MERCER CAPITAL
BUSINESS VALUATION & FINANCIAL ADVISORY SERVICES

VALUE FOCUS

Exploration & Production

Fourth Quarter 2025 // Region Focus: Haynesville

EXECUTIVE SUMMARY

The Haynesville demonstrated resilient performance in 2025, with production growth outpacing peer basins despite pronounced month-to-month volatility. Output gains were supported by efficiency improvements and DUC drawdowns, even as rig activity, while rebounding meaningfully from interim lows, remained well below prior cycle peaks. Natural gas front-month futures pricing provided episodic support for activity, with seasonal demand and tightening balances driving a late-year rally after summer weakness.

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In This Issue

Oil and Gas Commodity Prices 1

Macro Update
Natural Gas Outlook: Producers Face a Familiar Disconnect In 2026 3

Region Focus: Haynesville
Production and Activity Levels 9
Financial Performance 12

Market Valuations & Transaction History
Haynesville Shale M&A Update: 2025 in Review 13

Selected Public Company Information 15

Production 19

Rig Count 20

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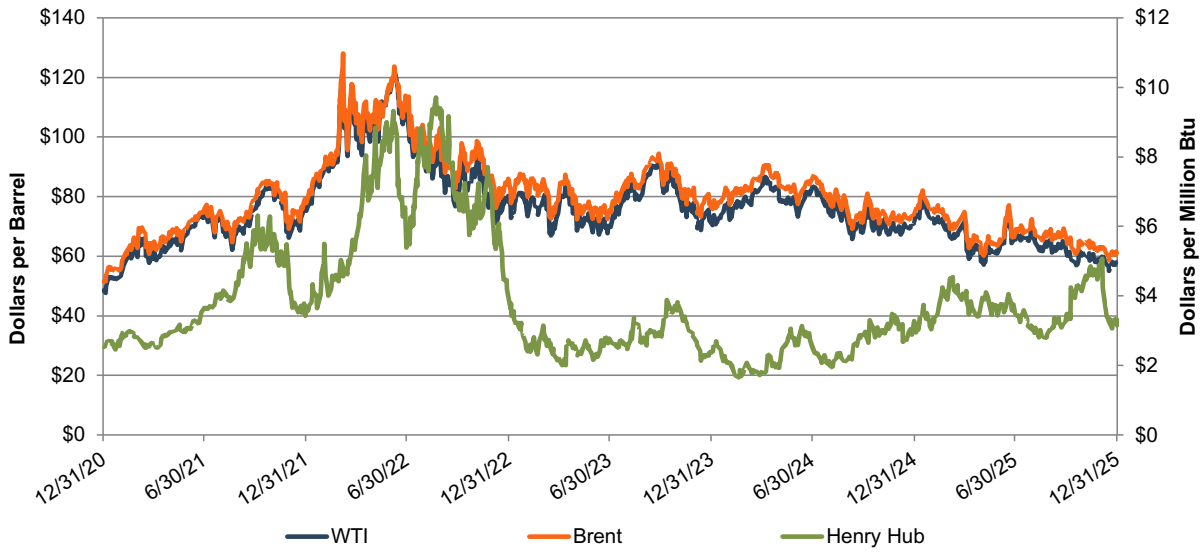
Oil and Gas Commodity Prices

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

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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.

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Macro Update

Natural Gas Outlook: Producers Face a Familiar Disconnect In 2026

Reprint of Bryce Erickson's
***Forbes*.com column.**
Originally published Jan. 29, 2026

U.S. natural gas markets appear to be entering 2026 with a sense of déjà vu. Although the snowstorm sweeping the country has spiked prices over $5 per mcf and short-term futures prices over $6 (with local prices spiking far higher than that in certain areas), overall outlook for most prognosticators is below $4 for most of the year. Prices remain volatile, equities have struggled to find consistent footing and investor sentiment still skews cautious. Yet beneath the surface, production behavior, infrastructure progress and demand growth are aligning in ways that look more constructive than public market indications might suggest.

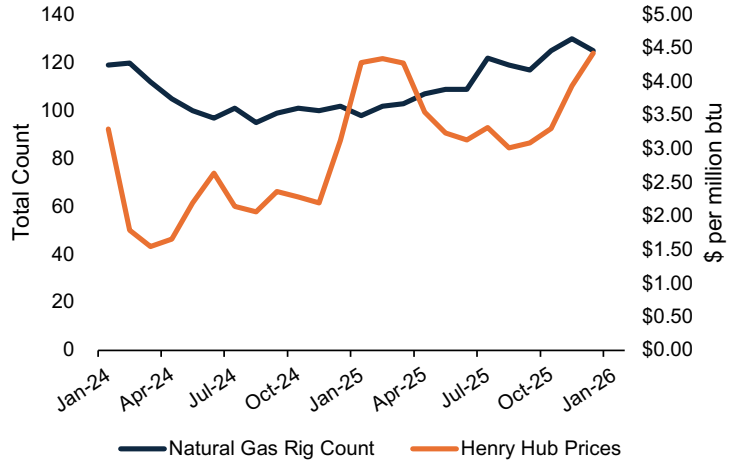
This disconnect is not new. Natural gas has long been viewed by many as a trading commodity rather than a long-duration asset. What is different in this cycle is that producers, infrastructure developers and capital providers seemed to have adjusted faster than equity markets. Supply growth these days is constrained more by choice and infrastructure, and less by geology. Demand is increasingly anchored by LNG exports and power generation tied to data centers; and capital structures are increasingly designed to wait rather than force growth or exits.

The result is a market still pricing gas for volatility, while fundamentals quietly tighten.

Supply Discipline Has Become More Structural

The most visible change in U.S. natural gas markets over the past several years has been the industry's response, or lack thereof, to price signals. I've written on this pattern before. Even as Henry Hub prices have rebounded from cyclical lows, natural gas rig counts remain well below historical norms. The reflexive growth response that once defined gas cycles has largely disappeared.

U.S. Natural Gas Rig Count vs. Henry Hub Prices



Sources: EIA & Baker Hughes

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Producers have prioritized balance sheet stability, free cash flow and capital returns over volume growth. That discipline has proven durable over the past few years, suggesting it has become structural rather than opportunistic. Public operators, still shaped by the lessons of the last decade, appear unwilling to sacrifice capital efficiency for near-term market share.

This restraint matters because it reduces supply elasticity. Price volatility may persist, but the ability and willingness of the industry to rapidly oversupply the market has diminished. That sets a different backdrop for evaluating medium-term pricing and valuations than prior cycles offered.

Another element that can impact supply in incremental chunks is pipeline and infrastructure expansion. For example, the in-service start of the Mountain Valley Pipeline marked a meaningful milestone for Appalachia. After years of legal and regulatory delays, the project provided incremental takeaway that improves market access for Marcellus and Utica producers. Other projects are also moving along as shown in the table below:

Major Gas Pipeline Additions and Expansions

Top Capacity Additions (2024-2027)	Project Type	Year	Additional Takeaway (MMcf/d)	Region
Matterhorn Express Pipeline	New Pipeline	2024	2,500	South Central
Golden Pass LNG Bidirectional Pipeline	Expansion	2025	2,500	South Central
Rio Bravo Pipeline Project	New Pipeline	2026	4,500	South Central
Hugh Brinson Pipeline (formerly Warrior Pipeline) Phase I & II	New Pipeline	2026	3,700	South Central
Blackfin Pipeline	New Pipeline	2026	3,500	South Central
Saguaro Connector Pipeline	New Pipeline	2026	2,800	South Central, Mexico
Blackcomb Pipeline	New Pipeline	2026	2,500	South Central
Driftwood Line 200 and 300 Project Phase 1	New Pipeline	2026	2,400	South Central
Driftwood Line 200 and 300 Project Phase 2	New Pipeline	2027	4,600	South Central
Pelican Pipeline	New Pipeline	2027	2,500	South Central

Sources: EIA

However, the impact should not be overstated. The MVP does not unleash unconstrained growth. Instead, it restores optionality. Producers gain better pricing realizations, improved basis exposure and flexibility in development pacing. Smaller brownfield expansions, compression upgrades and lateral connections now carry more value than headline-grabbing greenfield projects.

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(cont.)

Meanwhile, in the Permian, natural gas dynamics remain tied to oil activity. Associated gas volumes continue to grow, but takeaway constraints persist. Periodic pipeline maintenance and delays in downstream capacity additions have reinforced volatility at natural gas hubs such as Waha.

Prices Remain Volatile, But The Floor Looks Better Defined

Natural gas prices are unlikely to lose their volatility anytime soon. Weather patterns, storage levels, geopolitical events, and global LNG flows will continue to drive short-term swings. What has changed is the industry's ability to respond.

With supply elasticity reduced and infrastructure constraints still present, price collapses could increasingly reflect demand-side shocks rather than structural oversupply. NYMEX forward curves and producer surveys suggest stabilization rather than a return to sustained sub-$2 pricing environments.

One respondent to the most recent Dallas Fed Energy Survey framed it this way: "The supply-demand issues for natural gas are finally heading into a bull phase. Liquefied natural gas (LNG) and the expected demand on electric grids are coming. Additional energy will be needed to power the data centers. It appears likely, therefore, that the price of natural gas will increase."

This does not eliminate downside risk, but it reframes it. Price risk is increasingly front-loaded, while cash flow normalization trends towards being back-loaded. That timing mismatch continues to weigh on equity valuations.

LNG: The Marginal Demand Driver

Liquefied natural gas exports, which have been ramping up for years, now sit at the center of U.S. natural gas fundamentals. Growth in export capacity has reshaped domestic balances, tying incremental demand to global markets.

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(cont.)

Even as global LNG prices softened in parts of 2025, U.S. LNG export volumes continued to rise. Feedgas demand proved resilient, underscoring that U.S. projects compete on cost, reliability and destination flexibility rather than spot pricing alone.

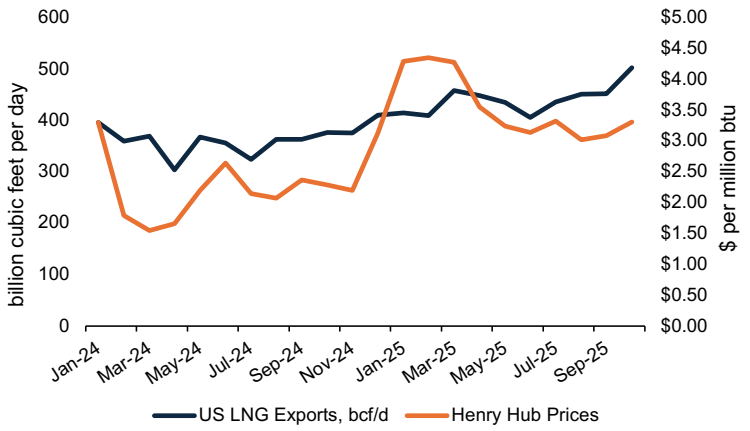
For producers, LNG exposure is basin-specific. Haynesville and Permian-associated gas benefit most directly, while Appalachia gains indirectly through improved national balances. The key point is that LNG demand is structural, multi-year and infrastructure-backed.

Data Centers: A Second Demand Pillar

Alongside LNG, data center–driven power demand is quietly becoming a meaningful source of incremental gas consumption. Growth in artificial intelligence, cloud computing and digital infrastructure is driving regional electricity demand higher, particularly in Texas, the Southeast and parts of Appalachia.

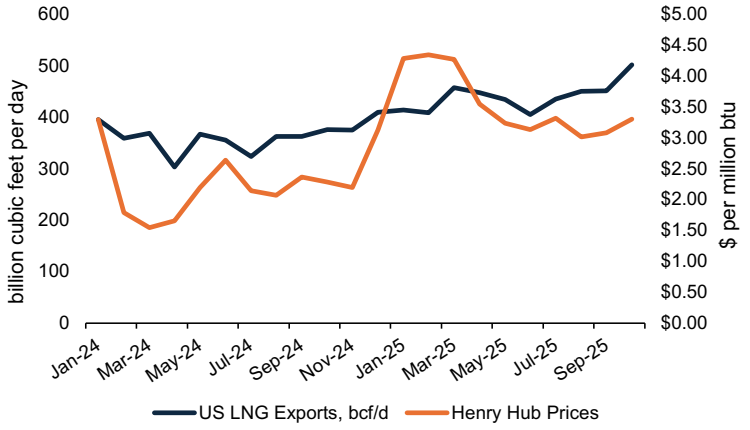
Gas-fired generation remains essential to meeting this demand. Renewable capacity continues to expand, but reliability requirements favor dispatchable generation.

U.S. LNG Exports vs. Henry Hub Prices



Sources: EIA

Gas-Fired Generation vs. Data Center Electricity Demand



Sources: EIA

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Natural Gas Outlook: Producers Face a Familiar Disconnect In 2026

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(cont.)

Gas plants provide baseload support, peaking capacity and backup for intermittent sources. Unlike traditional industrial demand, data center–related gas consumption is long-duration and relatively price-insensitive. Once built, facilities anchor demand for decades.

Mixed Equity Performance Reflects How Markets Are Interpreting Gas Risk

A closer look at the performance metrics of publicly traded natural gas–focused E&Ps highlights why valuations remain unsettled. As shown in the accompanying table of gas-weighted producers, equity performance, cash flow trends and valuation multiples are not moving in lockstep.

Natural Gas E&P	Basin Focus	Enterprise Value ($MM)	EV / EBITDA	LTM Stock Performance	EBITDA Margin	LT Debt to Total Capital	Yield TTM
Comstock Resources	Haynesville	$ 10,671	11.2x	20.3%	52.9%	54.2%	-
Expand Energy	Haynesville / Appalachia	$ 31,221	6.9x	6.0%	42.0%	21.6%	2.0%
Antero Resources	Appalachia	$ 14,673	9.8x	-11.8%	29.8%	27.6%	-
Coterra Energy	Permian / Appalachia	$ 24,881	5.6x	-5.6%	66.1%	20.1%	3.2%
EQT Corporation	Appalachia	$ 46,825	9.0x	5.1%	67.6%	22.0%	1.1%
Range Resources	Appalachia	$ 10,066	8.4x	-8.7%	41.4%	23.5%	1.0%

Sources: Mercer Capital and Seeking Alpha

Several companies show negative or muted share price performance over the past year, even as enterprise value–based multiples remain elevated or stable. Others have seen equity prices hold up relatively well despite declining EBITDAX or near-term cash flow pressure. This divergence is not a contradiction; it is a signal.

In today's market, price performance is reacting to spot gas volatility, while valuation multiples are increasingly anchored to balance sheet strength, inventory depth and infrastructure optionality. In other words, markets are discounting earnings but not necessarily assets.

The table also underscores a second theme: gas-focused E&Ps are no longer being valued as a homogeneous group. Appalachia-heavy producers with low-cost inventory and improving takeaway often trade somewhat differently than Haynesville operators tied more directly to LNG timing, while companies with meaningful associated gas exposure face a separate set of risks tied to oil-driven development.

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(cont.)

Importantly, mixed performance does not imply investor confusion. It appears to reflect selective underwriting. Equity markets differentiate between companies that can withstand prolonged volatility and those that still require price normalization to unlock value.

That discernment helps explain why enterprise value multiples have proven more resilient than equity prices. Investors appear willing to ascribe long-term value to gas assets but remain hesitant to re-rate equities until price signals become clearer and demand growth becomes more visible in reported cash flows.

Capital Structures Have Adapted Faster Than Public Markets

Perhaps the clearest signal that fundamentals are tightening comes not from prices, but from capital behavior. Private capital, particularly family offices and continuation vehicles, has poured into upstream gas assets with longer time horizons than traditional private equity.

These investors are not as constrained by fixed exit timelines. They have more ability to hold assets through price cycles, adjust development pacing and wait for infrastructure and demand growth to materialize. The result is fewer forced sales and less distressed supply.

M&A Reflects Selectivity, Not Capitulation

Upstream deal activity slowed through 2025 and remains choppy heading into 2026. Yet the slowdown reflects valuation gaps and execution challenges, not a lack of capital or interest.

Gas-weighted and LNG-linked assets continue to attract strategic and international buyers, particularly those seeking long-term supply security. Transactions that do occur tend to emphasize scale, infrastructure access and inventory depth rather than speculative commodity price growth.

A Market Still Waiting On Itself

Natural gas markets in 2026 look less like a sector in decline and more like one waiting for its own fundamentals to be recognized. Supply growth remains disciplined. Pipelines add optionality without overshoot. LNG and data centers absorb incremental volumes. Capital is structured to wait.

Eventually, market valuations catch up to structural realities. Until then, the disconnect persists; not because fundamentals are weak, but because patience often remains scarce.

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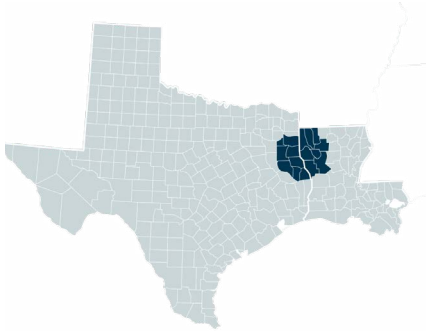
Haynesville Shale

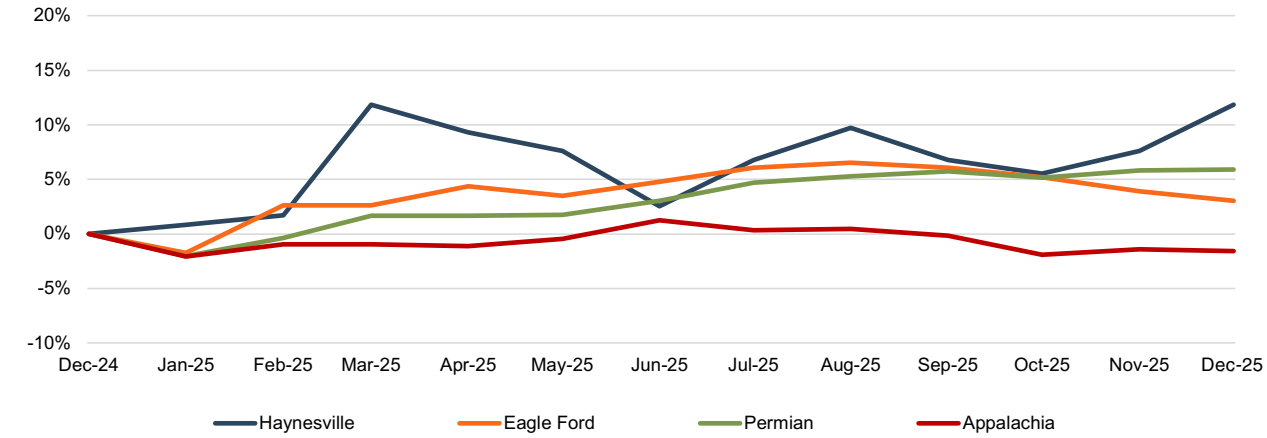
Production and Activity Levels



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 Haynesville Shale.

Based on a barrel of oil equivalent (boe) basis, the Haynesville year-over-year (YoY) production growth led the four covered basins for the last year through December 2025 with an increase of 12.1%. That compared to the more modest YoY growth of 5.9% and 2.9% for the Permian and Eagle Ford, respectively, and a slight contraction in Appalachian production of 1.5%. Haynesville production averaged 2.5 million barrels of oil equivalent per day (mmboe/d) in 2025, with production rates rising 11.9% over the first quarter of 2025 to 2.7 mmboe/d as of March 2025. Production eased back through June to levels just above the review period starting point at 2.4 mmboe/d, before climbing back to 2.6 mmboe/d in December 2025.

1-Year Change in Production



Source: Energy Information Administration

Haynesville Shale

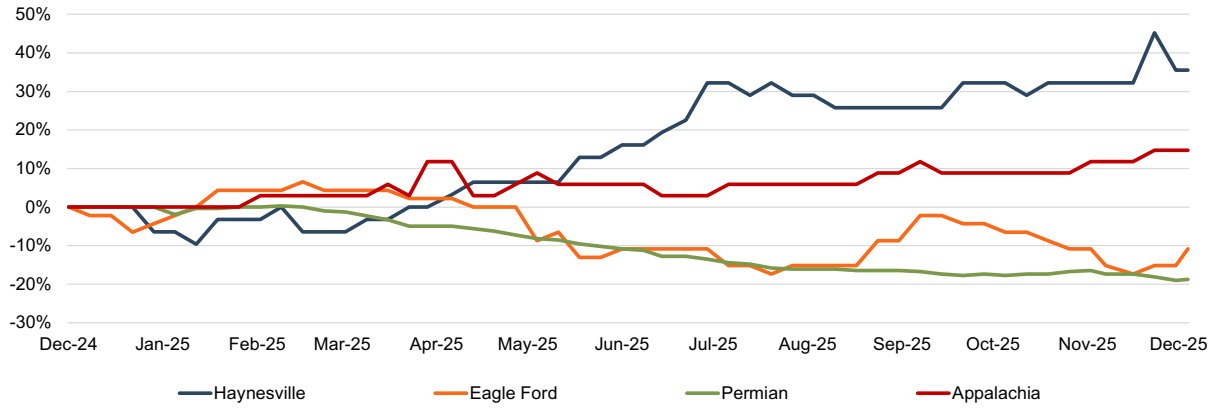
Production and Activity Levels

After a brief decline in January 2025, Eagle Ford production generally rose through the summer, before reversing into a general decline in the fall and winter. Over the review period, Haynesville production exhibited greater month to month volatility than the other basins, driven in part by Gulf Coast demand dynamics and infrastructure related timing effects.

Rig count growth rates were bifurcated by primary commodity type, with the gas-heavy basins (Haynesville and Appalachia) seeing rig count growth over the review period, while oil-heavy basins (Permian and Eagle Ford) posted rig count declines. The Haynesville led the four covered regions with a YoY increase of 35% from 31 to 42 rigs. After a short-lived dip in January 2025, the Haynesville rig count surged 41% in just four months to reach 41 rigs in mid-July. Since then, the number of rigs in the Haynesville varied within a narrow range from 39 to 45 rigs. Despite the Haynesville rig counts rebounding from interim lows, they remain well below prior cycle peaks.

Appalachia posted the only other rig count YoY increase for the review period, albeit a more tepid 15% increase from 34 to 39 rigs. Unlike the Haynesville growth pattern, the Appalachia increase was fairly steady over the course of the year with only modest increases, or decreases, along the way.

1-Year Change in Rig Count



Source: Baker Hughes

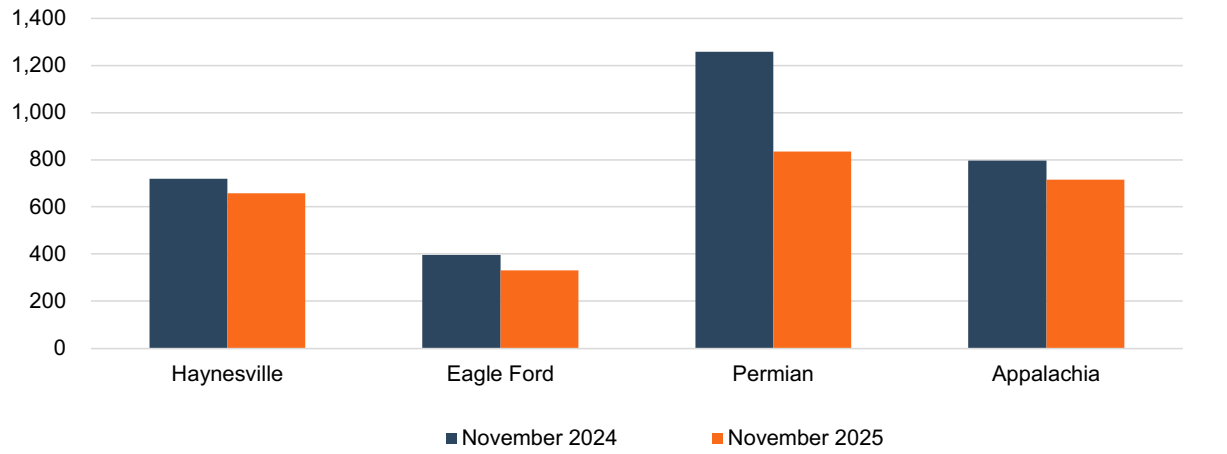
Haynesville Shale

Production and Activity Levels

The rig count story in the oil-heavy Permian and Eagle Ford basins was quite different from that of the gas-heavy basins. In light of oil prices falling 18% to 20%, as benchmarked by West Texas Intermediate (WTI) and Brent Crude (Brent) front-month future contracts, over the course of the review period, it's no surprise that the Permian and Eagle Ford rig counts took a significant hit. The higher breakeven Eagle Ford basin saw its rig count up as high as 7% from December 2024 levels early in the review period, but the count generally declined over the remainder of the period, other than a short recovery in September. For the twelve month period, the Eagle Ford rig count slipped 11% from 46 rigs to 41. The lower breakeven Permian basin's rig count decline was more steady than that for the Eagle Ford, but ended with a larger YoY slide of 19%, from 304 to 247 rigs.

Haynesville production growth also reflects ongoing efficiency gains and the continued drawdown of drilled but uncompleted wells (DUCs). Operators relied on previously drilled inventory and completion optimization to maintain production volumes even as rig counts declined. While this dynamic supported near term output, sustained production growth in the basin will depend on a more durable improvement in natural gas pricing and a corresponding increase in drilling activity.

Drilled but Uncompleted Wells (DUCs)



Source: Energy Information Administration

Haynesville Shale

Financial Performance

The Haynesville public comp group, Comstock Resources (CRK) and Expand Energy (EXE), posted YoY stock price returns of 27% and 11%, respectively, in 2025. While the companies' stock price movements were largely consistent in direction, CRK's were greater in magnitude resulting from CRK's greater use of financial leverage and lower level of geographic (basin) diversification. Stock prices remained within a narrow range through April, rose on Middle East tensions in May and spiked as Israel, Iran, and the U.S. traded attacks in June. Following the Middle East concerns related spike, the companies' stock prices generally rose and fell with natural gas prices - declining through August and rising through November, before the short-lived dip in the first two weeks of December.

1-Year Change in Stock Price

Source: Capital IQ

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Market Valuations & Transaction History

Haynesville Shale M&A Update: 2025 in Review

Introduction

M&A activity in the Haynesville Shale during 2025 was marked by strategic, LNG-linked transactions and renewed international investor interest in U.S. natural gas assets. While investors remained selective relative to prior shale upcycles, transactions that did occur reflected a clear pattern: buyers focused on long-duration gas exposure, scale, and proximity to Gulf Coast export markets rather than short-term development upside.

Producers and capital providers increasingly refocused efforts on the Haynesville basin during the year, including raising capital to acquire both operating assets and mineral positions. This renewed attention followed a period of subdued transaction activity and underscored the basin's continued relevance within global natural gas portfolios.

Although the Haynesville did not experience the breadth of consolidation seen in some oil-weighted plays, the size, counterparties, and strategic motivations behind 2025 transactions reinforced the basin's role as a long-term supply source for LNG-linked demand.

Announced Upstream Transactions

Tokyo Gas (TG Natural Resources) / Chevron

In April 2025, Tokyo Gas Co., through its U.S. joint venture TG Natural Resources, **entered into an agreement** to acquire a 70% interest in Chevron's East Texas natural gas assets for $525 million. The assets include significant Haynesville exposure and were acquired through a combination of cash consideration and capital commitments.

The transaction was characterized as part of Tokyo Gas's broader strategy to secure long-term U.S. natural gas supply and expand its upstream footprint. The deal reflects a growing trend among international utilities to obtain direct exposure to U.S. shale gas through ownership interests rather than relying solely on long-term offtake contracts or third-party supply arrangements.

From an M&A perspective, the transaction highlights continued willingness among major operators to monetize non-core or minority positions while retaining operational involvement, and it underscores the Haynesville's attractiveness to buyers with a long-term, strategic view of gas demand.

JERA / Williams & GEP Haynesville II

In October 2025, JERA Co., Japan's largest power generator, **announced an agreement** to acquire Haynesville shale gas production assets from Williams Companies and GEP Haynesville II, a joint venture between GeoSouthern Energy and Blackstone. The transaction was valued at approximately $1.5 billion.

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Market Valuations & Transaction History

Haynesville Shale M&A Update: 2025 in Review

(cont.)

This acquisition marked JERA's first direct investment in U.S. shale gas production, representing a notable expansion of the company's upstream exposure and reinforcing JERA's interest in securing supply from regions with strong connectivity to U.S. LNG export infrastructure.

This transaction further illustrates the appeal of the Haynesville to international buyers seeking stable, scalable gas assets and highlights the role of upstream M&A as a tool for portfolio diversification among global utilities and energy companies.

Reported Negotiations (Not Announced)

Mitsubishi / Aethon Energy Management

In June 2025, Reuters reported that Mitsubishi Corp. was in discussions to acquire Aethon Energy Management, a privately held operator with substantial Haynesville production and midstream assets. The potential transaction was reported to be valued at approximately $8 billion, though Reuters emphasized that talks were ongoing and that no deal had been finalized at the time.

While the transaction was not announced during 2025, the reported discussions were notable for both their scale and the identity of the potential buyer. Aethon has long been viewed as one of the largest private platforms in the Haynesville, and any transaction involving the company would represent a significant consolidation event within the basin.

The reported talks underscored the depth of international interest in Haynesville-oriented platforms and highlighted the potential for large-scale transactions even in an otherwise measured M&A environment.

Conclusion

While overall deal volume remained selective, the transactions and reported negotiations that occurred during 2025 reflected sustained global interest in U.S. natural gas assets with long-term relevance. Collectively, the transactions and negotiations discussed above point to a Haynesville M&A landscape driven less by opportunistic consolidation and more by deliberate, long-term positioning. As global energy portfolios continue to evolve, the Haynesville basin remains a focal point for strategic investment, particularly for buyers seeking exposure tied to U.S. natural gas supply and LNG export linkages.

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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.

					as of 12/31/2025		
Company Name	Ticker	12/31/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	Daily Oil Equiv. Production (mboe/d)	EV/ EBITDAX	Price per Flowing Barrel*
Global Integrated							
Exxon Mobil Corp	XOM	$543,378	11.9%	21.9%	4,840	7.9x	$112,271
Shell PLC	SHEL	253,939	19.0%	20.6%	2,815	4.6	90,209
Chevron Corp	CVX	344,295	5.2%	25.6%	4,008	7.1	85,911
BP PLC	BP.	148,351	18.4%	19.8%	2,370	4.1	62,604
Equinor ASA	EQNR	67,324	0.6%	42.7%	2,174	1.9	30,963
Group Median			**11.9%**	**21.9%**	**2,815**	**4.6x**	**$85,911**
Global E&P							
ConocoPhillips	COP	$132,902	-5.6%	42.7%	2,330	5.4	$57,035
Occidental Petroleum Corporation	OXY	70,021	-16.8%	56.0%	1,462	5.6	47,890
Murphy Oil Corporation	MUR	6,382	3.3%	60.3%	174	4.0	36,728
Group Median			**-5.6%**	**56.0%**	**1,462**	**5.4x**	**$47,890**

Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Market data per Capital IQ. EBITDAX and daily production based on consensus estimates per Capital IQ*
- *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.*

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Appendix A

Selected Public Company Information

					as of 12/31/2025		
Company Name	Ticker	12/31/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	Daily Oil Equiv. Production (mboe/d)	EV/ EBITDAX	Price per Flowing Barrel*
Permian Basin							
Diamondback Energy, Inc.	FANG	$65,714	-8.2%	69.9%	942	6.7x	$69,758
Permian Resources Corporation	PR	15,292	-2.4%	71.9%	408	4.0	37,485
Devon Energy Corporation	DVN	30,387	11.9%	50.0%	843	4.3	36,046
APA Corporation	APA	13,689	5.9%	59.2%	452	2.9	30,288
Group Median			**1.7%**	**64.6%**	**647**	**4.2x**	**$36,765**
Eagle Ford							
EOG Resources, Inc.	EOG	$61,575	-14.3%	57.5%	1,385	4.8x	$44,468
Magnolia Oil & Gas Corporation	MGY	4,198	-6.4%	70.4%	102	4.5	41,036
Crescent Energy Company	CRGY	5,368	-42.6%	57.7%	333	2.1	16,101
Group Median			**-14.3%**	**57.7%**	**333**	**4.5x**	**$41,036**

Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Market data per Capital IQ. EBITDAX and daily production based on consensus estimates per Capital IQ*
- *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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Appendix A

Selected Public Company Information

					as of 12/31/2025		
Company Name	Ticker	12/31/2025 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	Daily Gas Equiv. Production (mmcfe/d)	EV/ EBITDAX	Price per Daily MCFE*
Haynesville							
Expand Energy Corporation	EXE	$30,744	10.9%	62.8%	7,463	5.3x	$4,119
Comstock Resources, Inc.	CRK	10,234	27.2%	61.2%	1,106	7.6	9,251
Group Median			**19.0%**	**62.0%**	**4,285**	**6.5x**	**$6,685**
Appalachia							
Range Resources Corporation	RRC	$9,727	-2.0%	50.1%	2,327	6.0x	$4,180
EQT Corporation	EQT	45,071	16.2%	68.5%	6,635	7.1	6,793
Coterra Energy Inc	CTRA	24,066	3.1%	66.0%	4,748	4.6	5,069
Antero Resources Corporation	AR	14,373	-1.7%	40.3%	3,811	5.9	3,771
Group Median			**0.7%**	**58.1%**	**4,280**	**6.0x**	**$4,624**
OVERALL MEDIAN			**3.1%**	**57.5%**	**N/A**	**4.8x**	**N/A**

Source: Capital IQ

- *Price per Daily MCFE is EV/ daily production ($/mcfe/d). Market data per Capital IQ. EBITDAX and daily production based on consensus estimates per Capital IQ*
- *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.*

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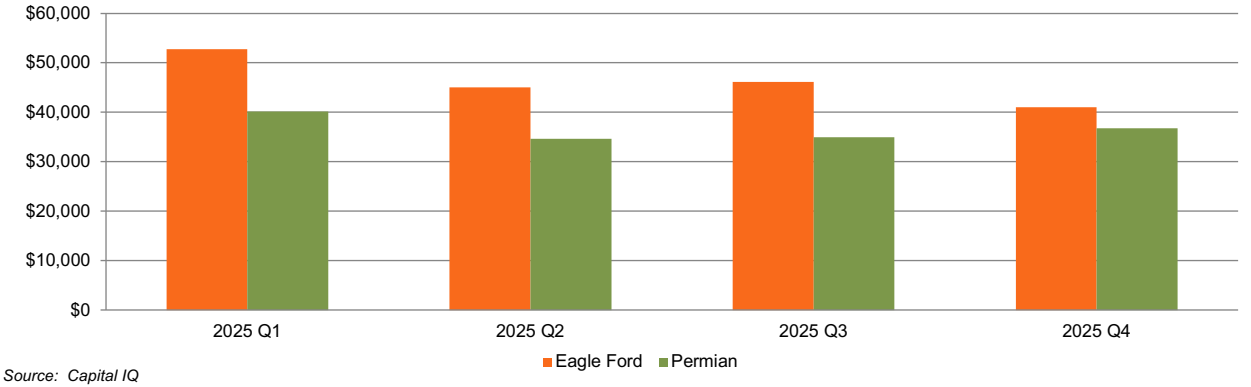
Appendix A

Selected Public Company Information

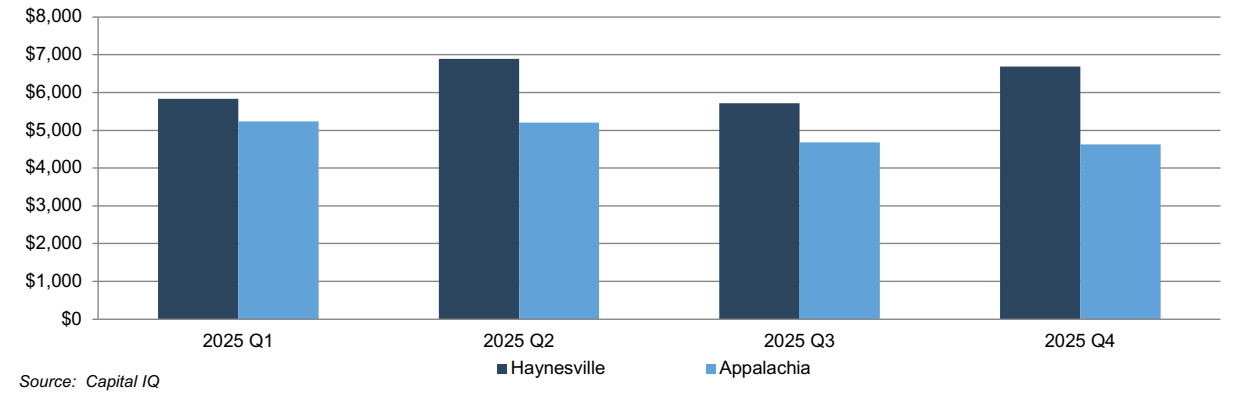
The following graphs depict the median of EV/production multiples from Q1 2025 through Q4 2025. The production multiples are segregated in the graphs by primarily oil-producing regions ($/boe/d) and primarily gas-producing regions ($/mcfe/d).

Price per Flowing Barrel



Source: Capital IQ

Price per Daily MCFE



Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d), Price per Daily MCFE is EV/ daily production ($/mcfe/d). EBITDAX and daily production based on consensus estimates per Capital IQ*
- *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.*

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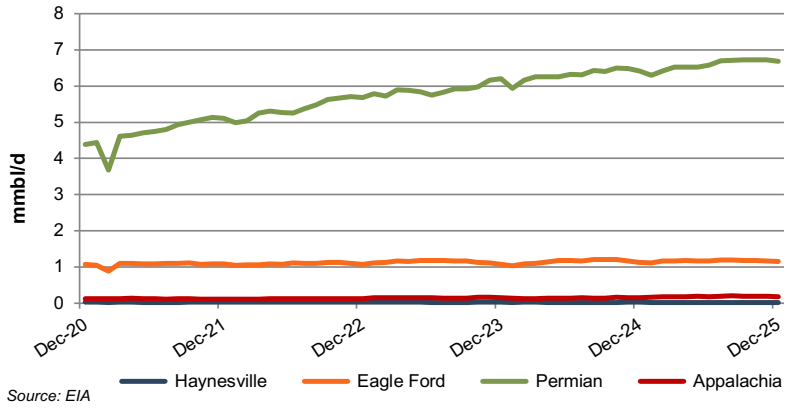
Appendix B

Production

Daily Production of Crude Oil

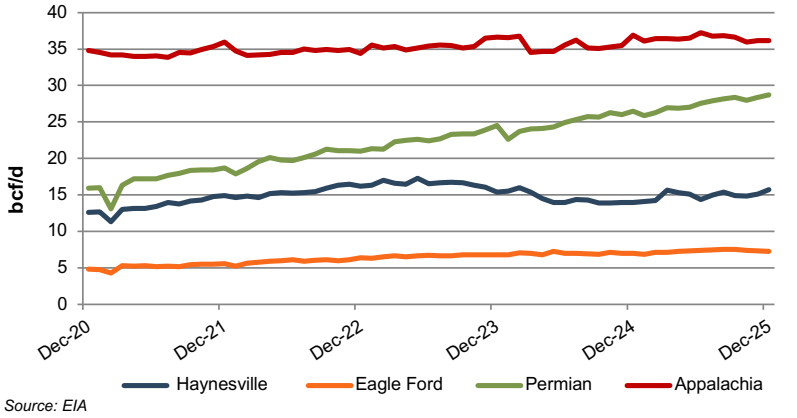
Oil production in the Permian and Eagle Ford increased by 4.0% and 1.9%, respectively, in the twelve months through December 2025.



Source: EIA

Daily Production of Natural Gas

The Haynesville led the analyzed regions in natural gas production growth in the twelve months through Q4 2025, with Haynesville production 12.4% above December 2024 levels. Natural gas production in the Permian and Eagle Ford increased 8.6% and 3.9% respectively over the same twelve-month span. Appalachian natural gas production rates in December 2025 were 2.1% lower than a year ago.



Source: EIA

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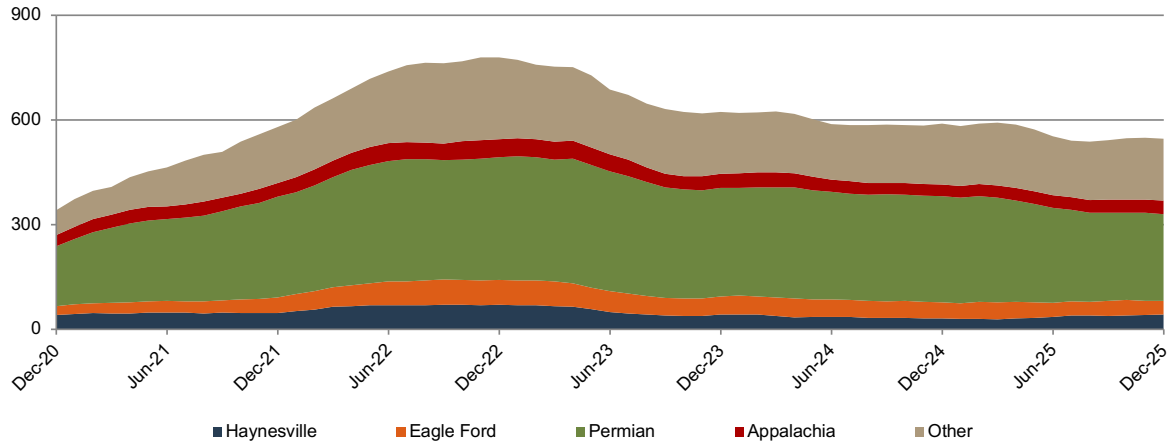
Appendix C

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 December 2025 was 546, a 7.3% decrease from 589 in December 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 December 38% and 13% higher, respectively. The monthly average rig count in the Permian and Eagle Ford fell by about 18% and 15%, respectively, year-over-year.

Rig Count by Region



Source: Baker Hughes

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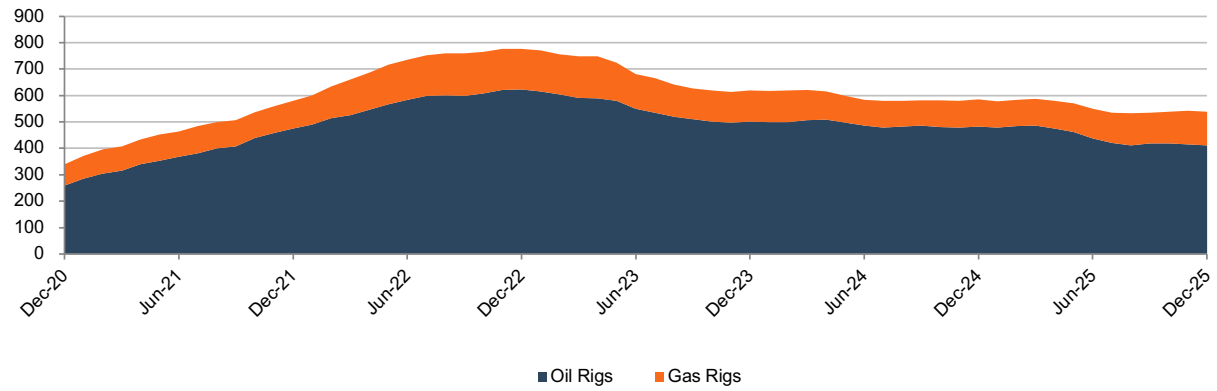
Appendix C

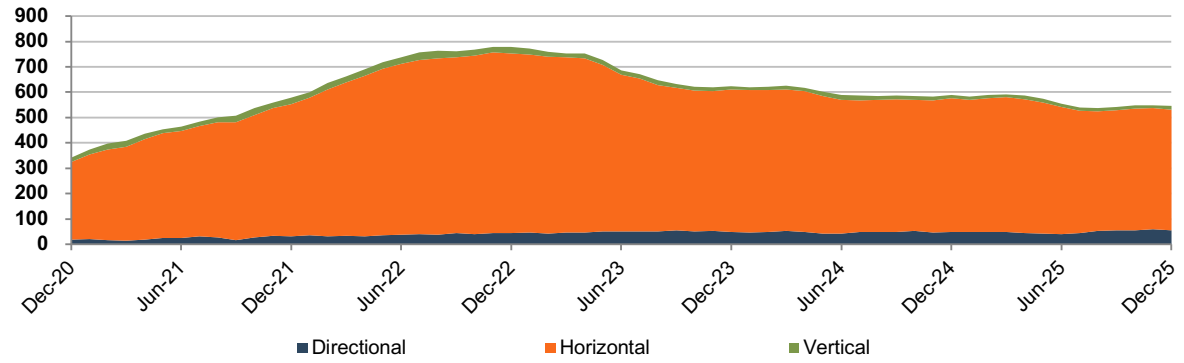
Rig Count

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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