyond its core gas focus.

Overall, the Appalachian basin enters late-2025 on firmer footing than a year ago, characterized by stable production, recovering equity performance, and improving infrastructure fundamentals. Continued progress on export capacity and incremental LNG demand should provide a constructive backdrop for basin economics heading into 2026.

MERCER CAPITAL

Oil and Gas Industry Services

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In This Issue

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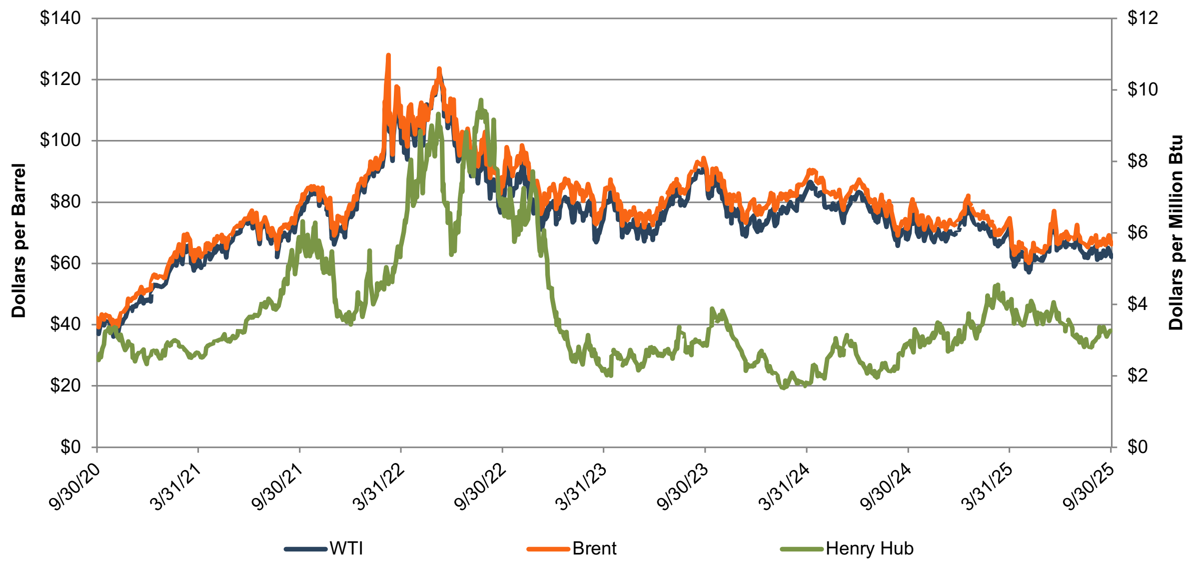
Oil and Gas Commodity Prices

Henry Hub natural gas front-month futures prices began the period near $2.90 and trended upward through late December as early-winter demand increased. With temperatures plunging in February the future prices rose rapidly climbing from $3.04 at the end of January to $4.50 in mid-March. Wellhead freeze-offs and historically low gas storage inventories contributed to the run-up in prices. As the heating season ended and inventories recovered, Henry Hub futures began a five month general decline, reaching a 2025 low of $2.80 in mid-August. Prices recovered modestly thereafter, ending September at $3.30.

Crude Oil and Natural Gas Prices



Source: Capital IQ

Oil and Gas Commodity Prices

(cont.)

Natural gas market dynamics over the review period were influenced by shifts in storage levels, flat LNG feed gas demand growth, and the continued contribution of associated gas volumes from oil-directed drilling programs. Despite subdued price levels compared to historical norms, operators in Appalachia and other gas-heavy basins maintained measured activity as midstream expansions and export expectations provided a longer-term offset to near-term pricing pressure.

Oil prices, as benchmarked by West Texas Intermediate (WTI) and Brent Crude (Brent) front-month futures, declined over the twelve-month period. The WTI price generally ranged from $67 to $75 during the first six months of the review period, but fell to a $60 to $70 range over the following six months. Brent followed a similar pattern, easing from $71 to $80, before shifting downward to a $63 to $73 range. The bulk of the mid-period decline occurred in early April with the largest single month price drop in over three years. The price plunge was spurred by Saudi Arabia **signaling** a move to higher production levels, on top of the Trump Administration tariffs undercutting expectations for fuel demand.

Macro Update

Oil vs. Gas: Diverging Valuations in the Energy Patch Persist

Reprint of Bryce Erickson's
***Forbes*.com column.**
Originally published Nov. 12, 2025

U.S. upstream producers are closing 2025 with sharply different stories depending on the molecules they sell.

2025 continues some of the same valuation trends that Mercer Capital's Bryce Erickson has written about earlier this year. As U.S. oil producers battle with middling prices, emerging breakeven cost issues, and shrinking Tier 1 acreage, gas investors are foreseeing growth and future profitability. Investors are rewarding future demand visibility over near-term cash generation, a rare reversal in a sector long dominated by oil.

Permian: Scale Without Spark

Five Permian-focused producers: Diamondback Energy (FANG), Permian Resources (PR), Vital Energy (VTLE), Devon Energy (DVN), and APA Corporation (APA) show a median EV/EBITDAX of 3.7x and price per flowing barrel near $34,000, per recent data. Despite robust EBITDAX margins averaging 66%, share prices have declined about 13% year-over-year.

Commentary from the latest earnings calls echoed a disciplined but subdued tone.

Diamondback's leadership underscored that "discipline remains our competitive advantage," but markets want more than balance-sheet strength, they want growth optionality. Devon cut capex guidance and focused on buybacks. Permian Resources touted record free cash flow and raised guidance without boosting capital, yet its stock remains down 11% year-over-year.

The Dallas Fed Energy Survey helps explain the malaise. The E&P business activity index slipped into negative territory in Q3, with nearly two-thirds of respondents holding 2025 capital budgets flat. One respondent summarized the sentiment: *"We've optimized. Growth isn't the goal; return stability is."*

Even APA, the group's lone gainer at +12%, attributed its performance largely to debt paydown and balanced exposure to Egypt and the Permian. The market's message: oil discipline is expected, not rewarded.

Appalachia: Gas Gets Its Repricing

Appalachian producers tell the opposite story. Range Resources (RRC), EQT (EQT), Coterra Energy (CTRA), and Antero Resources (AR) posted median EV/EBITDAX multiples of 8.6x and median stock price gains of 15% year-over-year. Investors are buying into the structural gas demand story headlined by LNG export growth and surging U.S. power consumption.

Macro Update

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EQT's third-quarter call captured that optimism. CEO Toby Rice said the company is "on the verge of a multi-decade growth story as the U.S. becomes the global swing supplier of natural gas." Range Resources, with a more conservative margin (42%), still traded higher on the expectation of long-life reserves and low debt.

The Dallas Fed Energy Survey echoed that tone, projecting Henry Hub prices near **$4.00 per mcf in 2026**, up modestly from earlier forecasts. About half of gas-weighted firms cited "LNG expansion and electrification" as demand catalysts, versus fewer than 10% mentioning those themes just a year ago.

Coterra, blending oil and gas output, enjoyed one of the strongest operational quarters in its peer set, posting 66% margins and a 7% stock gain. Investors clearly favored its gas leverage.

November 2025	Permian (Oil)	Appalachia (Gas)
Median EV/EBITDAX	**3.7x**	**8.6x**
Median EBITDAX Margin	**65.70%**	**54.40%**
Median 1-Yr Stock Change (as of 11/10/2025)	**–12.7%**	**15.00%**
Core Narrative	**Capital Discipline**	**Growth Optionality**

Valuation Divergence: Capital Discipline vs. Demand Optionality

When one observes these metrics between the two peer groups, oil valuations seem to be constrained by capital-discipline fatigue. Gas valuations in the meantime appear to be elevated by global-growth optionality. In many ways Permian producers are priced more like mature, low-growth cash machines. Gas producers, in contrast, are being rewarded for their future optionality in export and power markets. As one Dallas Fed respondent put it: *"We've gone from growth to maintenance in oil. Gas may finally be the growth engine again—but we'll see if it lasts."*

Macro Update

Oil vs. Gas: Diverging Valuations in the Energy Patch Persist

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Pipeline Takeaway: Permian vs. Appalachia

Permian Basin: Takeaway Tightness and Associated Gas Drag

While major upstream valuations in the Permian remain focused on oil scale and margin discipline, one under-appreciated headwind is natural gas takeaway capacity. The Permian's associated gas volumes, driven by rising oil production in recent years, are placing increasing strain on pipeline and processing infrastructure. According to **RBN Energy** earlier this year, "the Permian is already out of natural-gas takeaway capacity" in places. In short, the Permian's lack of gas-handling infrastructure remains a latent risk for upstream operations. Until new lines come online, regional basis weakness will continue to pressure realized gas prices and limit near-term flexibility for oil-weighted producers.

Appalachian Basin: Pipeline Approvals and Growing Optionality

Contrast that with the Appalachian Basin (Marcellus/Utica), where takeaway constraints have historically been a hindrance but now show signs of easing. The long-awaited MVP entered service in mid-2024, adding about 2 Bcf/d of transport capacity from West Virginia toward the Mid-Atlantic and Southeast. Proposal activity for new or expanded pipelines has also resumed amid what *S&P Global* **calls** a "thawing regulatory environment." That said, constraints do persist. Pipeline takeaway is basically nearly full until at least late 2027 but the trend is now positive. For gas-weighted producers, expanding takeaway means better realizations and tighter basis differentials, reinforcing higher valuation multiples. The infrastructure tailwind complements the LNG-linked demand growth narrative driving Appalachia's recent equity outperformance.

Takeaway: Two Commodities, Two Investor Clocks

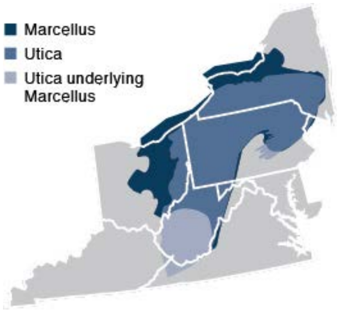
The U.S. upstream sector has entered a two-speed cycle. Permian producers are treated like bond proxies in that they are valued for stability and yield, not as much for growth. Appalachian gas names, by contrast, are treated like growth stocks and are more prized for strategic positioning and export leverage.

Whether that spread narrows in 2026 depends on which clock investors trust. If LNG projects come online as scheduled and AI-driven electricity demand grows as forecast, gas multiples could expand further. But if global gas trade slows down or interest rates stay elevated, those same valuations could contract quickly.

Until then, markets have drawn a clear line: Oil's reward is low levered profits while gas' reward is potential.

Region Focus: Appalachia

Production and Activity Levels

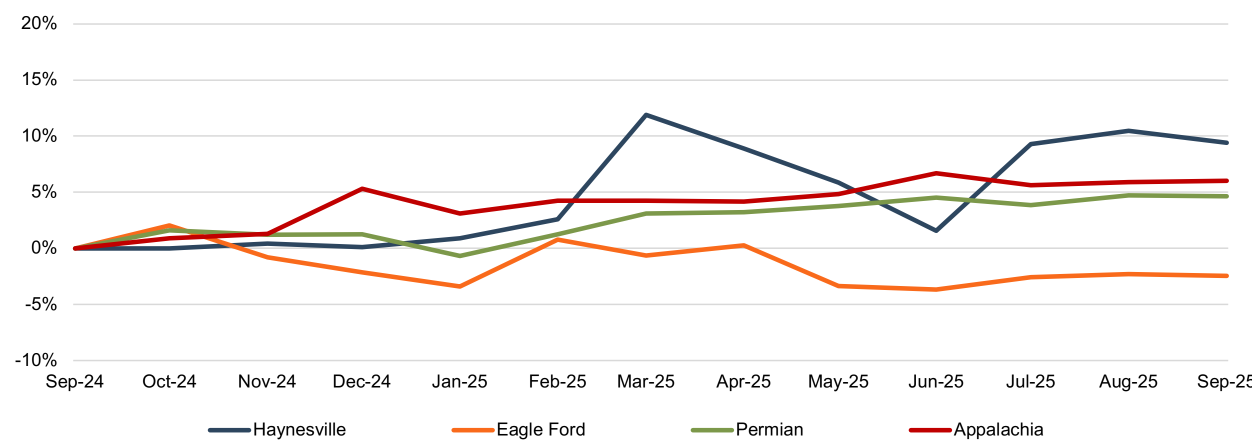


The economics of oil and gas production varies by region. Mercer Capital focuses on trends in the Eagle Ford, Permian, Haynesville, and Appalachia plays. The cost of producing oil and gas depends on the geological makeup of the reserve, depth of reserve, and cost to transport the raw crude to market. We can observe different costs in different regions depending on these factors. This quarter we take a closer look at Appalachia.

Appalachian production (on a barrels of oil equivalent, or "boe," basis) increased approximately 6.0% over the latest twelve-month ("LTM") period, rising from 5,998 mboe/d in September 2024 to 6,358 mboe/d in September 2025. Appalachian production showed fairly steady growth over the review period with modest jumps in the growth rate in December 2024 and June 2025. Both growth rate jumps were immediately followed by declines that put production back on the year-over-year ("YoY") trendline. The gradual improvement reflected both steady operational activity and moderate recovery in regional natural gas demand following last spring's storage surplus.

Among the other major basins included in our analysis, the Haynesville led production growth with a 9.4% LTM increase, while the Permian followed with a 4.6% gain. The Eagle Ford was the only basin to post a decline, down 2.5% for the same period. Haynesville production was by far the most volatile, resulting from timing mismatches tied to Gulf Coast gas supply, pipeline development and LNG export demand. In general, the oil-weighted regions posted slower growth in response to weaker crude prices and gas-weighted basins regained momentum from early-year lows.

1-Year Change in Production



Source: Energy Information Administration

Region Focus: Appalachia

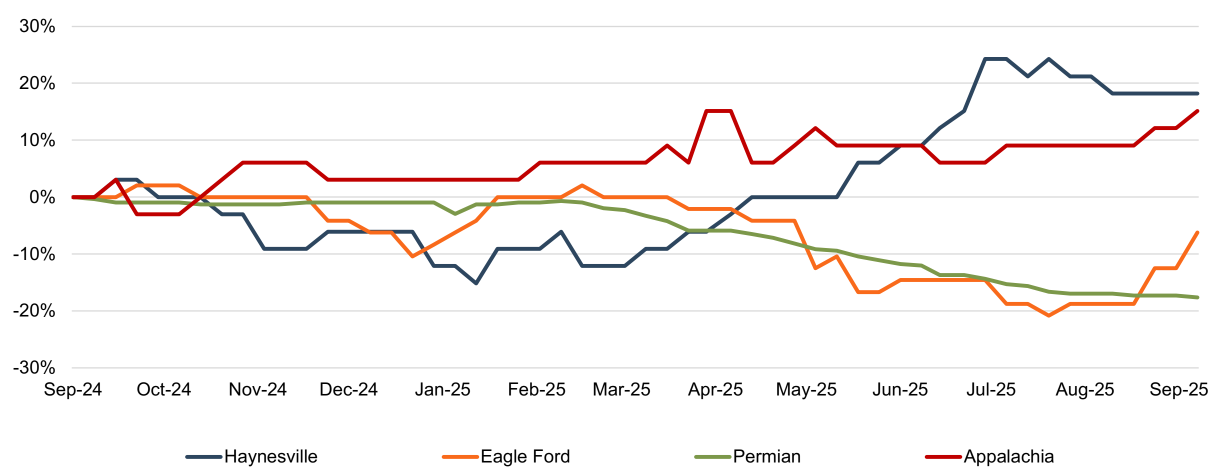
Production and Activity Levels

(cont.)

YoY changes in rig counts across the regions were differentiated by commodity. The gas-weighted regions showed 15% to 18% increases (Appalachia and Haynesville, respectively), while the oil-weighted regions posted 6% and 19% declines, (Eagle Ford and Permian, respectively). Appalachian rig counts increased from 33 rigs in September 2024 to 38 rigs in September 2025, with only minor variations from the trendline over the period. The increase follows last year's notable slowdown, which left several operators with deferred drilling programs now being reactivated under more balanced market conditions. The Haynesville region generally trended downward over the first half of the review period with rig counts falling from 33 to 28. From mid-March to mid-July the trend was sharply upward with the rig count reaching 41. The Haynesville count ended the period at 39.

The Permian rig count held fairly steady between 298 and 307 through early March, before trending downward by an average of nearly eight rigs per month through September 2025. Other than a short-lived loss of 4 rigs from early December 2024 to mid-January 2025, the Eagle Ford count held steady at 47 to 49 rigs through early April. After that point the Eagle Ford count trended downward to 38 rigs in August, followed by a recovery to 45 rigs at the end of the review period.

1-Year Change in Rig Count



Source: Baker Hughes

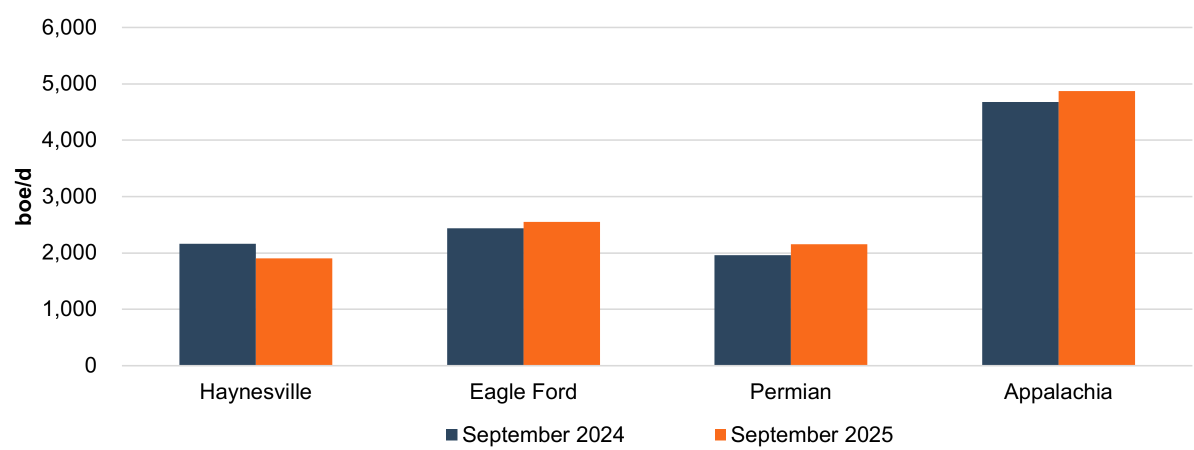
Region Focus: Appalachia

Production and Activity Levels

(cont.)

Efficiency trends varied across regions. Appalachian new-well production per rig rose 4% year-over-year, from 4,677 boe/d in September 2024 to 4,876 boe/d in September 2025. While the Permian and Eagle Ford posted gains of 10% and 5%, respectively, the Haynesville experienced a 12% decline.

New-Well Production per Rig



Source: Energy Information Administration

Region Focus: Appalachia

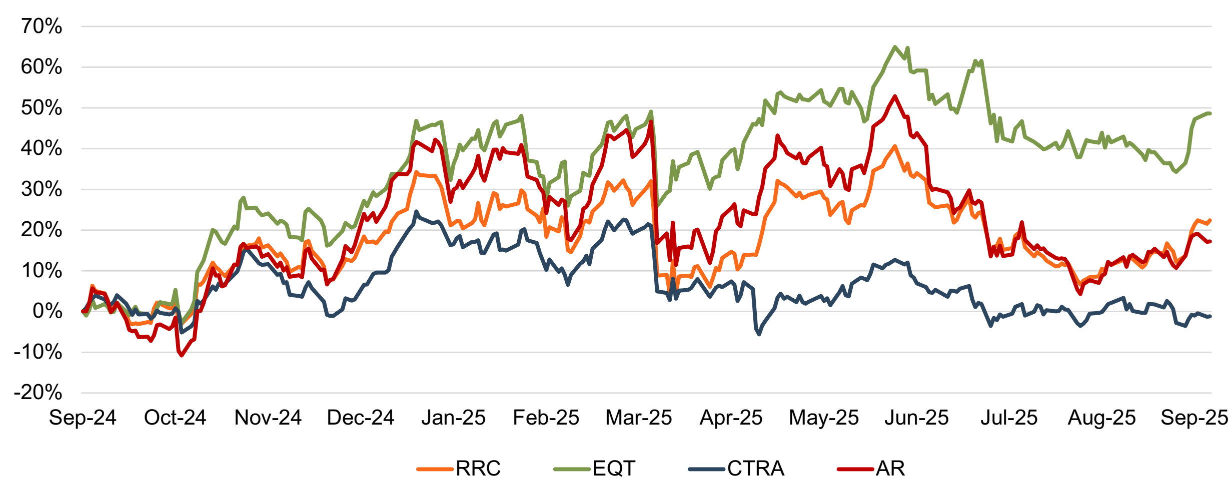
Financial Performance

The Appalachian public comp group saw a sharp reversal in market performance over the latest twelve-month period, with three of the four tracked operators posting strong price increases. EQT led the group with a 49% gain, followed by Range Resources at 22% and Antero at 17%. Coterra finished the period marginally lower at -1%. The rally in Appalachian-focused names contrasts sharply with the prior year's declines and reflects improving investor sentiment tied to infrastructure developments in the basin.

The comp group's prices trended upward through the first half of the review period, reaching first-half review period highs in early April (other than Coterra). The two week drop in natural gas prices in mid-March triggered a two day price plunge among the comp group with prices falling 16% to 20%. Prices subsequently trended upward through late June when three of the four comp group's stock prices hit their review period highs. During the last quarter of the review period, stock prices generally trended downward, save a modest recovery in late September.

EQT, one of the largest U.S. natural gas producers, benefited most directly from its scale, operational leverage, and exposure to expected long-term LNG export growth. Range Resources' period performance was supported by a relatively low-cost structure and continued progress in debt reduction. Antero's period price gain reflected balanced

1-Year Change in Stock Price



Source: Capital IQ

Market Valuations & Transaction History

Appalachian Basin M&A: A Quiet Consolidation Phase

Introduction

Over the October 2024 through September 2025 timeframe, merger and acquisition activity in the Appalachian Basin (Marcellus / Utica / associated plays) has been relatively muted, reflecting constrained upstream deal flow across the U.S. At the same time, selective bolt-ons, midstream consolidations, and creative capital structures have surfaced where synergies and niche value remain. In this post, we examine the notable transactions and thematic drivers emerging from this period.

To frame the backdrop, upstream M&A in the U.S. broadly decelerated in 2025: second-quarter upstream deal flow dropped ~21% quarter-over-quarter to ~$13.5 billion, with much of the value concentrated in a few large transactions. Though that statistic is for the broader U.S., it helps explain the reticence among buyers in Appalachia to deploy capital aggressively.

Below we catalog the meaningful transactions in Appalachia during that window and then discuss the themes shaping them.

Transaction	Type / Scope	Highlights & Remarks
Diversified Energy's Summit Acquisition	Upstream + midstream / bolt-on	In January 2025, Diversified Energy agreed to acquire operated natural gas properties and related midstream infrastructure in Virginia, West Virginia, and Alabama from Summit Natural Resources, for a purchase price of ~$45 million. These assets included ~300 net producing wells in Appalachia (primarily VA & WV) and ~265 coal mine methane (CMM) wells in Alabama.
Stonehenge / UGI acquisition of Superior Midstream Appalachian	Midstream	In January 2025, Pine Run Gathering (backed by Stonehenge) and UGI acquired Superior Midstream Appalachian, LLC for ~$120 million. This deal underscores the ongoing midstream consolidation potential in Appalachia's gathering and processing infrastructure.
NOG's Joint Development Program in Appalachia	Non-operated / JV	In December 2024, Northern Oil & Gas (NOG) announced a Joint Development Program with an existing Appalachian operator. Under the program, NOG commited up to ~$160 million in capital to gain a ~15% working interest in wells drilled in Appalachia during 2025.
EOG Resources' Encino Acquisition Partners Acquisition	Upstream	In May 2025, EOG Resources announced the acquisition of Encino Acquisition Partners for $5.6 billion, including debt, to bolster its Utica shale position. The deal will give EOG access to an additional 675,000 net core acres and more than 1 billion barrels of undeveloped net resource.

Market Valuations & Transaction History

Appalachian Basin M&A: A Quiet Consolidation Phase

(cont.)

Key Deals & Transactions

While deal volume was limited, several transactions stand out for their strategic nature, scale, or structure.

Outside these transactions, there appears to be no single significant asset sale or large E&P consolidation purely within Appalachia during the period.

Thematic Takeaways

From reviewing the deals and market environment, a few themes emerge that are relevant to deal advisors, investors, and corporate strategists in Appalachia:

1. **Bolt-on and consolidation value trumps large scale acquisition:** Given the paucity of full-basin targets, buyers are gravitating toward incremental, contiguous, or synergistic bolt-ons. Diversified's Summit transaction is exemplary: small in absolute scale but high in strategic fit (overlap, infrastructure optionality, CMM credits). The modest price tag belies the upside optionality for integration, cost synergies, and environmental credit monetization.

2. **Midstream consolidation is a growth avenue:** Appalachia's gathering, processing, compression, and water-handling infrastructure remain fragmented. In constrained takeaway regimes, control or favorable contracts in midstream lines can unlock basis arbitrage and price capture. The Superior Midstream deal (Stonehenge / UGI) demonstrates that midstream operators see value in scale, wraparound coverage, and the power of optionality.

3. **Creative, non-operated capital structures mitigate downside:** Northern Oil & Gas's (NOG) JV program illustrates how investors can access Appalachia exposure without full burden of operatorship risk. For non-operated investments, valuation metrics tend to be based on carry-adjusted rates of return, hurdle IRRs, and downside protections rather than pure reserve multiples. Such structures may require higher discount rates or hurdle premiums to account for operator counterparty risk, pace-of-development risk, and well performance variability.

4. **Liquidity constraints and public capital caution slow pace:** Many potential Appalachia-focused acquirers are privately held, capital-constrained, or cautious in deploying capital in a low-margin gas environment. The broader slowdown in upstream M&A underscores the capital discipline prevailing in deal markets. Thus, fewer deals are getting done even where opportunities exist.

Market Valuations & Transaction History

Appalachian Basin M&A: A Quiet Consolidation Phase

(cont.)

Outlook & Strategic Considerations

Looking ahead into the remainder of 2025 and into 2026, several developments may tilt the M&A landscape in Appalachia:

» **Baseload pipeline expansions and capacity optionality:** If additional infrastructure projects or expansions gain traction, buyers may revisit previously uneconomic blocks.

» **Data center and AI-driven gas demand:** As in-basin industrial demand solidifies, upstream and midstream assets capable of servicing those loads via contracted gas or firm access will command higher valuation multipliers.

» **Renewed consolidation waves:** Public E&Ps with Appalachia footprints may look to divest non-core inventory, creating pockets of supply for disciplined buyers.

» **Innovative financing / securitization:** The use of ABS, master trusts, and hedging overlays (as Diversified employed) may unlock liquidity for moderate deals that historically would have been too small to finance via traditional debt.

» **Valuation compression sensitivity:** Multiples on Appalachian assets will remain sensitive to basis outlooks, contract coverage, and integration risk. Buyers will demand robust downside protection on realized spreads.

Appendix A

Selected Public Company Information

Mercer Capital tracks the performance of Exploration and Production companies across different mineral reserves in order to understand how the current pricing environment affects operators in each region. We created an index of six groups to better understand performance trends across reserves and the industry. The current pricing multiples of each company in the index are summarized below.

Company Name	Ticker	9/30/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	Daily Oil Equiv. Production (mboe/d)	EV/ EBITDAX	Price per Flowing Barrel*
					as of 9/30/2025		
Global Integrated							
Exxon Mobil Corp	XOM	$512,687	-3.8%	20.7%	4,769	7.6x	$107,504
Shell PLC	SHEL	250,832	9.5%	19.0%	2,821	4.9	88,916
Chevron Corp	CVX	341,363	5.4%	22.2%	4,086	8.2	83,544
BP PLC	BP.	147,380	9.0%	16.5%	2,362	4.8	62,396
Equinor ASA	EQNR	72,106	-3.8%	35.4%	2,005	1.9	35,963
Group Median			**5.4%**	**20.7%**	**2,821**	**4.9x**	**$83,544**
Global E&P							
ConocoPhillips	COP	$136,326	-10.2%	41.9%	2,399	5.3	$56,826
Occidental Petroleum Corporation	OXY	77,104	-8.3%	50.6%	1,465	5.7	52,631
Murphy Oil Corporation	MUR	5,995	-15.8%	55.5%	200	3.9	29,918
Group Median			**-10.2%**	**50.6%**	**1,465**	**5.3x**	**$52,631**

Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Market data per Capital IQ. Daily Production based on Q3 2025 consensus estimates per Capital IQ as available*
- *Companies included in the Guideline Group are not meant to be an exhaustive list. The selected companies' market caps exceed $1 billion and/or revenues exceed $500 million.*
- *We review 10-K's and annual reports from guideline companies to ensure companies continue to operate in the regions and groups we have identified.*

Appendix A

Selected Public Company Information

Company Name	Ticker	9/30/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	as of 9/30/2025 Daily Oil Equiv. Production (mboe/d)	as of 9/30/2025 EV/ EBITDAX	as of 9/30/2025 Price per Flowing Barrel*
Permian Basin							
Diamondback Energy, Inc.	FANG	$60,323	-17.0%	72.6%	943	5.7x	$63,973
Permian Resources Corporation	PR	14,622	-6.0%	74.2%	410	3.8	35,643
Vital Energy, Inc.	VTLE	3,003	-37.2%	65.7%	136	2.4	22,057
Devon Energy Corporation	DVN	29,838	-10.4%	46.6%	853	3.9	34,980
APA Corporation	APA	14,242	-0.7%	62.8%	464	2.4	30,706
Group Median			**-10.4%**	**65.7%**	**464**	**3.8x**	**$34,980**
Eagle Ford							
EOG Resources, Inc.	EOG	$60,597	-8.8%	52.8%	1,301	5.1x	$46,570
Magnolia Oil & Gas Corporation	MGY	4,640	-2.3%	68.6%	101	5.1	46,162
Crescent Energy Company	CRGY	5,659	-18.5%	50.1%	253	3.1	22,367
Group Median			**-8.8%**	**52.8%**	**253**	**5.1x**	**$46,162**

Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Market data per Capital IQ. Daily Production based on Q3 2025 consensus estimates per Capital IQ as available*
- *Companies included in the Guideline Group are not meant to be an exhaustive list. The selected companies' market caps exceed $1 billion and/or revenues exceed $500 million.*
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					as of 9/30/2025		
Company Name	Ticker	9/30/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	Daily Gas Equiv. Production (mmcfe/d)	EV/ EBITDAX	Price per Daily MMCFE*
Haynesville							
Expand Energy Corporation	EXE	$29,683	29.2%	42.2%	7,333	6.5x	$4,048
Comstock Resources, Inc.	CRK	9,083	78.2%	53.4%	1,229	9.4	7,390
Group Median			**53.7%**	**47.8%**	**4,281**	**8.0x**	**$5,719**
Appalachia							
Range Resources Corporation	RRC	$10,349	22.4%	42.4%	2,228	8.4x	$4,645
EQT Corporation	EQT	45,402	48.6%	67.6%	6,971	8.7	6,513
Coterra Energy Inc	CTRA	22,253	-1.3%	66.5%	4,710	5.0	4,725
Antero Resources Corporation	AR	14,038	17.1%	32.1%	3,429	8.7	4,094
Group Median			**19.8%**	**54.4%**	**4,070**	**8.6x**	**$4,685**
OVERALL MEDIAN			**-3.0%**	**50.4%**	**N/A**	**5.1x**	**N/A**

Source: Capital IQ

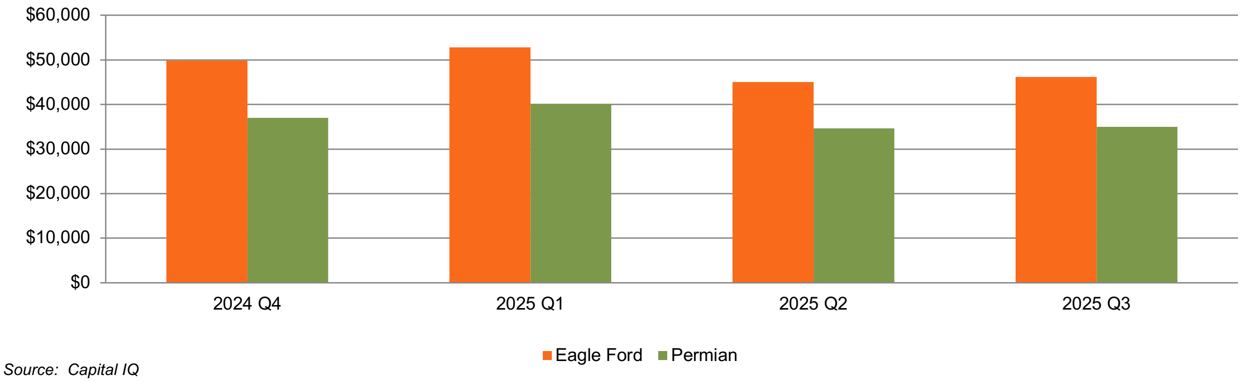
- *Price per Daily MMCFE is EV/ daily production ($/mmcfe/d). Market data per Capital IQ. Daily Production based on Q3 2025 consensus estimates per Capital IQ as available*
- *Companies included in the Guideline Group are not meant to be an exhaustive list. The selected companies' market caps exceed $1 billion and/or revenues exceed $500 million.*
- *We review 10-K's and annual reports from guideline companies to ensure companies continue to operate in the regions and groups we have identified.*

Appendix A

Selected Public Company Information

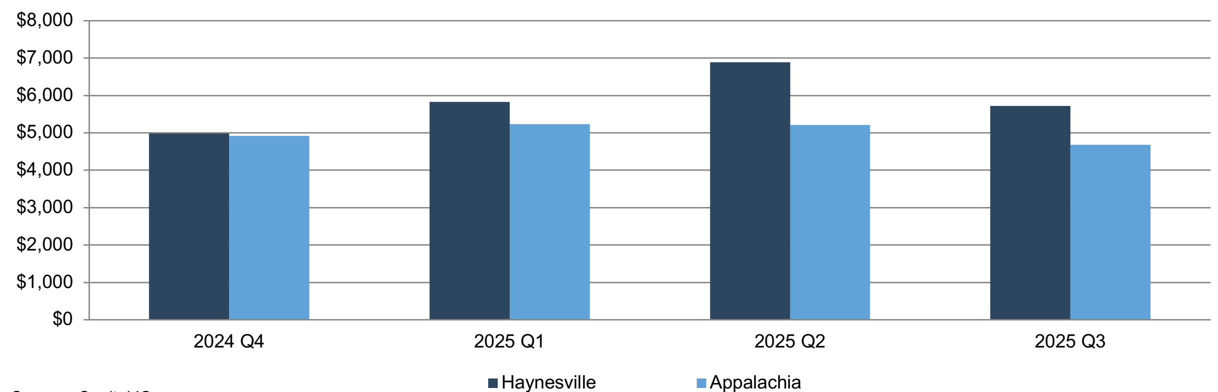
The following graphs depict the median of EV/production multiples from Q4 2024 through Q3 2025. The production multiples are segregated in the graphs by primarily oil-producing regions ($/boe/d) and primarily gas-producing regions ($/mmcfe/d).

Price per Flowing Barrel



Source: Capital IQ

Price per Daily MMCFE



Source: Capital IQ

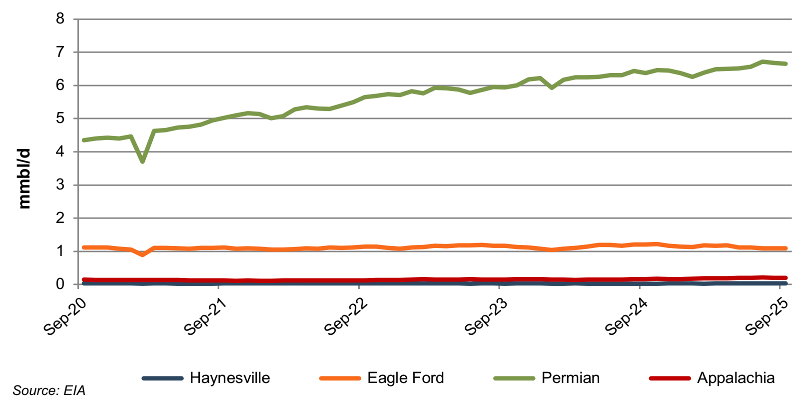
- *Price per Flowing Barrel is EV/ daily production ($/boe/d), Price per Daily MMCFE is EV/ daily production ($/mmcfe/d)*
- *This is simply a graphic depiction of the median figures of our selected public companies for each region. This should be interpreted solely in the context of relative valuation between the various basins over time. Capital IQ aggregates this raw data, and Mercer Capital does not represent or warrant these figures as indicative of valuation multiples attributable to E&P companies or other interests.*

Appendix B

Production

Daily Production of Crude Oil

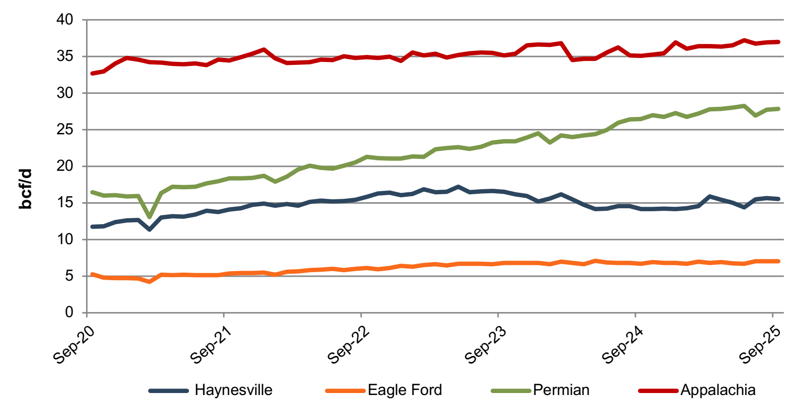
Oil production in the Permian increased by 4.3% in the twelve months through September 2025, while production rates in the Eagle Ford decreased by 9.4% over the same twelve-month span. In the gas-focused Appalachia and Haynesville regions, oil production increased approximately 25.5% and 3.9%, respectively, from a year ago.



Source: EIA

Daily Production of Natural Gas

The Haynesville led the analyzed regions in natural gas production growth in the twelve months through Q3 2025, with Haynesville production 9.5% above September 2024 levels. Natural gas production in Appalachia, the Permian, and Eagle Ford increased within a fairly tight range, with September 2025 average monthly production rates 5.0% to 5.5% above those from a year ago.



Source: EIA

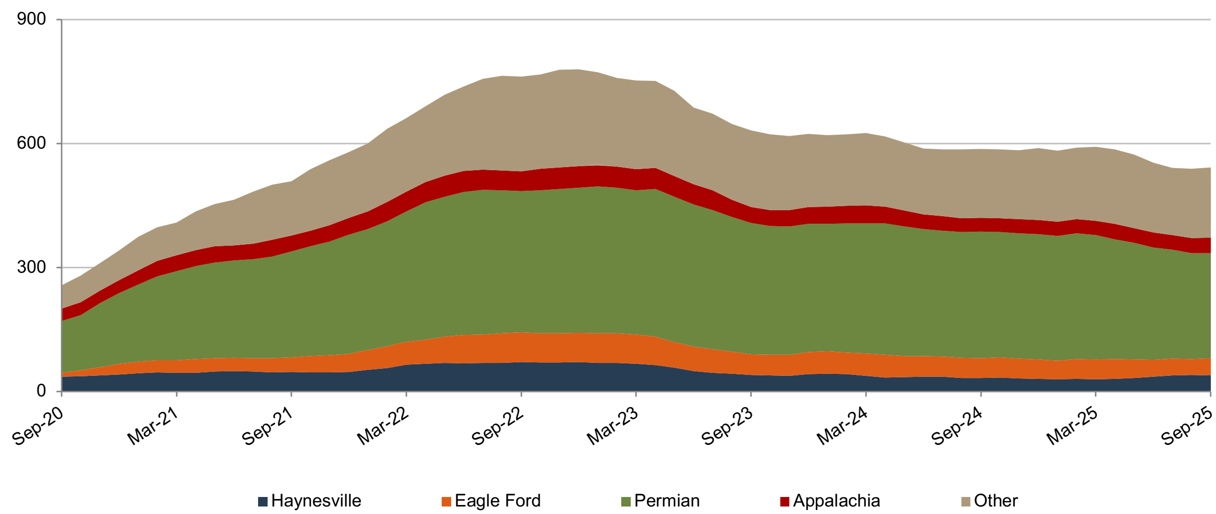
Appendix C

Rig Count

Baker Hughes collects and publishes information regarding active drilling rigs in the U.S. and internationally. The number of active rigs is a key indicator of demand for oilfield services & equipment. Factors influencing rig counts include energy prices, investment climate, technological changes, regulatory activity, weather, and seasonality.

The number of total active rigs in the U.S. at the end of September 2025 was 542, a 7.7% decrease from 587 in September 2024. Of the four regions covered, only the gas-focused Haynesville and Appalachia had higher rig counts from a year ago, with the average number of rigs in September 19% and 13% higher, respectively. The monthly average rig count in the Permian and Eagle Ford fell by about 17% and 13% year-over-year, respectively.

Rig Count by Region

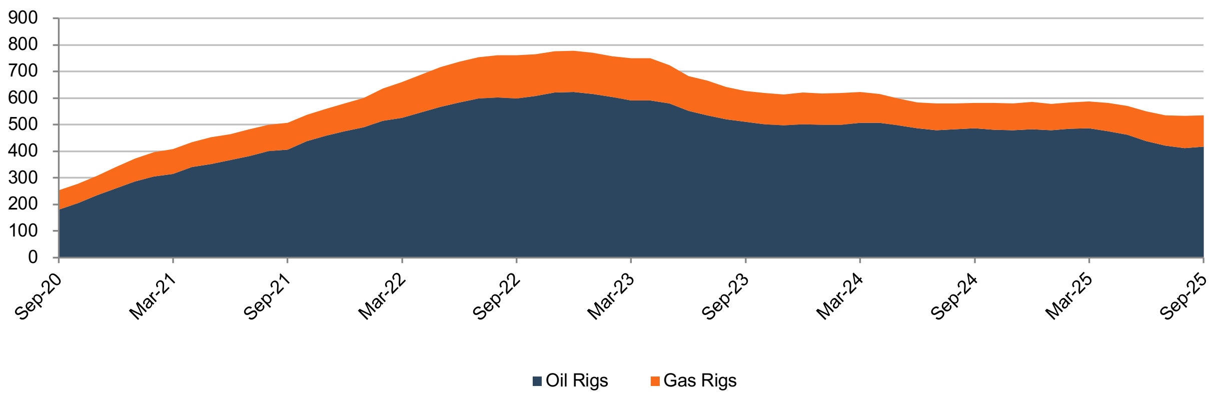


Source: Baker Hughes

Appendix C

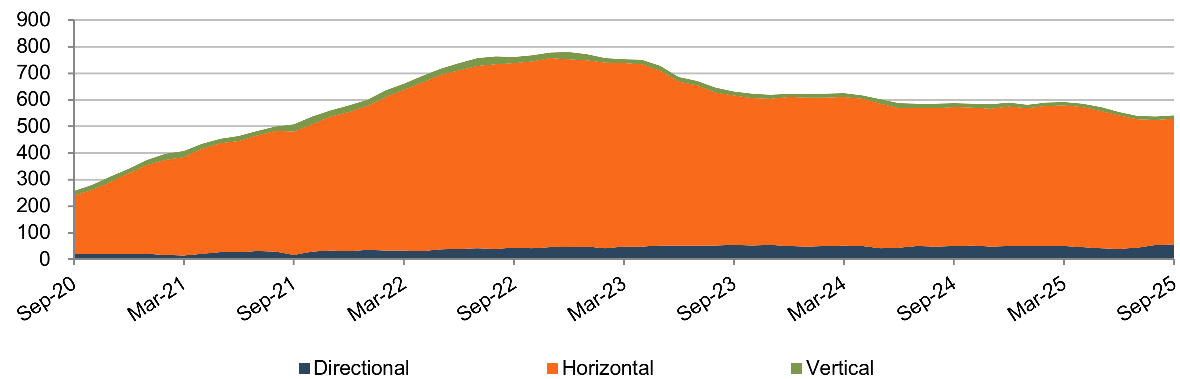
Rig Count

U.S. Rig Count by Oil vs. Natural Gas



Source: Baker Hughes

U.S. Rig Count by Trajectory



Source: Baker Hughes

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