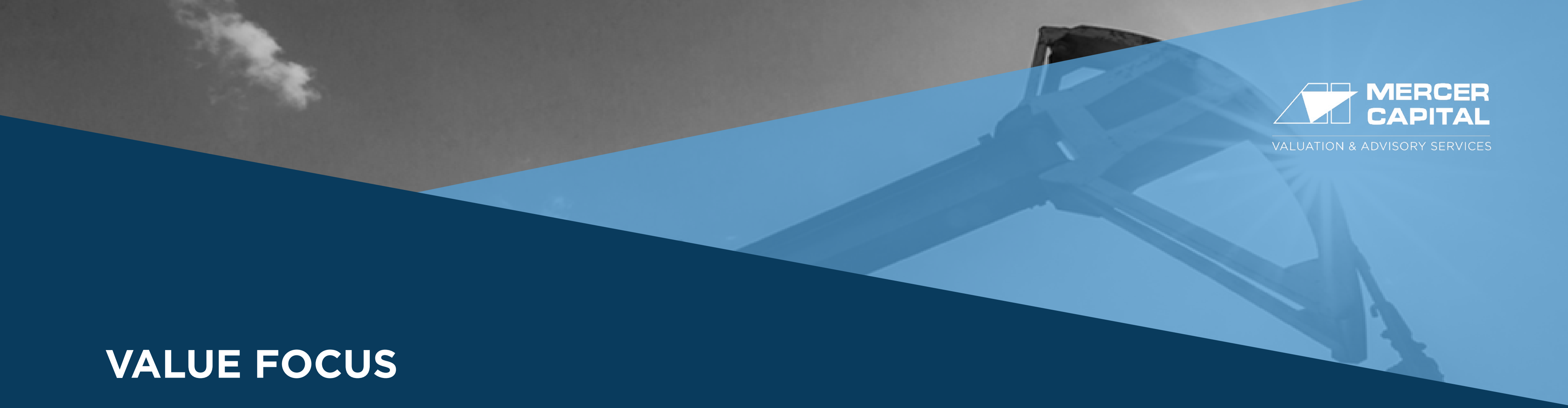

MERCER CAPITAL
VALUATION & ADVISORY SERVICES

VALUE FOCUS

Exploration & Production

Second Quarter 2026 // Region Focus: Permian

EXECUTIVE SUMMARY

The Permian Basin continued to demonstrate its resilience in the twelve-month period through June 30, 2026 (the review period). Despite a modest decline in rig counts, production reached new highs as operators continued to emphasize capital discipline, drilling efficiencies, and productivity improvements. Heightened geopolitical tensions introduced considerably greater volatility into commodity markets during the latter portion of the review period, yet oil prices ended above year-earlier levels and Permian public companies posted strong stock price appreciation. While basin operators continue to balance disciplined capital allocation with long-term production growth, the Permian remains the nation's premier oil-producing basin and continues to demonstrate its ability to adapt to changing market conditions.

Oil and Gas Industry Services

Mercer Capital provides business valuation and financial advisory services to companies in the energy industry.

Services Provided

- Valuation of oil & gas companies
- Transaction advisory for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes

Industry Segments

Mercer Capital serves the following industry segments:

- Exploration & Production
- Oil Field Services
- Midstream Operations
- Alternative Energy
- Downstream
- Retail

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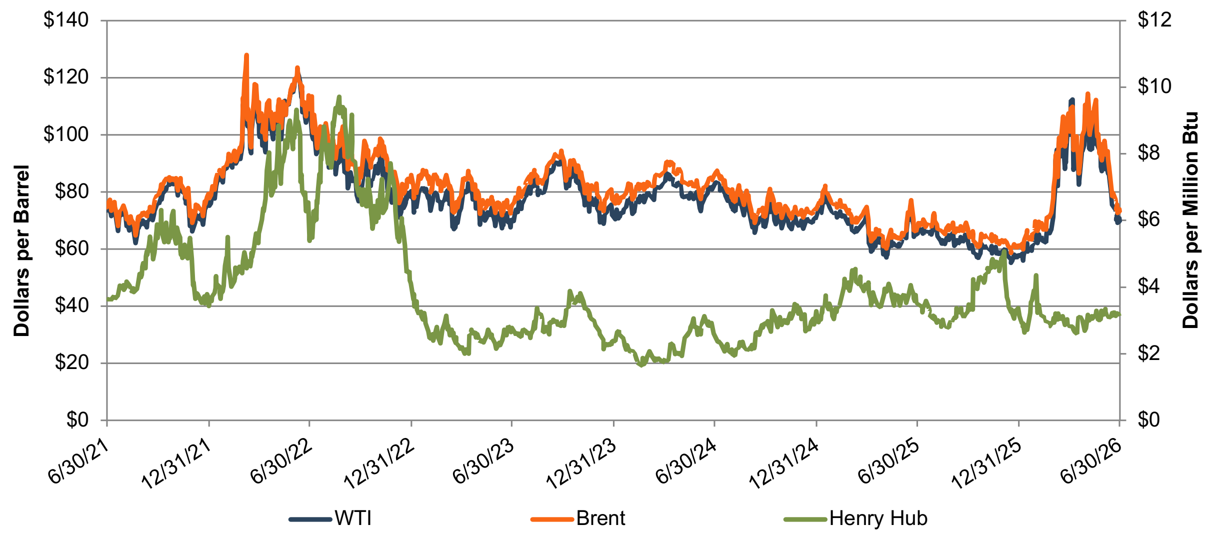
Learn More about Mercer Capital & our Oil and Gas Industry Services at **mer.cr/oilgas**

Oil and Gas Commodity Prices

Oil prices, represented by the WTI and Brent benchmarks, declined gradually with modest volatility through the second half of 2025 before beginning a gradual recovery in mid-December 2025. WTI declined from $65.11/bbl on June 30, 2025 to $55.90/bbl on January 7, 2026, while Brent fell from $66.74/bbl to $59.96/bbl over the same period. The benchmarks then recovered gradually through late February before surging from $67.02 (WTI) and $72.87 (Brent) on February 27 to $94.77 and $93.72, respectively, on March 9, representing increases of 41% for WTI and 29% for Brent. The sharp increase followed U.S. military strikes on Iran intended to impede Iran's nuclear weapons program, which raised concerns over potential disruptions to crude oil shipments through the Strait of Hormuz. Oil prices remained considerably more volatile over the balance of the review period as continued U.S.-Iran hostilities and concerns over the security of crude oil shipments through the Strait of Hormuz influenced market expectations. During this period, WTI traded between $69 and $113 per barrel, while Brent ranged from $72 to $115.

Crude Oil and Natural Gas Prices



Source: Capital IQ

Oil and Gas Commodity Prices

(cont.)

Natural gas pricing, represented by the Henry Hub benchmark, showed its usual fourth quarter to first quarter volatility and subdued second to third quarter volatility over the review period. However, 2Q 2026 volatility was a bit lower relative to the second quarter in recent years.

Henry Hub rose from $3.21/MMBtu in late September 2025 to $5.06/MMBtu during the first week of December due to typical weather-related demand increases, a late-November to early-December polar vortex event, and rising LNG export demand.

A marked shift in winter weather expectations led to a sharp decline from the early December review period high point to a near review period low at $2.63/MMBtu in early January. Winter Storm Fern led to a short spike in late January with Henry Hub front-month future pricing hitting its year-to-date 2026 high point at $4.35/MMBtu. From late February through the end of the review period, Henry Hub traded within a relatively narrow range of $2.60/MMBtu to $3.34/MMBtu, ending the review period at $3.19/MMBtu.

The EIA noted that relatively high natural gas inventories helped limit price volatility over the March to June period.

Macro Update

The Pendulum Is Swinging: Reserve Life Matters Again

By: Bryce Erickson, ASA, MRICS

For much of the shale era, upstream oil and gas valuations were driven by profitability, cash flows and return of capital to investors. Following the pandemic, the pendulum swung even more sharply as oil and gas prices plummeted. Debt reduction became fashionable; growth became suspect and management teams increasingly prioritized dividends and buybacks over drilling. Now the pendulum appears to be moving again.

While earnings, free cash flow and capital discipline remain critical valuation drivers, investors are placing greater emphasis on a question that has become increasingly important as the shale industry matures: How long can those cash flows be sustained? The answer often lies in reserve life and drilling inventory.

As consolidation continues and premium drilling locations become scarcer, companies with deep inventories of high-quality reserves are increasingly commanding valuation premiums. In many respects, reserve life matters (again). This is a change. I wrote an **article in 2022** about reserves being a footnote in investor presentations. Not as much anymore.

The Shale Industry Is No Longer Young

The shale revolution transformed the North American oil and gas industry starting in the mid-2000s with gas (think Barnett Shale) and accelerating in the early 2010s in oil (think Delaware Basin). Technological advances in horizontal drilling and hydraulic fracturing unlocked enormous amounts of hydrocarbons and created decades of production growth.

For years, investors focused heavily on operational execution because inventory seemed almost limitless. New acreage positions were continually acquired, drilling techniques improved and operators found ways to increase recoveries while lowering costs. Today, the industry looks different.

The best acreage remains highly valuable, but the inventory of top-tier drilling locations is no longer expanding. Enverus **estimated** in April that there were 55,000 locations with break evens below $50 per barrel left in the Permian Basin. This reality has become increasingly evident in merger and acquisition activity over the past several years.

Large-scale transactions have often been justified by future drilling opportunities as much as current production. Buyers are no longer simply acquiring barrels. They are acquiring years, and in some cases decades, of future development opportunities. That distinction matters.

Macro Update

The Pendulum Is Swinging: Reserve Life Matters Again

(cont.)

Duration Is Becoming A Valuation Metric

Valuation is ultimately a reflection of future cash flows. Investors are not simply purchasing current earnings. They are purchasing expectations regarding future earnings.

A producer capable of generating attractive returns for 20 years should theoretically deserve a different valuation than a producer facing inventory exhaustion in seven or eight years. As a result, reserve life and inventory depth are becoming more prominent discussion points among management teams and investors alike.

Investor presentations increasingly highlight inventory duration alongside traditional metrics such as production volumes, free cash flow generation and leverage ratios. As of the date when this article was originally published, natural gas producer EQT emphasized approximately 30 years of de-risked inventory. Diamondback Energy highlighted nearly 9,000 economic drilling locations and estimated almost two decades of low-cost inventory at the current development pace. Permian Resources similarly pointed to more than 15 years of inventory depth as a strategic advantage. These are not accidental disclosures. They are signals regarding what management teams believe investors value. The message is straightforward: long-duration inventory creates optionality, flexibility and sustainability.

Why Multiples Are Expanding For Certain Companies

One of the more interesting developments in public markets has been the divergence in earnings multiples between companies with stronger inventory positions and those with less visible long-term development opportunities. Natural gas producers provide a useful example.

Despite periods of weak commodity prices, several Appalachian producers have maintained valuation multiples well above historical norms. Investors appear willing to look beyond short-term earnings volatility because they see substantial future development opportunities tied to LNG growth, power demand expansion and long-duration reserve positions.

Last year, Appalachian producers were trading at EBITDA multiples that were materially **higher** than historical averages even as current earnings declined. Investors were effectively discounting future cash flows rather than focusing solely on near-term profitability. The market was valuing what these companies could become rather than merely what they currently earned. The same principle increasingly applies across the broader upstream industry.

Macro Update

The Pendulum Is Swinging: Reserve Life Matters Again

(cont.)

Companies possessing long reserve lives and premium inventory can receive greater benefit of the doubt during commodity downturns because investors believe they can generate attractive returns over longer periods. Those with shorter inventory runways face more scrutiny regarding reserve replacement, future capital requirements and long-term production sustainability.

Quality Matters More Than Quantity

Reserve life alone is not enough. A company may possess decades of inventory, but if that inventory requires elevated commodity prices to generate acceptable returns, investors are unlikely to award a premium multiple.

Instead, the market increasingly differentiates between inventory quantity and inventory quality.

The most valuable inventory tends to possess several characteristics. It generates attractive returns at conservative commodity prices. It can compete for capital across multiple commodity cycles. It requires relatively modest reinvestment to sustain production. Most importantly, it remains economically viable even when market conditions become challenging.

In other words, investors are not simply paying for years of inventory. They are paying for years of high-quality inventory.

That distinction helps explain why acquisition premiums have begun returning to the oil patch. Buyers are increasingly competing for acreage positions that combine scale, inventory depth and economic durability. As the number of those opportunities declines, the value assigned to them naturally rises.

A Return To Long-Term Thinking

Perhaps the most significant implication of this trend is that investors appear to be extending their time horizons again.

The years immediately following the pandemic were dominated by balance sheet repair, dividend growth and share repurchases. Those priorities remain important. However, as many companies have successfully reduced leverage and strengthened financial positions, investors have become more willing to focus on longer-term questions.

Macro Update

The Pendulum Is Swinging: Reserve Life Matters Again

(cont.)

How sustainable is production?

How long can free cash flow remain attractive?

How difficult will it be to replace reserves?

How much high-quality inventory remains?

These questions all lead back to the same place…

Reserve life.

The industry's valuation pendulum has swung from growth at all costs to free cash flow discipline and now increasingly toward duration. Investors are not abandoning earnings and cash flow analysis. Rather, they are assigning greater value to the sustainability of those earnings and cash flows.

As premium drilling locations continue to become scarcer and consolidation removes more acquisition targets from the marketplace, companies with long-duration, high-quality reserve bases may continue to command stronger valuation multiples.

The market is no longer asking only how much cash flow a company generates. It is increasingly asking how long that cash flow can last.

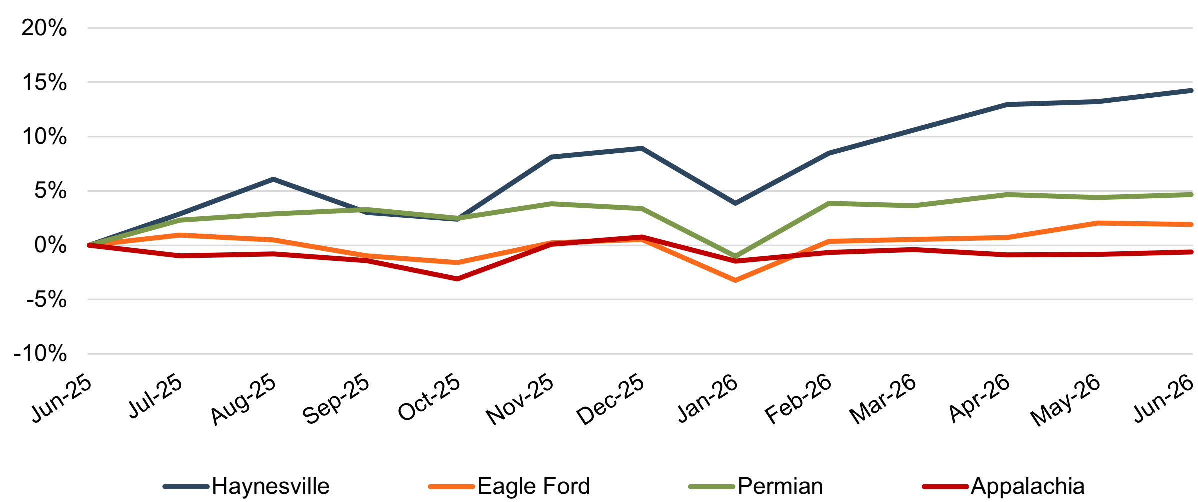
Permian Basin

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 the Permian.

Permian production (on a barrels of oil equivalent, or "boe" basis) increased 4.7% year-over-year (YoY) through June 2026, rising from 11.1 mmboe/d in June 2025 to 11.7 mmboe/d in June 2026. Production in the nation's most prolific basin posted relatively steady gains through the second half of 2025 before dipping modestly in January 2026 to 11.0 mmboe/d, due in part to winter weather that temporarily disrupted oil and gas operations across West Texas. Production recovered in February to 11.6 mmboe/d and remained generally stable through June 2026, averaging 11.6 mmboe/d and ending the review period at 11.7 mmboe/d.

1-Year Change in Production



Source: Energy Information Administration

Permian Basin

Production and Activity Levels

(cont.)

The Permian posted the second-highest YoY production growth among the four basins covered, trailing only the Haynesville. Haynesville production increased a very strong 14.3% YoY, rising from 2.4 mmboe/d in June 2025 to 2.8 mmboe/d in June 2026. Although Haynesville production fluctuated during the first seven months of the review period, ranging from approximately 2.4 mmboe/d to 2.6 mmboe/d, it increased steadily from February through June 2026, reaching its highest level at the end of the review period. The stronger production growth during the final five months of the review period was driven largely by improving natural gas prices, increased drilling activity, and continued development in anticipation of expanding Gulf Coast LNG export capacity. The Eagle Ford posted a modest 1.9% increase while Appalachia posted the only decline at (0.6%). Unlike the Permian and Haynesville, both the Eagle Ford and Appalachia experienced comparatively modest variation in monthly production levels over the review period.

The Permian posted the only YoY decline in rig count among the four basins covered, ending the review period with 258 active rigs, down 5.0% from 271 rigs in June 2025. Permian rig activity declined gradually through February 2026, reaching 238 active rigs, before recovering modestly over the remainder of the review period to finish at 258 rigs. The relatively modest decline in Permian rig activity reflects continued capital discipline among operators, who remained focused on drilling efficiencies, productivity improvements, and shareholder returns while sustaining production growth with fewer active rigs.

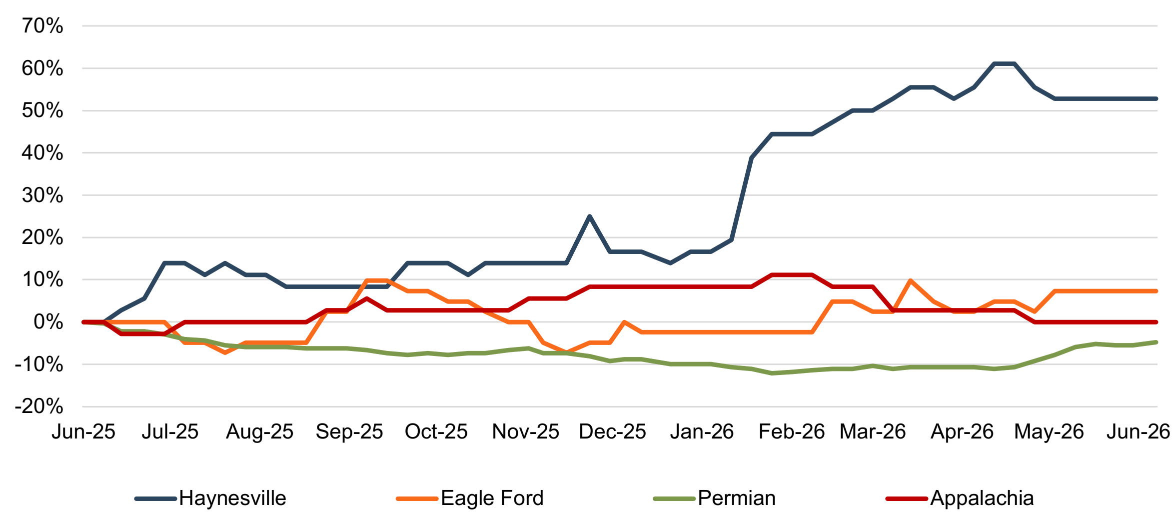
Permian Basin

Production and Activity Levels

(cont.)

The Haynesville posted by far the strongest YoY rig count growth, increasing 53% from 36 active rigs in June 2025 to 55 rigs in June 2026. Haynesville rig activity increased gradually through the first half of the review period before jumping by 20% in February 2026 and continuing generally higher through April. The increase in Haynesville drilling activity reflected improving drilling economics supported by expectations for stronger natural gas demand from expanding Gulf Coast LNG export capacity, together with an improved natural gas price outlook. The Eagle Ford posted a modest 7% YoY increase, rising from 41 to 44 active rigs, while Appalachia remained comparatively stable throughout the review period, ending at 36 active rigs, unchanged from a year earlier.

1-Year Change in Rig Count



Source: Baker Hughes

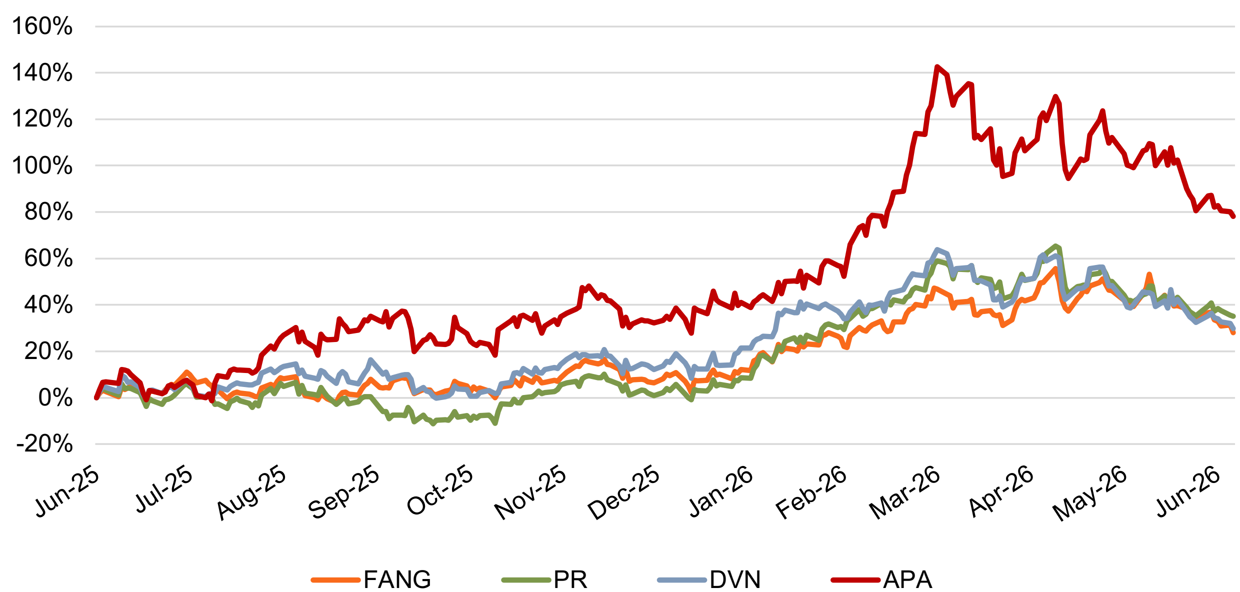
Permian Basin

Financial Performance

The Permian public company group posted strong one-year stock price performance through June 2026 with price gains ranging from 28% to 78%. The gains were fairly consistent among Diamondback Energy (FANG), Permian Resources (PR), and Devon Energy (DVN) ranging from 28% to 35%. APA Corporation (APA) substantially outperformed the peer group, with a group high 78% appreciation over the period while generally following the same directional price movements as the other three companies, albeit with considerably greater magnitude of price movements. APA's larger price movements likely reflect the greater proportion of its equity value attributable to future production growth and development projects, particularly GranMorgu offshore Suriname, compared to peers whose valuations are more heavily supported by existing producing assets and current operating cash flows.

Share prices for the Permian peer group generally traded within a relatively narrow range through the first half of the review period, reflecting a comparatively stable commodity price environment. Volatility increased markedly during the last four months of the review period as rising geopolitical tensions in the Middle East raised oil price volatility.

1-Year Change in Stock Price



Source: Capital IQ

Market Valuations & Transaction History

Overview

The Permian Basin remains the premier oil and gas producing region in the United States and continues to attract capital from strategic buyers, financial investors, and infrastructure providers. However, the nature of Permian M&A has evolved significantly following the transformational consolidation that occurred during 2023 and 2024.

Large-scale transactions, including ExxonMobil's acquisition of Pioneer Natural Resources and Diamondback Energy's acquisition of Endeavor Energy Resources, reshaped the competitive landscape by consolidating some of the basin's largest remaining privately held positions. As a result, the universe of available large-scale upstream acquisition targets has become more limited.

Against this backdrop, M&A activity during the twelve months ended June 30, 2026 was focused primarily on assets where buyers could achieve strategic advantages through scale, operational efficiencies, or enhanced exposure to long-lived cash flows. Rather than pursuing growth at any cost, buyers demonstrated continued discipline by targeting assets with high-quality drilling inventory, established infrastructure, attractive production profiles, long-term development potential, and opportunities to generate operating synergies.

Market Valuations & Transaction History

Transaction Activity (July 2025 - June 2026)

The following transactions highlight the types of opportunities attracting buyer interest during the review period.

Date	Buyer	Seller / Asset	Transaction Type	Consideration
June 2026 (Closed)	Kimbell Royalty Partners LP	Mesa Royalties mineral and royalty interests	Mineral and royalty acquisition	Approximately $145.9 million
May 2026 (Closed)	Devon Energy Corporation	16,300 net undeveloped acres of Delaware Basin acreage in Lea and Eddy Counties from Bureau of Land Management Sale	Delaware Basin undeveloped acreage acquisition	$2.6 billion
May 2026 (Closed)	Matador Resources Company	5,154 Net Undeveloped Acres in the Core of the Delaware Basin from Bureau of Land Management Sale	Delaware Basin undeveloped acreage acquisition	$1.1 billion
May 2026 (Announced)	Viper Energy, Inc.	Riverbend Oil & Gas IX, L.L.C.	Corporate M&A (Mineral and Royalty)	$337 million in cash + 3.7 million shares of Class A common stock
March 2026 (Closed)	Battalion Oil Corporation	RoadRunner Resource Holding LLC	Delaware Basin acreage acquisition	485,000 shares of common stock
February 2026 (Closed)	Undisclosed	Northern Midland Basin Assets of EOG Resources, Inc.	Property/acreage acquisition	$165 million
February 2026 (Closed)	MCM Delaware Resources, LLC	West Quito Draw Properties from Battalion Oil Corporation	Property/acreage acquisition	$63 million
January 2026 (Closed)	Targa Resources Corporation	Stakeholder Midstream LLC	Midstream gathering, processing, and treating assets	$1.25 billion
December 2025 (Closed)	Crescent Energy Company	Vital Energy, Inc.	Corporate E&P merger / all-stock acquisition	$3.1 billion
December 2025 (Closed)	Targa Northern Delaware LLC	Dovetail Midstream, LLC	Midstream infrastructure acquisition	$171 million
September 2025 (Closed)	MPLX LP	Northwind Midstream Partners LLC	Midstream natural gas and NGL assets acquisition	$2.4 billion

Market Valuations & Transaction History

(cont.)

Key Transactions

Devon Energy – Delaware Basin BLM Acquisition

Devon Energy strengthened its position in the Delaware Basin through the acquisition of **approximately** 16,300 net undeveloped acres in Lea and Eddy Counties, New Mexico, through a Bureau of Land Management lease sale for approximately $2.6 billion.

Unlike many recent Permian transactions involving existing production, Devon's acquisition focused entirely on undeveloped acreage, highlighting the premium that buyers continue to place on high-quality drilling inventory. The acreage complements Devon's existing Delaware Basin operations and provides additional long-term development opportunities in one of the basin's most productive areas.

The transaction demonstrates that operators remain willing to commit significant capital for strategic inventory additions that extend drilling runway and support future production growth, particularly where the acreage can be integrated into an existing operating footprint.

Matador Resources – Delaware Basin BLM Acquisition

Matador Resources expanded its core Delaware Basin position through the acquisition of **approximately** 5,154 net undeveloped acres in a Bureau of Land Management lease sale for approximately $1.1 billion.

The acquisition reinforces the industry's continued focus on securing premium undeveloped acreage capable of supporting long-term development programs. By adding acreage adjacent to its existing operations, Matador has the opportunity to enhance operational efficiencies through longer laterals, optimized development planning, and improved infrastructure utilization.

The transaction reflects the continued scarcity of high-quality undeveloped inventory in the Permian Basin and, like the Devon Energy transaction, illustrates the premiums strategic operators are willing to pay for acreage that strengthens existing core positions.

Market Valuations & Transaction History

(cont.)

Viper Energy – Riverbend Oil & Gas IX

In May 2026, Viper Energy **announced** the acquisition of Riverbend Oil & Gas IX, L.L.C. for approximately $337 million in cash and approximately 3.7 million shares of Viper Energy's Class A common stock, further expanding its portfolio of Permian Basin mineral and royalty interests.

The acquisition reflects continued demand for royalty assets, which provide exposure to production growth without the capital requirements and operational risks associated with working-interest ownership. As consolidation among operators continues, mineral and royalty companies remain active buyers of high-quality interests that generate durable cash flows.

The transaction highlights the continued attractiveness of royalty assets as investors seek diversified exposure to the Permian Basin's long-term development while maintaining a capital-light business model.

Uncertainty around forward price expectations has further complicated underwriting assumptions, particularly for assets with higher decline rates or limited remaining inventory.

Crescent Energy – Vital Energy

In December 2025, Crescent Energy completed its **approximately** $3.1 billion all-stock acquisition of Vital Energy, creating a larger, more diversified Permian-focused exploration and production company.

The combination significantly expanded Crescent's operated acreage and drilling inventory across its Permian position, while creating opportunities for operational synergies through greater scale, improved capital allocation, and enhanced development efficiency. The transaction also reflects the ongoing trend of consolidation among public E&P companies seeking to improve inventory quality and lower per-unit operating costs.

As the inventory of large private acquisition targets continues to shrink, combinations between established public operators remain an important avenue for creating long-term shareholder value through increased scale and operational efficiencies.

Market Valuations & Transaction History

(cont.)

Battalion Oil – RoadRunner Resource Holding

We touch upon the Battalion Oil – RoadRunner Resource Holding transaction to highlight that it is still possible for smaller operators to pursue acreage consolidation opportunities, although these are becoming increasingly scarce.

In March 2026, Battalion Oil completed the acquisition of **approximately** 7,090 net acres in Ward County, Texas from RoadRunner Resource Holding LLC. The transaction expanded Battalion's Monument Draw position in the Delaware Basin and increased its contiguous operating footprint. Consideration consisted of 485,000 shares of Battalion common stock.

The acquisition reflects a recurring theme in the Permian market: operators are increasingly focused on improving the quality and efficiency of existing positions rather than simply increasing acreage.

Contiguous acreage positions can provide meaningful advantages through longer laterals, reduced operating complexity, improved drilling schedules, and more efficient infrastructure utilization.

Valuation Considerations

The Permian Basin continues to command premium valuations relative to many other U.S. producing regions. However, valuation differences between asset types have become increasingly pronounced.

Tier 1 Acreage Remains Highly Valuable

The market continues to place a premium on acreage with established production history, extensive drilling inventory, favorable reservoir characteristics, access to existing infrastructure, and active operator development. As the highest-quality inventory becomes increasingly concentrated among larger operators, incremental acquisitions are generally evaluated based on their strategic fit rather than simply the number of acres acquired.

Strategic Fit Drives Premiums

Recent transactions demonstrate that buyers remain willing to pay premium valuations when acquisitions provide clear operational or financial advantages. For upstream assets, these benefits often include adjacency to existing leasehold positions, lower development costs, improved drilling efficiency, and deeper inventory of economic drilling locations.

Market Valuations & Transaction History

(cont.)

Market Selectivity Remains High

Despite continued interest in the Permian Basin, buyers remain selective. Higher interest rates, commodity price volatility, and investor expectations for capital discipline have limited appetite for acquisitions lacking a clear strategic rationale.

Outlook

The Permian Basin is expected to remain one of the most active energy transaction markets in the United States. However, the next phase of M&A is likely to differ from the consolidation cycle of recent years.

Future activity is expected to center on several areas, including smaller upstream bolt-on acquisitions, mineral and royalty portfolio transactions, private company exits, and ongoing portfolio optimization by larger operators.

The Permian Basin remains a premier energy asset, but the market has transitioned from broad consolidation toward targeted transactions focused on improving asset quality, strengthening cash flows, and maximizing operational efficiency.

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 6/30/2026			
Company Name	**Ticker**	**6/30/2026 Enterprise Value**	**YoY % Change in Stock Price**	**EBITDAX Margin**	**R/P Ratio (Years)**	**Daily Oil Equiv. Production (mboe/d)**	**EV/ EBITDAX**	**Price per Flowing Barrel***
Global Integrated								
Exxon Mobil Corp	XOM	$612,471	26.8%	23.8%	9.1	4,659	6.4x	$131,465
Shell PLC	SHEL	270,593	11.2%	22.0%	7.1	2,406	3.8	112,482
Chevron Corp	CVX	373,536	15.8%	34.5%	2.7	4,076	4.7	91,650
BP PLC	BP	155,451	23.7%	20.2%	7.6	2,264	3.5	68,662
Equinor ASA	EQNR	90,410	25.5%	39.5%	6.1	2,126	2.0	42,521
Group Median			**23.7%**	**23.8%**	**7.1**	**2,406**	**3.8x**	**$91,650**
Global E&P								
ConocoPhillips	COP	$143,618	15.8%	43.1%	7.5	2,319	4.6	$61,930
Occidental Petroleum Corporation	OXY	70,024	15.6%	62.1%	2.2	1,442	4.2	48,551
Murphy Oil Corporation	MUR	6,723	44.7%	65.4%	5.6	175	3.1	38,387
Group Median			**15.8%**	**62.1%**	**5.6**	**1,442**	**4.2x**	**$48,551**

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-Ks 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	6/30/2026 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	R/P Ratio (Years)	Daily Oil Equiv. Production (mboe/d)	EV/ EBITDAX	Price per Flowing Barrel*
					as of 6/30/2026			
Permian Basin								
Diamondback Energy, Inc.	FANG	$69,340	27.9%	74.1%	5.5	983	5.1x	$70,535
Permian Resources Corporation	PR	18,948	35.2%	74.2%	6.7	417	3.9	45,454
Devon Energy Corporation	DVN	54,591	29.9%	52.7%	4.0	1,664	3.6	32,804
APA Corporation	APA	16,698	78.1%	70.0%	5.9	437	2.6	38,174
Group Median			**32.5%**	**72.0%**	**5.7**	**710**	**3.7x**	**$41,814**
Eagle Ford								
EOG Resources, Inc.	EOG	$73,555	8.5%	60.9%	10.3	1,408	4.2x	$52,233
Magnolia Oil & Gas Corporation	MGY	5,019	13.8%	73.9%	5.0	106	4.1	47,342
Crescent Energy Company	CRGY	8,485	14.2%	58.2%	7.4	328	2.9	25,855
Group Median			**13.8%**	**60.9%**	**7.4**	**328**	**4.1x**	**$47,342**

Source: Capital IQ

- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Price per Daily MCFE is EV/ daily production ($/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.*
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Appendix A

Selected Public Company Information

					as of 6/30/2026			
Company Name	Ticker	6/30/2026 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	R/P Ratio (Years)	Daily Oil Equiv. Production (mboe/d)	EV/ EBITDAX	Price per Flowing Barrel*
Haynesville								
Expand Energy Corporation	EXE	$24,654	-22.0%	61.2%	6.4	7,512	4.3x	$3,282
Comstock Resources, Inc.	CRK	7,710	-46.1%	62.8%	20.2	1,340	5.8	5,756
Group Median			**-34.0%**	**62.0%**	**13.3**	**4,426**	**5.1x**	**$4,519**
Appalachia								
Range Resources Corporation	RRC	$9,741	-8.6%	48.4%	7.4	2,445	5.6x	$3,984
EQT Corporation	EQT	42,591	-8.8%	67.2%	2.9	6,403	7.0	6,652
Antero Resources Corporation	AR	15,798	-12.8%	43.5%	15.1	4,209	5.6x	$3,984
Group Median			**-8.8%**	**48.4%**	**7.4**	**4,209**	**6.6x**	**$5,830**
OVERALL MEDIAN			**15.7%**	**59.5%**	**6.6**	**N/A**	**4.2x**	**N/A**

Source: Capital IQ

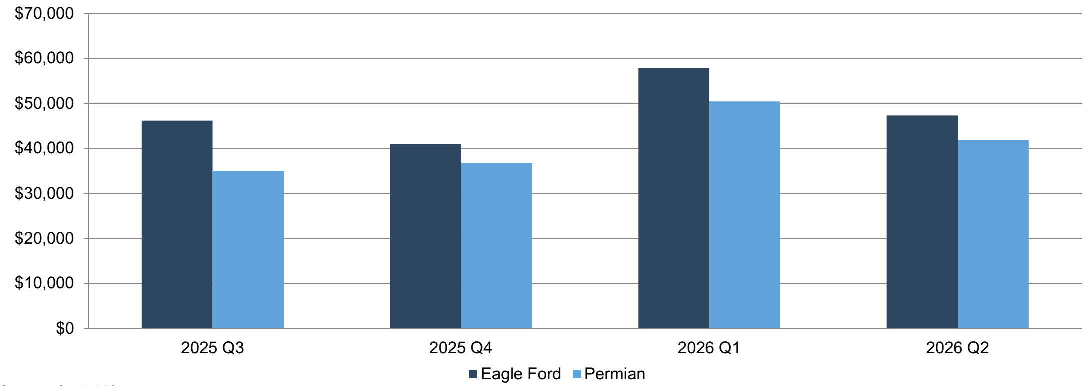
- *Price per Daily MCFE is EV/ daily production ($/mcfe/d). Market data per Capital IQ. EBITDAX and daily production based on consensus estimates per Capital IQ*
- *Companies included in the Guideline Group are not meant to be an exhaustive list. The selected companies' market caps exceed $1 billion and/or revenues exceed $500 million.*
- *We review 10-Ks 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

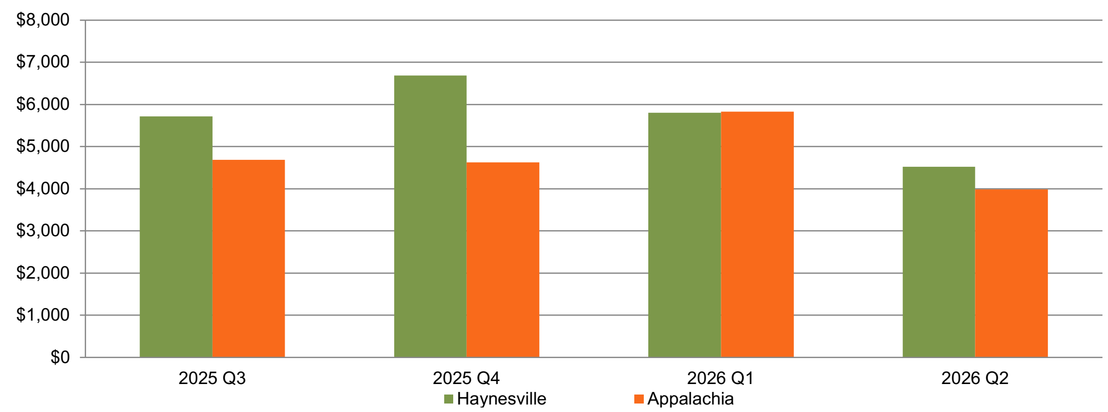
The following graphs depict the median of EV/production multiples from Q3 2025 through Q2 2026. The production multiples are segregated in the graphs by primarily oil-producing regions ($/boe/d) and primarily gas-producing regions ($/mcfe/d).

Price per Flowing Barrel



Source: Capital IQ

Price per Daily MCFE



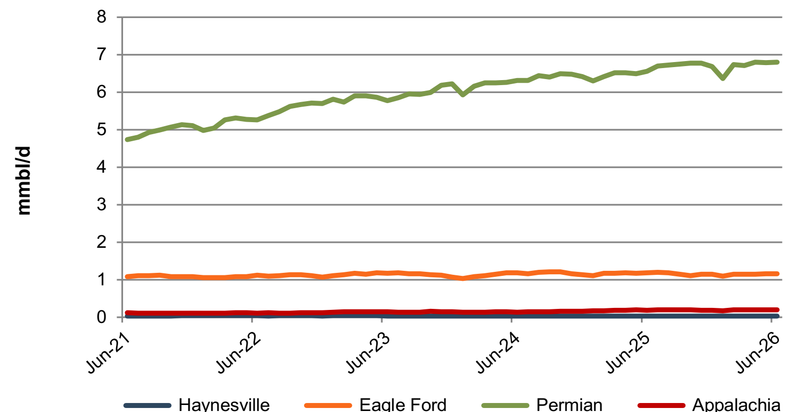
- *Price per Flowing Barrel is EV/ daily production ($/boe/d). Price per Daily MCFE is EV/ daily production ($/mcfe/d). EBITDAX and daily production based on consensus estimates per Capital IQ*
- *This is simply a graphic depiction of the median figures of our selected public companies for each region. 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.*

Appendix B

Production

Daily Production of Crude Oil

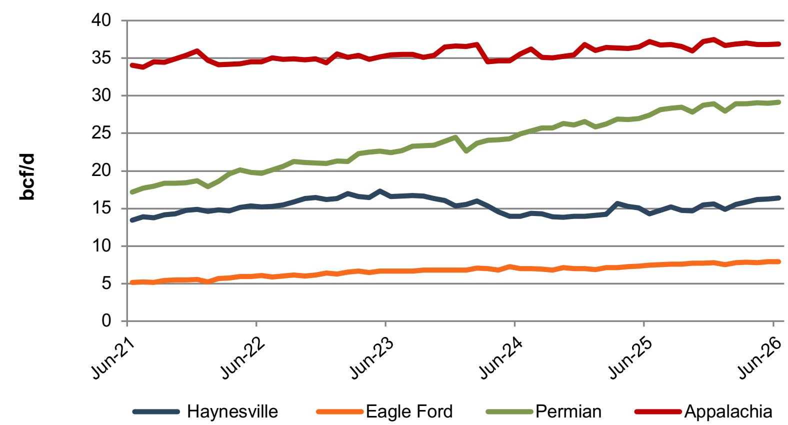
Oil production was largely flat in the Permian and Eagle Ford year-over-year, with production rates increasing 3.7% in the Permian and decreasing 2.2% in the Eagle Ford over the twelve months through June 2026.



Source: EIA

Daily Production of Natural Gas

The Haynesville led the analyzed regions in natural gas production growth in the twelve months through Q2 2026, increasing 14.5%. Natural gas production in the Permian and Eagle Ford rose 6.0% and 5.8% higher than a year ago, respectively, while production in the Appalachian Basin contracted slightly, decreasing by 0.9%.



Source: EIA

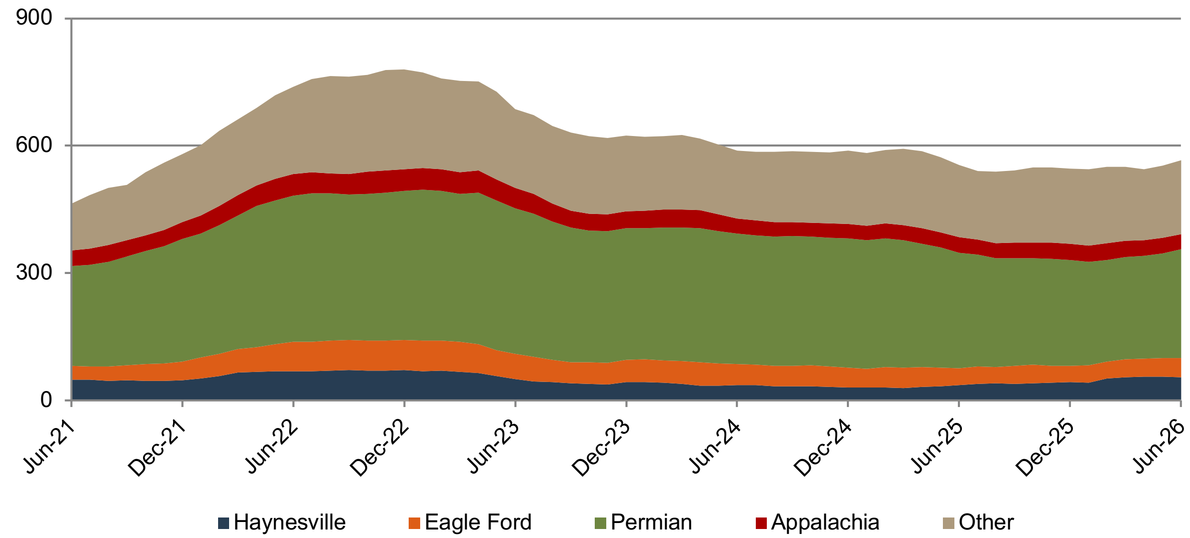
Appendix C

Rig Count

Baker Hughes collects and publishes information regarding active drilling rigs in the United States 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. during June 2026 averaged 565, an increase of 2.1% from 554 in June 2025. Of the four regions covered, only the Permian had a lower rig count from a year ago, with the average number of rigs in June about 6% lower. Meanwhile, the average rig count in the Haynesville surged from 36 in June 2025 to 55 in June 2026, a 55% increase over the twelve-month period. Rig count in the Eagle Ford was 8.6% higher than a year ago, while Appalachian rig count held flat at 36 rigs.

Rig Count by Region

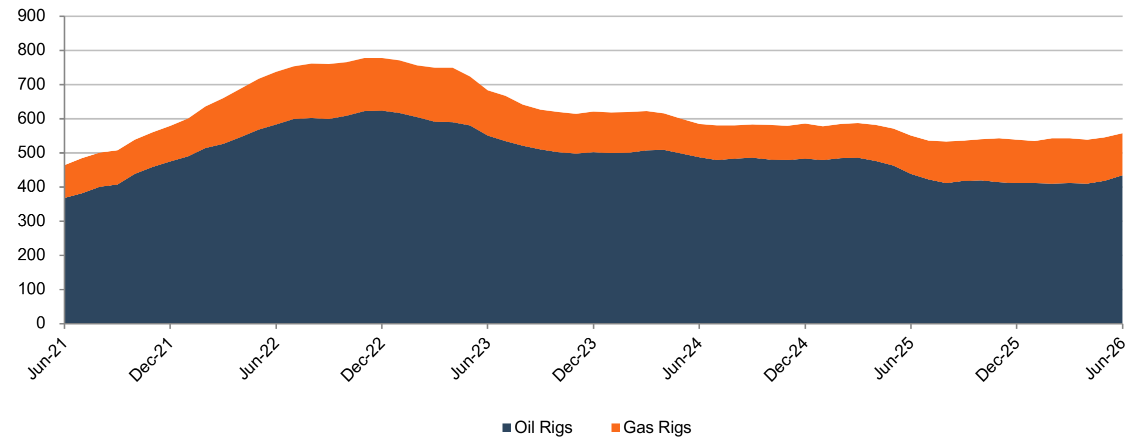


Source: Baker Hughes

Appendix C

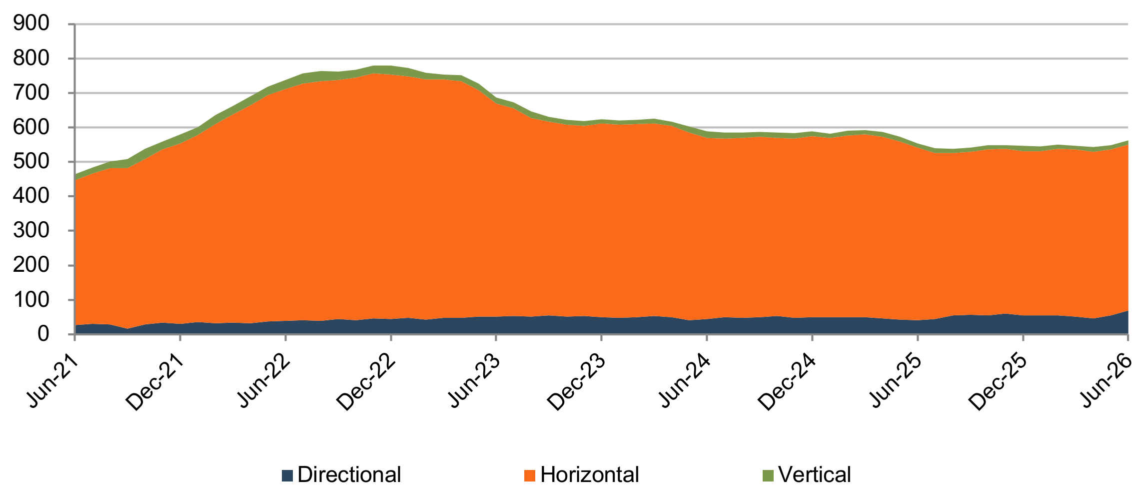
Rig Count

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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