UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
For the month of February 2025
Commission File Number: 001-41870

DIVERSIFIED energy

Diversified Energy Company PLC

(Translation of registrant's name into English)
1600 Corporate Drive
Birmingham, Alabama 35242
(Address of principal executive office)
Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F ☒ Form 40-F ☐

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE PROSPECTUS INCLUDED IN THE REGISTRATION STATEMENT ON FORM S-8 (FILE NO. 333-276139) OF DIVERSIFIED ENERGY COMPANY PLC, AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

EXPLANATORY NOTE

On January 24, 2025, Diversified Energy Company PLC (the "Company") entered into a merger agreement by and among Maverick Natural Resources, LLC ("Maverick"), Remington Merger Sub, LLC, and for certain provisions therein, Diversified Gas & Oil Corporation and EIG Management Company, LLC, to acquire Maverick, a portfolio company of EIG. This Form 6-K provides certain financial statements of Maverick and pro forma financial information of the Company.

In addition, on February 11, 2025, the Company issued a press release containing an update on its business activity for the year ended December 31, 2024, and details regarding its annual results conference call. A copy of the Company's press release is attached hereto as Exhibit 99.5.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Audited Financial Statements of Maverick Natural Resources, LLC as of December 31, 2023 and 2022 and for the years ended December 31, 2023 and 2022
99.2	Unaudited Interim Financial Statements of Maverick Natural Resources, LLC as of September 30, 2024 and December 31, 2023 and for the nine months ended September 30, 2024 and 2023
99.3	Unaudited Pro Forma Condensed Combined Financial Information of Diversified Energy Company PLC as of June 30, 2024 and for the six months ended June 30, 2024 and the year ended December 31, 2023
99.4	Consent of PricewaterhouseCoopers LLP
99.5	Press Release, dated February 11, 2025

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Diversified Energy Company plc
February 11, 2025	By: /s/ Bradley G. Gray
Date	Bradley G. Gray President & Chief Financial Officer

Exhibit 99.1

Maverick Natural Resources, LLC and Subsidiaries

Consolidated Financial Statements
December 31, 2023 and 2022

Report of Independent Auditors

To the Board of Managers of Maverick Natural Resources, LLC

Opinion

We have audited the accompanying consolidated financial statements of Maverick Natural Resources, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
April 29, 2024

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

(in thousands of dollars)	December 31, 2023	2022
Assets		
Current assets		
Cash	$ 53,263	$ 10
Restricted cash - current	31,936	3,232
Accounts receivable, net	140,260	197,228
Derivative instruments	46,503	1,051
Inventory	2,209	1,806
Prepaid expenses and other current assets	7,089	8,244
Total current assets	281,260	211,571
Property, plant and equipment		
Oil and natural gas properties	2,674,820	2,426,672
Other property, plant and equipment	110,888	77,230
Property, plant and equipment	2,785,708	2,503,902
Accumulated depletion, depreciation, and impairment	(1,097,788)	(876,451)
Property, plant and equipment, net	1,687,920	1,627,451
Other long-term assets		
Restricted cash	–	13,564
Derivative instruments	48,018	4,354
Operating lease right-of-use assets	12,362	5,136
Other long-term assets	35,577	38,449
Total assets	$ 2,065,137	$ 1,900,525
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 272,637	$ 340,393
Current portion of long-term debt	113,773	717
Derivative instruments	98	99,302
Current portion of asset retirement obligation	7,282	5,060
Operating lease obligations - current	841	3,606
Total current liabilities	394,631	449,078
Long-term debt	697,405	411,920
Derivative instruments	3,994	8,330
Asset retirement obligation	242,391	248,221
Operating lease obligations - noncurrent	25,316	2,112
Other long-term liabilities	29,501	25,715
Total liabilities	1,393,238	1,145,376
Members' equity	671,899	755,148
Total liabilities and equity	$ 2,065,137	$ 1,900,525

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

(in thousands of dollars)	Twelve Months Ended December 31, 2023	2022
Revenues and other income items		
Oil revenues	$ 619,524	$ 720,668
Natural gas revenues	161,054	413,234
NGL revenues	113,320	202,239
Oil, natural gas and NGL revenues	893,898	1,336,141
Gain (loss) on commodity derivative instruments	145,934	(262,083)
Other revenues, net	83,492	106,945
Total revenues and other income items	1,123,324	1,181,003
Operating costs and expenses		
Operating costs	488,261	576,482
Depletion, depreciation and amortization	166,488	148,659
Impairment of oil and natural gas properties	66,785	118,839
General and administrative expenses	83,318	61,326
Restructuring costs	1,631	283
(Gain) loss on sale of assets	(1,090)	(1,142)
Total operating costs and expenses	805,393	904,447
Operating income	317,931	276,556
Interest expense	62,176	25,109
Other income, net	(1,130)	(230)
Total other expense (income)	61,046	24,879
Income before taxes	256,885	251,677
Income tax expense (benefit)	604	1,070
Net income	$ 256,281	$ 250,607

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Members' Equity
Years Ended December 31, 2023 and 2022

(in thousands of dollars)	Outstanding Common Units	Common Equity	Total Members' Equity
Balances, December 31, 2021	**2,894**	**$ 624,567**	**$ 624,567**
Unit-based compensation	–	256	256
Units issued under unit-based compensation awards, net of tax withholdings	2	(57)	(57)
Net income	–	250,607	250,607
Redemption of units	–	(21)	(21)
Distributions	–	(120,000)	(120,000)
Other	–	(204)	(204)
Balances, December 31, 2022	**2,896**	**$ 755,148**	**$ 755,148**
Unit-based compensation	–	327	327
Units issued under unit-based compensation awards, net of tax withholdings	2	1,987	1,987
Net income	–	256,281	256,281
Redemption of units	(1)	(1,548)	(1,548)
Distributions	–	(340,000)	(340,000)
Other	–	(296)	(296)
Balances, December 31, 2023	**2,897**	**$ 671,899**	**$ 671,899**

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

Thousands of dollars	Twelve Months Ended December 31, 2023	2022
Cash flows from operating activities		
Net income	$ 256,281	$ 250,607
Adjustments to reconcile cash flow from operating activities:		
Depletion, depreciation and amortization	166,488	148,659
Impairment of oil and natural gas properties	66,785	118,839
(Gain) loss on derivative instruments	(145,934)	262,083
Derivative instrument settlement payments	(46,722)	(370,798)
Deferred income taxes	(13)	(41)
Loss (gain) on sale of assets	(1,090)	(1,142)
Restructuring costs, net of payments	124	124
Write-off of debt issuance costs	5,649	2,374
Other	5,594	14,846
Changes in assets and liabilities:		
Accounts receivable and other assets	48,621	(73,512)
Inventory	(403)	(249)
Accounts payable and accrued expenses	(47,119)	78,153
Net cash provided by (used in) operating activities	308,261	429,943
Cash flows from investing activities		
Capital acquisitions, net	(17,968)	(544,065)
Capital expenditures	(286,420)	(241,633)
Proceeds from sale of assets	15,514	10,082
Net cash provided by (used in) investing activities	(288,874)	(775,616)
Cash flows from financing activities		
Distributions to common unitholders	(340,000)	(120,000)
Credit facility borrowings	355,000	753,000
Repayments of credit facility	(575,000)	(343,000)
Issuance of term debt	630,000	(22,250)
Long-term debt issuance costs	(18,488)	-
Redemption of common units	(1,548)	(507)
Principal payments on finance lease obligations	(958)	(375)
Other	-	(204)
Net cash (used in) provided by financing activities	49,006	266,664
(Decrease) increase in cash and restricted cash	68,393	(79,009)
Cash and restricted cash - beginning of period	16,806	95,815
Cash and restricted cash - end of period	$ 85,199	$ 16,806

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Maverick Natural Resources, LLC ("MNR" or "Parent") and its subsidiaries, including Maverick Asset Holdings LLC ("MAH"), newly formed Maverick ABS Holdco, LLC ("ABS Holdco"), and Maverick Services, LLC ("MAV Services"), (collectively, "Maverick," "we" or the "Company") is a Delaware limited liability company formed on March 22, 2018. We are a Houston, Texas-based oil and natural gas company focused on the development and production of long-lived oil and natural gas reserves throughout the United States. Our primary operations are in seven regions in the United States: East Texas, Mid-Continent (Western Oklahoma and Eastern New Mexico); Permian (West Texas); Rockies (Wyoming); Southeast (Southwest Florida, Florida Panhandle and Alabama); and Western Anadarko (Texas Panhandle and Southwestern Oklahoma).

On October 26, 2023, the Parent, through its consolidated subsidiaries, raised $640 million through an asset-backed securitization financing transaction. Several new subsidiaries were created including MNR ABS Holdings I, LLC ("ABS Holdings") and MNR ABS Issuer I, LLC ("ABS Issuer"). See Note 4 – Acquisitions and Divestitures – Transactions Between Entities Under Common Control and Note 10 – Debt for further discussion.

During 2022, the Company acquired certain producing properties in the Permian Basin and in the Western Anadarko Basin from two separate oil and gas companies in separate transactions. See Note 4 for further discussion.

During 2022, the Company divested properties in and the Midwest region. Certain Midwest divestitures resulted in the deconsolidation of entities. See Note 4 – Acquisitions and Divestitures for further discussion.

The Company operates its properties through its primary operating subsidiaries: Breitburn Operating, L.P. ("BOLP"), Unbridled Resources, LLC ("Unbridled"), and Maverick Permian, LLC.

In addition to our operating companies, the Company's subsidiaries include: (i) Wheeler Midstream, LLC, an oil terminal located in Wheeler County, TX, which purchases oil from both properties operated by Unbridled, a wholly owned entity, and third-party operated properties, (ii) MidPoint Midstream, LLC, a gas gathering operation located in Wheeler and Hemphill Counties, Texas and Roger Mills and Beckham Counties, Oklahoma, which gathers and compresses natural gas produced from Unbridled and third party operated properties, and (iii) Bluebonnet Resources, LLC, which acquired unproved acreage for development purposes.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Our consolidated financial statements include Maverick and our wholly owned or majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13''), which changes the impairment model for most financial assets. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL framework utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods, which generally require that a loss be incurred before it is recognized.

On January 1, 2023, the Company adopted the guidance applying the modified retrospective basis approach. The adoption of this standard did not have a material impact on the Company's consolidated financial statements as of the adoption date, January 1, 2023.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"), which provided optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that referenced LIBOR ("London Inter-Bank Offered Rate") or another rate. ASU 2020-04 was in effect through December 31, 2022. In January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope ("ASU 2021-01"), to provide clarifying guidance regarding the scope of Topic 848. ASU 2020-04 was issued to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848" ("ASU 2022-06"), which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. As of December 31, 2023, the Company's borrowings under its Credit Facility bear interest at an ABR or SOFR basis plus an applicable margin and the ABS loans have a fixed interest rate. At this time, the Company does not plan to enter into additional contracts using LIBOR as a reference rate. For additional information, see Note 10 – Debt.

In October 2021, the FASB issued ASU 2021-07, "Compensation – Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards" as a practical expedient to allow a nonpublic entity to determine the current price input of equity-classified share-based awards issued to both employees and nonemployees using the reasonable application of a reasonable valuation method. The practical expedient describes the characteristics of the reasonable application of a reasonable valuation method as the same characteristics used in the regulations of the U.S. Department of Treasury for income tax purposes (the "Treasury Regulations"). Consequently, a reasonable valuation performed in accordance with the Treasury Regulations is an example of a way to achieve the practical expedient. This accounting standard had no effect on the Company and the company continues to use a reasonable valuation method for its equity classified awards.

Significant Recent Accounting Standards Issued Not Yet Adopted

In March 2023, the FASB issued an ASU to amend certain provisions of ASC 842 that apply to arrangements between related parties under common control. The ASU amends the accounting for the amortization period of leasehold improvements in common-control leases for all entities and requires certain disclosures when the lease term is shorter than the useful life of the asset. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. We do not expect the application of this ASU to have a material impact on our consolidated financial statements or disclosures.

Use of Estimates

The preparation of financial statements and related footnotes in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Our significant estimates include oil and natural gas reserves; cash flow estimates used in impairment testing of oil and natural gas properties and midstream assets; depreciation, depletion, amortization ("DD&A") and accretion; asset retirement obligations ("ARO"); accrued revenue and related receivables; operating expenses and accrued liabilities; valuation of liability-classified incentive awards; mark-to-market hedge valuations; and unit-based compensation. We believe our estimates are reasonable, and actual results could differ significantly from these estimates.

Cash and Restricted Cash

Our cash consists of cash in the bank. Current restricted cash represents funds held in escrow that will be used to settle certain general unsecured claims related to the 2018 bankruptcy and cash held in a liquidity reserve account and collection account maintained in connection with the ABS Financing Transaction. At December 31, 2023, the amounts in Restricted Cash consisted of $3.2 million, $23.6 million and $5.1 million for the escrow, liquidity reserve and collection accounts, respectively. At December 31, 2022, the escrow account had a balance of $3.2 million. The liquidity reserve and the collection account did not have a balance at December 31, 2022. Long-term restricted cash represents funds held for future development costs and abandonment obligations at the Jay field. See Note 8 – Other Long-Term Assets for further discussion.

Revenue Recognition and Natural Gas Balancing

We recognize revenues from the sale of oil, natural gas and natural gas liquid ("NGL") when control of the oil, natural gas and NGL production has transferred to the customer, the transaction price has been determined and collectability is reasonably assured and evidenced by a contract. Performance obligations under our contracts with customers are typically satisfied when oil, natural gas and NGL are transferred through delivery at the inlet of pipeline or processing plant, onloading to the delivery truck or barge.

Oil terminal revenues are recognized when delivery to the purchaser has occurred, title has transferred, and the associated receivable is recoverable.

We generate gathering revenues by providing gathering and compression services to third parties. We recognize revenue for these arrangements over time based on a per unit rate applied to volumes that travel through the gathering system. In addition, we retain any drip liquids collected on our gathering systems. The value of these drip liquids is recognized as part of gathering revenue in the month the underlying gathering service is provided based upon the price realized for sale of drip condensate to third party customers which represents a market price.

Natural gas production imbalances represent the fair value of amounts payable or receivable for natural gas production imbalances, and revenues are recognized based on our share of volumes sold, regardless of whether we have taken our proportional share of volume produced. A receivable or liability is recognized only to the extent that we have an imbalance on a specific property greater than the expected remaining proved reserves. As of December 31, 2023 and 2022, our natural gas production imbalance asset of $3.1 million and $3.0 million, respectively, was included in other long-term assets and natural gas production imbalance liability of $21.8 million and $23.9 million, respectively, was included in other long-term liabilities on our consolidated balance sheets.

Inventory

Inventory represents our share of crude oil produced from our Florida and Texas operations that is held in storage tanks and unsold at the end of the period. Inventory is reported as current assets in our consolidated balance sheets and carried at the lower of cost or market. We assess the carrying value of our inventory periodically to determine any adjustments necessary to reduce the carrying value to net realizable value. Uncertainties that may impact our assessment include: the applicable quality and location differentials and changes in the timing of a sale. We did not recognize any write-downs during the periods presented.

Property, Plant and Equipment
Proved Oil and Natural Gas Properties

We account for oil and natural gas exploration and development activities using the successful efforts method. Under this method, all property acquisition and development costs are capitalized when incurred and depleted on a unit-of-production basis over total proved reserves and proved developed reserves, respectively. Proved leasehold costs associated with proved reserves are depleted based on total proved reserves, which include proved undeveloped reserves.

Costs of retired, sold or abandoned properties that constitute part of an amortization base are charged or credited, net of proceeds to accumulated DD&A unless doing so significantly affects the unit-of-production amortization rate, in which case a gain or loss is recognized currently in the consolidated statements of operations.

Expenditures for maintenance, repairs and minor renewals necessary to maintain properties in operating condition are expensed as incurred. Major betterments, replacements and renewals are capitalized to the appropriate property and equipment accounts. Estimated dismantlement and abandonment costs for oil and natural gas properties are capitalized, net of salvage, at their estimated net present value and amortized on a unit-of-production basis over the remaining life of the related proved developed reserves.

Unproved Oil and Natural Gas Properties

Unproved oil and natural gas properties include lease acquisition costs which are costs incurred to acquire unproved leases. Lease acquisition costs are capitalized until the leases expire or when we specifically identify leases that will revert to the lessor, at which time we expense the associated lease acquisition costs. Lease acquisition costs that are expensed are recorded as "impairment of oil and natural gas properties" in our consolidated statements of operations. Lease acquisition costs related to successful exploratory drilling are reclassified to proved properties and depleted on a unit-of-production basis.

For sales of entire working interests in unproved properties, gain or loss is recognized to the extent of the difference between the proceeds received and the net carrying value of the property. Proceeds from sales of partial interests in unproved properties are accounted for as recovery of costs unless the proceeds exceed the entire cost of the property.

Impairment of Oil and Natural Gas Properties

We evaluate proved oil and natural gas properties for impairment whenever facts or circumstances indicate that the carrying values of such properties may not be recoverable. We perform impairment assessments by grouping assets at the lowest level for which there are identifiable cash flows. Impairment is indicated when a triggering event occurs and/or the sum of the estimated future net cash flows of an evaluated asset group is less than the asset group's carrying value. Triggering events may include potential disposition of assets and declines in oil, natural gas and NGL prices. If impairment is indicated, we estimate fair value using a discounted cash flow approach. The factors used to determine fair value are subject to management's judgment and expertise and include, but are not limited to, recent sales prices of comparable properties, the present value of future cash flows, net of estimated operating and development costs using estimates of proved reserves, future commodity pricing, future production estimates, anticipated capital expenditures and various discount rates commensurate with risk and current market conditions associated with realizing the expected cash flows projected.

We evaluate unproved oil and natural gas properties periodically for impairment on a geographic basis based on remaining lease terms, drilling results or future plans to develop acreage. These factors may be affected by economic factors including future oil and natural gas prices and projected capital costs.

We evaluate the recovery of our other property, plant and equipment whenever events or circumstances indicate a decline in the recoverability of the respective carrying values may have occurred. We compare the net carrying value of the asset group to the undiscounted net cash flows projected. If the carrying amount exceeds the estimated undiscounted future cash flows, we will adjust the carrying amount to fair value.

Impairment expense for proved and unproved properties is reported as "impairment of oil and natural gas properties" in the consolidated statements of operations. Impairment expense for other property, plant and equipment is reported as "impairment of long-lived assets" in the consolidated statements of operations.

Other Property, Plant and Equipment

Other property, plant and equipment include buildings, field equipment, compressors, furniture, leasehold improvements, computer hardware and software. We record other property, plant and equipment at cost and depreciate the assets on the straight-line method over the estimated lives of the individual assets.

We assign the useful lives of our property, plant and equipment based upon our internal estimates that are reviewed by management periodically. We use estimated lives of 20 years for our buildings, two to seven years for field equipment, furniture and computer hardware and software, and the remaining lease term for leasehold improvements. At the time of sale or disposal, the costs and accumulated DD&A of the sold or disposed assets are removed from our consolidated balance sheets with any gain or loss realized in our consolidated statements of operations.

Midstream Assets

Midstream assets consist primarily of natural gas gathering and pipelines, as well as an oil terminal. Renewals and betterments, which substantially extend the useful lives of the assets, are capitalized and reported as other property, plant and equipment in our consolidated balance sheets. Maintenance and repairs are expensed when incurred. These assets are depreciated on the straight-line method over 3 to 30 years. We consider estimated future dismantlement, restoration and abandonment costs in our calculation of straight-line DD&A for our natural gas gathering, processing facilities and pipelines.

Leases

At inception, contracts are assessed for the presence of a lease according to the criteria prescribed by Accounting Standards Codification ("ASC") Topic 842, "Leases" ("ASC 842"). If a lease is present, further criteria is assessed to determine if the lease should be classified as an operating or finance lease. Operating leases are presented on the consolidated balance sheet as Operating lease right-of-use assets with the corresponding lease liabilities presented as Operating lease obligations – current and Operating lease obligations-noncurrent. Finance lease assets are presented on the consolidated balance sheet as Other property, plant and equipment with the corresponding liabilities presented in Current portion of long-term debt and Long-term debt.

Generally, lease liabilities are recognized at commencement and based on the present value of the future minimum lease payments to be made over the lease term. Lease assets are then recognized based on the value of the lease liabilities. For leases where the implicit lease rates are not determinable, the minimum lease payments are discounted using the Company's collateralized incremental borrowing rates.

Operating leases are expensed according to their nature and recognized in Operating expenses or General and administrative expenses. Finance leases are depreciated and amortized with the relevant expenses recognized in Depreciation, Depletion and Amortization and Interest Expense on the consolidated statement of operations. See Note 6 – Leases for further discussion.

Revenue and Production Taxes Payable

We calculate and pay taxes and royalties on crude oil and natural gas in accordance with particular contractual provisions of the leases, license or concession agreements and the laws and regulations applicable to those agreements.

Asset Retirement Obligations

We recognize estimated liabilities for future costs associated with the abandonment of our oil and natural gas properties, gas gathering, processing facilities and pipelines. We record a liability for the fair value of an ARO and a corresponding increase to the carrying value of the related long-lived asset in the period in which wells are drilled or acquired. See Note 11 – Asset Retirement Obligations for further discussion.

Liability-Classified Awards

We classify certain awards that will be settled in cash as liability awards in our balance sheet in accounts payable and accrued expenses. The fair value of a liability-classified award is determined on a quarterly basis beginning at the grant date until final vesting. Changes in the fair value of liability-classified awards are recorded to general and administrative expense and operating costs over the vesting period of the award. The Company's liability-classified awards include a performance condition based on preceding Implied Equity Value (as defined in Note 14 – Compensation). See Note 5 – Financial Instruments and Fair Value Measurements for further discussion.

Unit-Based Compensation

Unit-based compensation grants are measured at their grant date fair value and related compensation cost is recognized over the vesting period of the grant. Compensation cost for awards is recognized on a straight-line basis over the requisite service period. See Note 14 – Compensation for further discussion.

Environmental Liabilities

We are subject to federal, state and local environmental laws and regulations. These laws regulate the release, disposal or discharge of materials into the environment or otherwise relate to environmental protection. These laws and regulations may require that we remove or mitigate the environmental effect of the discharge, disposal or release of petroleum substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. We expense expenditures related to an existing condition caused by past operations that have no future economic benefit. We record liabilities for noncapital expenditures when environmental assessments or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability is fixed or determinable. We did not have environmental liabilities at December 31, 2023 and December 31, 2022, respectively.

Business Combinations and Asset Acquisitions

We account for business combinations under the acquisition method of accounting. Accordingly, we recognize amounts for identifiable assets acquired and liabilities assumed equal to their estimated acquisition-date fair values. Transaction and integration costs associated with business combinations are expensed as incurred.

We make various assumptions in estimating the fair values of assets acquired and liabilities assumed. As fair value is a market-based measurement, it is determined based on the assumptions that market participants would use. The most significant assumptions relate to the estimated fair values of the proved and unproved oil and natural gas properties. The fair values of these properties are measured using valuation techniques that convert future cash flows to a single discounted amount. Significant inputs to the valuation include estimates of reserves, future operating and development costs, future commodity prices and a market-based weighted average cost of capital rate. The market-based weighted average costs of capital rate are subjected to additional project-specific risking factors. In addition, when appropriate, we review comparable purchases and sales of oil and natural gas properties within the same regions and use that data as a proxy for fair market value; for example, the amount a willing buyer and seller would enter into exchange for such properties.

Any excess of the acquisition price over the estimated fair value of net assets acquired in recorded as goodwill. Any excess of the estimated fair value of net assets acquired over the acquisition price is recorded as a bargain purchase gain in other income, net on our consolidated statements of operations.

In an asset acquisition, transaction costs are capitalized, and any excess or deficit of fair value of net assets in relation to acquisition price is allocated to the acquired assets based on the relative fair value.

Commitments and Contingencies

We recognize liabilities for other commitments and contingencies when, after fully analyzing the available information, we determine that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. When a range of probable loss can be estimated, we accrue the mostly likely amount, or if no amount is more likely than another, we accrue the minimum of the range of probable loss.

Fair Value of Financial Instruments

Certain of our financial assets and liabilities are measured at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Our financial instruments, not otherwise recorded at fair value, consist primarily of cash, trade receivables, trade payables and long-term debt. The carrying value of cash, trade receivables and trade payables are considered to be representative of their respective fair values due to the short-term maturity of these instruments. See Note 5 – Financial Instruments and Fair Value Measurements for additional details.

Fair Value of Nonfinancial Assets and Liabilities

We apply fair value accounting guidance to measure our nonfinancial assets and liabilities such as those obtained through property, plant and equipment, AROs and restructuring. These assets and liabilities are subject to fair value adjustments only in certain circumstances and are not subject to recurring revaluations. Fair value may be estimated using comparable market data, a discounted cash flow method, or a combination of the two as considered appropriate based on the circumstances. Under the discounted cash flow method, estimated future cash flows are based on management's expectations for the future and include estimates of future oil and natural gas production and other applicable sales estimates, operational costs and risk-adjusted discount rate. We may use the present value of estimated future cash inflows and outflows, third-party offers or prices of comparable assets with consideration of the current market conditions to value our nonfinancial assets and liabilities when circumstances dictate fair value determination is necessary.

Concentrations of Credit Risk

We are subject to credit risk resulting from the concentration of our oil, natural gas and NGL receivables with the following major purchasers that accounted for 10% or more of our total oil, natural gas and NGL sales for the periods presented:

	Twelve Months Ended December 31,	
Purchaser	**2023**	**2022**
Customer A	15%	N/A
Customer B	12%	12%
Customer C	11%	19%

Our financial instruments with credit risk exposure consist principally of cash and cash equivalents, accounts receivable, and derivative instruments. We maintain cash and cash equivalents in deposit accounts at financial institutions that may exceed the federally insured limits. We monitor credit risk exposure by (i) placing our assets and other financial instruments with credit-worthy financial institutions, (ii) maintaining policies over credit extension that include our evaluation of customers' financial condition and monitoring payment history and (iii) netting derivative assets and liabilities where we have legal right of offset with counterparties and diversifying our derivative instrument portfolio.

Risk Management and Derivative Instruments

We have entered into derivative contracts with counterparties to reduce the effect of changes in oil and natural gas prices on a portion of our oil and natural gas production. We do not enter into such contracts for speculative trading purposes. Our commodity derivative instruments are measured at fair value in our consolidated balance sheets as derivative assets or derivative liabilities. We have not designated any derivative instruments as hedges for accounting purposes. Gains and losses from valuation changes in commodity derivatives are reported as (gain) loss on commodity derivative instruments in our consolidated statements of operations. Our cash flows are only impacted when the actual settlements under the derivative contracts result in making or receiving a payment to or from the counterparty. Cash settlements are reflected as operating activities in our consolidated statements of cash flows. We expense transaction costs related to the modification of derivative instruments as incurred. See Note 5 – Financial Instruments and Fair Value Measurements for further discussion of our derivative instruments.

We have market and credit risk exposure due to commodity derivatives that are concentrated with certain counterparties who are affiliate lenders under the Credit Agreement. We believe the risk of nonperformance by our counterparties is low as we execute our derivative contracts only with credit-worthy financial institutions and we have no past-due receivables from our derivative counterparties. As of December 31, 2023, our largest derivative counterparties were Citizens Bank N.A., Key Bank National Association, J. ARON & Company, and JP Morgan Chase Bank N.A., which accounted for approximately 58.22%, 18.80%, 16.65%, and 6.33%, respectively, of our derivative settlement payable balance of $8.9 million.

Our commodity derivative contracts are documented with industry standard contracts known as Schedule to the Master Agreement and International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA"). Typical terms for the ISDAs include credit support requirements, cross default provisions, termination events and set-off provisions. We are not required to provide any credit support to our counterparties other than cross collateralization with the oil and natural gas properties securing the Credit Agreement. We have certain limitations under the Credit Agreement, including a provision that limits the total amount of our production that may be hedged to certain percentages of current and forecasted production. As of December 31, 2023, we were in compliance with these limitations. See Note 5 – Financial Instruments and Fair Value Measurements and Note 10 – Debt for additional information.

Debt Issuance Costs

Debt issuance costs related to our Credit Facility and ABS Notes are amortized over the life of the related debt using the effective interest rate method and unamortized debt issuance costs are netted against the outstanding balance of debt obligations on our consolidated balance sheets. Any unamortized costs associated with retired debt are written off and included in the determination of gain or loss on extinguishment of debt.

Revenues

Sales of oil, natural gas and NGL are recognized at the point when control of the commodity is transferred to the customer and collectability is reasonably assured. Most of our contracts' pricing provisions are tied to a commodity market index, with certain adjustments based on, among other factors, whether a well delivers to a gathering or transmission line, quality of the oil or natural gas, and prevailing supply and demand conditions. As a result, the price of the oil, natural gas and NGL fluctuates to remain competitive with the other available oil, natural gas and NGL suppliers.

Oil Sales

Under our crude purchase and marketing contracts, we generally sell oil production at the wellhead and collect an agreed-upon index price, net of pricing differentials. We recognize revenue when control transfers to the purchaser at the wellhead or delivery point for onloading to delivery truck or barge at the net price received.

Natural Gas and NGL Sales

Under our natural gas gathering, processing and purchase contracts, we deliver unprocessed natural gas to processing plants at the wellhead or the inlet of the processing plant's system. The midstream entity then gathers and processes the natural gas to produce residue gas and NGLs generated from processing. In the majority of cases, the midstream entity remits payment to us for NGLs based on index-based pricing or weighted average sales proceeds less deductions which may include gathering, processing and transportation fees, while the residue gas is redelivered to us at the tailgate of the midstream entity's processing plant for marketing under separate contracts. We sell residue gas at the delivery point specified in the separate contract and collect an agreed-upon index price, net of pricing differentials. Transportation, gathering and processing costs incurred after control transfers to the purchaser are recognized as reductions to revenues rather than as operating costs.

Oil Terminal Sales

Under our oil terminal sales contracts, we sell oil at the delivery point specified in the contract and collect an agreed-upon index price, net of pricing differentials. Control as defined under ASC 606, "Revenue from Contracts with Customers" ("ASC 606") passes at the delivery point. The delivery point is the point at which the oil passes the last permanent delivery flange or meter connecting our facility to customer's facility. At the delivery point, the customer takes physical custody, title and risk of loss of the product and we have a right to receive payment for the sale. We recognize revenue at the net price received when control transfers to the customer. Oil terminal sales are reported in other revenues, net on our consolidated statements of operations.

Gathering Revenue

We generate gathering revenues by providing gathering and compression services to third parties, which are reported in other revenues on our consolidated statement of operations. We recognize revenue for these arrangements over time based on a per unit rate applied to volumes that travel through the gathering system. In addition, we retain any drip liquids collected on our gathering systems. The value of these drip liquids is recognized as part of gathering revenue in the month the underlying gathering service is provided based upon the price realized for sale of drip condensate to third party customers which represents a market price.

Purchased Condensate Sales

The Company's purchased oil and natural gas sales are derived from the sale of oil and natural gas purchased from a third party and reported in other revenues, net on our consolidated statements of operations. Revenues and expenses from these sales and purchases are generally recorded on a gross basis, as the Company acts as a principal in these transactions by assuming control of the purchased oil or natural gas before it is transferred to the customer.

Performance Obligations

A significant number of our product sales are short-term in nature with a contract term of one year or less. We record revenue on our oil, natural gas and NGL sales at the time production is delivered to the purchaser. However, settlement statements for certain oil, natural gas and NGL sales may not be received for 30 to 90 days after the production is delivered.

We have elected practical expedients, pursuant to ASC 606, to exclude from the presentation of remaining performance obligations: (i) contracts with index-based pricing or variable volume attributes in which such variable consideration is allocated entirely to a wholly unsatisfied performance obligation; (ii) contracts with an original expected duration of one year or less; and (iii) contracts for which we recognize revenue under the right to invoice practical expedient.

Contract Balances

We invoice our customers when we have satisfied our performance obligations, at which point payment is unconditional. Accordingly, our product sales contracts do not give rise to contract assets or liabilities under ASC 606.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of receivables from joint interest owners on properties the Company operates and from sales of oil and natural gas production delivered to third party purchasers. Accounts receivable is held at cost. At each reporting date, the Company assesses the expected lifetime credit losses on initial recognition of accounts receivable. At December 31, 2023, the credit loss allowance on accounts receivable from joint interest owners was $5.8 million, and the Company recorded $0.6 million of credit losses during 2023. At December 31, 2023, no credit loss allowance existed on revenue accounts receivable, and no credit losses were recorded during the period.

3. Supplemental Cash Flow Information

Supplemental disclosures to the consolidated statements of cash flows are presented below:

(in thousands of dollars)	**Twelve Months Ended December 31, 2023**	**2022**
Cash payments		
Interest	$ 34,799	$ 12,927
Noncash investing activities		
(Increase) decrease in accrued capital expenditures	$ (10,809)	$ 34,081
(Increase) in asset retirement obligations	(11,202)	(3,804)
Increase in assets under operating leases	(10,928)	(3,032)
Decrease in liabilities for asset divestitures	(1,545)	(1,015)
Asset retirement obligations assumed	-	22,917
Noncash financing activities		
Increase in assets under finance leases	(1,876)	(2,982)
Reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated balance sheets		
Cash and cash equivalents	$ 53,263	$ 10
Restricted cash	31,936	16,796
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 85,199	$ 16,806

4. Acquisitions and Divestitures

Acquisitions

In January 2022, we entered into a definitive agreement to acquire certain producing properties in the Permian Basin from a large independent oil and gas company for a purchase price of $440 million, subject to customary adjustments (the "Permian Acquisition"). The acquisition was accounted for as a business combination. Through December 31, 2022, the purchase price allocation was adjusted as shown in the table below. These adjustments have been retrospectively reflected as of the acquisition date. This transaction closed in April 2022 and related transaction costs were $0.4 million.

The following table summarizes the net assets acquired from the Permian Acquisition.

(in thousands of dollars)		**Permian Acquisition**
Net assets purchased		
Oil and gas properties	$	379,867
Other property, plant, and equipment		7,460
Asset retirement obligation		(19,486)
Working capital adjustments		1,773
Fair value of net assets	$	369,614
Consideration		
Purchase price	$	440,000
Pre-close adjustments		(70,386)
Total consideration and post purchase price adjustments		369,614
Deposit paid in January 2022		(33,000)
Total consideration and post purchase price adjustments, net of deposit paid	$	336,614

In May 2022, we entered into a definitive agreement to acquire certain producing properties in the Western Anadarko Basin from a large independent oil and gas company for a purchase price of $180 million, subject to customary adjustments (the "Anadarko Acquisition"). The acquisition was accounted for as a business combination. Through December 31, 2022, the purchase price allocation was adjusted as shown in the table below. These adjustments have been retrospectively reflected as of the acquisition date. This transaction closed in June 2022.

The following table summarizes the net assets acquired from the Anadarko Acquisition.

(in thousands of dollars)		**Anadarko Acquisition**
Net assets purchased		
Oil and gas properties	$	170,580
Asset retirement obligation		(3,430)
Working capital adjustments		(550)
Fair value of net assets	$	166,600
Consideration		
Purchase price	$	180,000
Pre-close adjustments		(13,400)
Total consideration and post purchase price adjustments	$	166,600

Both acquisitions were funded by a fully committed $750 million reserve-based loan provided by a syndicate of banks, see further details in Note 10 – Debt.

During 2023, we acquired approximately 25,000 net acres of unproved acreage in Texas for total consideration of $14.6 million. The acquisition was financed through borrowings under our existing credit facility. The acreage is considered strategic to the Company's long-term growth objectives and is expected to provide significant opportunities for exploration and development. These leases are currently in the early stages of evaluation.

Transactions Between Entities Under Common Control

On October 26, 2023, Unbridled entered into an asset purchase agreement with ABS Issuer (the "Purchase and Sale Agreement"). Unbridled agreed to sell and transfer to ABS Issuer certain operated and non-operated oil and natural gas wells and all oil and natural gas leases, subleases and leasehold covering such wells (the "ABS Assets" and such transfer, the "ABS Asset Transfer") for a purchase price of $640 million, of which $630 million was cash and $10 million was a non-cash note payable. In connection with the ABS Asset Transfer, MAH transferred by novation to the ABS Issuer certain hedge agreements ("Assumed Hedges").

In connection with the transaction, ABS Issuer entered into an indenture with UMB Bank, N.A. as indenture trustee (the "Indenture Trustee") (the "Indenture") to which ABS Issuer issued (a) $640 million aggregate principal amount of Series 2023-1 Notes, consisting of (i) $285 million aggregate principal amount of its 8.121% Series 2023-1 Notes, Class A-1 Notes due December 2038, (ii) $260 million aggregate principal amount of its 8.946% Series 2023-1 Notes, Class A-2 Notes due December 2038 and (iii) $95 million aggregate principal amount of its 12.436% Series 2023-1 Notes, Class B Notes due December 2038 (collectively, the "ABS Notes") and (b) pledged the ABS Assets to the Indenture Trustee to secure the ABS Issuer's obligations under the Indenture (the "ABS Financing Transaction").

In addition the following events occurred in connection with the transaction: (i) $10 million of the ABS Notes were issued to Maverick, (ii) a holdback of $5.4 million related to consents not received at the date of the transaction which is reflected as restricted cash, (iii) a Liquidity Reserve Account was established for $23.6 million and is reflected as restricted cash, (iv) $260 million was an equity distribution and (v) repaid $300 million for the Credit Facility held by MAH.

We incurred hedge novation fees of $4.6 million in conjunction with the ABS Financing Transaction which were expensed as incurred in general and administrative expenses in our consolidated statement of operations. We incurred $12.7 million of costs including legal fees and administrative fees in connection with the ABS Financing Transaction which were capitalized as deferred financing costs and recorded as an offset to the carrying value of the ABS Notes. See Note 10 – Debt for more information regarding the ABS Notes.

Divestitures

In March 2023, we entered into an agreement with a third party to divest certain interests in oil and natural gas properties, rights and related assets in Western Anadarko Basin for a purchase price of $10.0 million. This sale was accounted for as a normal retirement under the provisions of paragraph ASC 932-360-40-3 with no gain or loss recorded on the sale for the year ended December 31, 2023.

In May 2023, we entered into an agreement with a third party to divest certain properties in west Texas for a purchase price of $4.5 million. We recognized a $0.3 million gain on the sale for the year ended December 31, 2023.

In November 2023, we entered into an agreement with a third party to divest certain interests in oil and natural gas properties, rights and related assets in Wyoming for a purchase price of $0. We recognized a $0.1 million gain on the sale for the year ended December 31, 2023.

In connection with other divestitures of non-core oil and natural gas properties, we recognized gains of $1.1 million in "gain (loss) on sale of assets" on our consolidated statements of operations for the year ended December 31, 2023.

In June 2022, we entered into an agreement with a third party to divest certain interests in oil and natural gas properties, rights and related assets in areas located in Michigan for a purchase price total of $6.0 million. As of June 30, 2022, we classified these as held for sale and we recognized an impairment charge on the properties of $12.0 million for the year-ended December 31, 2022. The transaction closed in August 2022, and we incurred a gain on this sale of $3.3 million for the year ended December 31, 2022.

In January 2022, we divested the Beaver Creek Interests and deconsolidated Beaver Creek, L.L.C. We incurred a loss $1.0 million in connection with this divestiture for the year ended December 31, 2022.

In connection with other divestitures, we recognized gains of $1.2 million in "gain (loss) on sale of assets" on our consolidated statements of operations for the year ended December 31, 2022.

5. Financial Instruments and Fair Value Measurements

Commodity Activities

At December 31, 2023, our commodity derivatives consisted of fixed price swaps and two-way costless collars. Our fixed price swaps are comprised of a sold call and a purchased put established at the same price (both ceiling and floor). The two-way collars are a combination of options: a sold call and a purchased put. The purchased put establishes a minimum price (floor) and the sold call establishes a maximum price (ceiling). For both swaps and collars, all transactions are settled in cash for the net difference between settlement and contract prices, multiplied by the hedged contract volumes, for the settlement period.

In October 2023, MAH novated to ABS Issuer certain derivative contracts underlying certain derivative instruments in connection with the ABS Financing Transaction. These derivative contracts consisted of fixed-price oil, natural gas and NGL swaps and collars. As a party to these contracts, ABS Issuer received payments directly from the counterparty or paid any amounts owed directly to the counterparty. Settlement of the novated commodity derivative contracts continued through the date the commodity derivatives instruments were unwound. Costs associated with the novation of $4.6 million were expensed as incurred in general and administrative expenses.

Our commodity derivative contracts settle monthly based on the differential between the contract price and the average NYMEX West Texas Intermediate index price ("NYMEX WTI") (oil), average NYMEX Henry Hub index price ("NYMEX HH") (natural gas) and Mont Belvieu Oil Price Information Service ("OPIS") (NGLs). The following table presents derivative positions for the periods indicated as of December 31, 2023:

	2024	2025	2026	2027	2028	2029	2030
Oil Positions							
Fixed Price Swaps - NYMEX WTI							
Volume (Bbl/d)	11,047	12,226	10,873	3,688	3,366	-	-
Average Price ($/Bbl)	$ 72.10	$ 71.85	$ 68.45	$ 65.95	$ 62.21	$ -	$ -
Fixed Price Swaps - NYMEX BRENT							
Volume (Bbl/d)	-	-	-	-	-	-	-
Average Price ($/Bbl)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Costless Collar - NYMEX WTI							
Volume (Bbl/d)	4,307	-	-	-	-	-	-
Average Put Price ($/Bbl)	$ 63.71	$ -	$ -	$ -	$ -	$ -	$ -
Average Call Price ($/Bbl)	$ 88.96	$ -	$ -	$ -	$ -	$ -	$ -
Total							
Volume (Bbl/d)	15,354	12,226	10,873	3,688	3,366	-	-
Average Price ($/Bbl)	$ 73.29	$ 71.85	$ 68.45	$ 65.95	$ 62.21	$ -	$ -
Gas Positions							
Fixed Price Swaps - Henry Hub							
Volume (MMBtu/d)	87,361	120,838	99,514	69,070	61,056	50,962	47,714
Average Price ($/MMBtu)	$ 3.42	$ 3.90	$ 3.89	$ 3.76	$ 3.63	$ 3.41	$ 3.27
Costless Collar - Henry Hub							
Volume (Bbl/d)	48,663	-	10,000	-	-	-	-
Average Put Price ($/Bbl)	$ 3.03	$ -	$ 3.50	$ -	$ -	$ -	$ -
Average Call Price ($/Bbl)	$ 7.35	$ -	$ 5.15	$ -	$ -	$ -	$ -
Total							
Volume (MMBtu/d)	136,023	120,838	109,514	69,070	61,056	50,962	47,714
Average Price ($/MMBtu)	$ 4.05	$ 3.90	$ 3.89	$ 3.76	$ 3.63	$ 3.41	$ 3.27
NGL Positions							
Fixed Price Swaps							
Volume (Bbl/d)	11,264	9,011	6,427	-	-	-	-
Average Price ($/Bbl)	$ 0.96	$ 0.88	$ 0.83	$ -	$ -	$ -	$ -
Total							
Volume (Bbl/d)	11,264	9,011	6,427	-	-	-	-
Average Price ($/Bbl)	$ 0.96	$ 0.88	$ 0.83	$ -	$ -	$ -	$ -
Fixed Gas Basis Swap							
Volume (Bbl/d)	97,148	84,068	77,423	-	-	-	-
Average Price ($/MMBtu)	$ (0.17)	$ (0.26)	$ (0.22)	$ -	$ -	$ -	$ -

Balance Sheet Presentation

The following table summarizes the fair value of the derivatives outstanding on a gross and net basis:

	December 31, 2023				
Balance sheet location, thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Commodity Derivatives Netting (a)**	**Total Financial Instruments**
Assets					
Current assets - derivative instruments	$ 7,539	$ 39,124	$ 18,958	$ (19,118)	$ 46,503
Other long-term assets - derivative instruments	30,451	39,797	23,686	(45,917)	48,018
Total assets	37,990	78,921	42,645	(65,035)	94,521
Liabilities					
Current liabilities - derivative instruments	(2,897)	(1,931)	(14,388)	19,118	(98)
Long-term liabilities - derivative instruments	(24)	(29,261)	(20,625)	45,917	(3,994)
Total liabilities	(2,921)	(31,193)	(35,013)	65,035	(4,092)
Net assets	$ 35,069	$ 47,728	$ 7,632	$ -	$ 90,429

	December 31, 2022				
Balance sheet location, thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Commodity Derivatives Netting (a)**	**Total Financial Instruments**
Current assets - derivative instruments	$ 5,411	$ 4,260	$ 3,893	$ (12,513)	$ 1,051
Other long-term assets - derivative instruments	9,478	6,300	3,699	(15,123)	4,354
Total assets	14,890	10,560	7,592	(27,636)	5,405
Liabilities					
Current liabilities - derivative instruments	(38,228)	(44,236)	(29,352)	12,513	(99,302)
Long-term liabilities - derivative instruments	(9,367)	(11,561)	(2,525)	15,123	(8,330)
Total liabilities	(47,594)	(55,797)	(31,877)	27,636	(107,632)
Net liabilities	$ (32,705)	$ (45,238)	$ (24,285)	$ -	$ (102,227)

(a) Represents counterparty netting under our ISDA Agreements. See Note 2 – Summary of Significant Accounting Policies. For our derivative contracts, we may enter into master netting, collateral and offset agreements with counterparties. These agreements provide us the ability to offset a counterparty's rights and obligations, request additional collateral when necessary, or liquidate the collateral in the event of counterparty default. We net the fair value of cash collateral paid or received against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting or offset agreement.

The following table summarizes the unrealized gains/losses on commodity derivatives, which are included in the (loss) gain on commodity derivative instruments line of the income statement:

(in thousands of dollars)	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Total Financial Instruments**
Twelve Months Ended December 31, 2023	$ 67,774	$ 92,966	$ 31,916	$ 192,656
Twelve Months Ended December 31, 2022	29,114	21,198	58,403	108,715

The following table summarizes the realized gains/losses on commodity derivatives, which are included in the "(loss) gain on commodity derivative instruments" line of the income statement:

(in thousands of dollars)	Oil Commodity Derivatives	Natural Gas Commodity Derivatives	NGL Commodity Derivatives	Total Financial Instruments
Twelve Months Ended December 31, 2023	$ (35,072)	$ 7,646	$ (19,296)	$ (46,722)
Twelve Months Ended December 31, 2022	(124,698)	(175,443)	(70,658)	(370,798)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We measure certain assets and liabilities at fair value, using the fair value hierarchy noted below. We use valuation techniques that maximize the use of observable inputs and obtain the majority of our inputs from published objective sources or third-party market participants. We incorporate the impact of nonperformance risk, including credit risk, into our fair value measurements. The fair value hierarchy gives the highest priority of Level 1 to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority of Level 3 to unobservable inputs. We categorize our fair value financial instruments based upon the objectivity of the inputs and how observable those inputs are. The three levels of inputs are described further as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 Inputs other than quoted prices that are included in Level 1. Level 2 includes financial instruments that are actively traded but are valued using models or other valuation methodologies. We consider the over the counter ("OTC") commodity derivative contracts in our portfolio to be Level 2.

Level 3 Inputs that are not directly observable for the asset or liability and are significant to the fair value of the asset or liability. Level 3 includes financial instruments that are not actively traded and have little or no observable data for input into industry standard models. We consider our liability-classified long term incentive plan awards and put option liability to be Level 3 liabilities. See Note 13 – Equity and Note 14 – Compensation for additional details.

Our assessment of the significance of an input to its fair value measurement requires judgment and may affect the valuation of the assets and liabilities and their placement within the fair value hierarchy levels.

Commodity Derivative Instruments

Our commodity derivative instruments include oil, natural gas and NGL swaps and collars. The fair value of our commodity derivative instruments is based on upon a third-party preparer's calculation using mark-to-market valuation reports provided by our counterparties for monthly settlement purposes to determine the valuation of our derivative instruments. We do not have access to the specific proprietary valuation models or inputs used by our counterparties or third-party preparer.

We compare the third-party preparer's valuation to counterparty valuation statements and investigate any significant differences. Additionally, we analyze monthly valuation changes in relation to movements in crude oil and natural gas forward price curves. The fair values reflect nonperformance risk inherent in the transaction using current credit default swap values for each counterparty for asset positions and the Company's creditworthiness for liability positions. Accordingly, we recorded an adjustment to the fair value of our net derivative liability of $4.5 million and $2.4 million at December 31, 2023 and December 31, 2022, respectively.

Fair Value – Recurring Measurement Basis

The following table presents our financial assets and liabilities that were accounted for at fair value on a recurring basis on our consolidated balance sheets at December 31, 2023 and 2022 by level within the fair value hierarchy.

	December 31, 2023			
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Oil derivative instruments				
Oil swaps	$ -	$ 32,728	$ -	$ 32,728
Oil collars	-	2,341	-	2,341
Natural gas derivative instruments				
Natural gas swaps	-	34,051	-	34,051
Natural gas collars	-	13,677	-	13,677
NGL derivative instruments				
NGL swaps	-	7,632	-	7,632
Net assets	$ -	$ 90,429	$ -	$ 90,429

	December 31, 2022			
(in thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Oil derivative instruments				
Oil swaps	$ -	$ (33,991)	$ -	$ (33,991)
Oil collars	-	1,286	-	1,286
Natural gas derivative instruments				
Natural gas swaps	-	(44,085)	-	(44,085)
Natural gas collars	-	(1,153)	-	(1,153)
NGL derivative instruments				
NGL swaps	-	(24,284)	-	(24,284)
Net liabilities	$ -	$ (102,227)	$ -	$ (102,227)

Fair Value – Nonrecurring Measurement Basis

Acquisitions and impairment of proved and unproved properties and other non-oil and natural gas properties are also measured at fair value on a nonrecurring basis. The Company utilizes a discounted cash flow model to estimate the fair value of property as of the measurement date which utilizes the following inputs to estimate future net cash flows: (i) estimated quantities of oil and condensate, natural gas and NGL reserves; (ii) estimates of future commodity prices; and (iii) estimated production rates, future operating and development costs, which are based on the Company's historic experience with similar properties. In some instances, market comparable information of recent transactions is used to estimate fair value of unproved acreage.

6. Leases

We primarily have lease agreements for office buildings and vehicles. Our leases generally have lease terms of one year to four years, some of which may include options to extend or shorten the term of the lease at the Company's discretion. We determine if an arrangement is a lease at inception. Some of our leases include lease and non-lease components. We have elected the practical expedient to not separate lease and non-lease components and account for both as a single lease component.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. For leases where the implicit rate is not determinable, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. For leases including options to extend or terminate the lease, we factor such terms into our determination of the present value of future payments when it is reasonably certain that we will exercise that option. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments and short-term lease payments (leases with initial terms less than 12 months) are expensed as incurred.

Operating lease assets and liabilities are included in operating lease right-of-use assets, operating lease liabilities – current, and operating lease liabilities – noncurrent on our consolidated balance sheets. Our finance lease assets and liabilities are included in other property, plant, and equipment, current portion of long-term debt, and long-term debt on our consolidated balance sheets.

	December 31,	
(in thousands of dollars)	**2023**	**2022**
Operating leases		
Operating lease right-of-use assets	$ 12,362	$ 5,136
Operating lease obligations - current	841	3,606
Operating lease obligations - noncurrent	25,316	2,112
Finance leases		
Other property, plant, and equipment (1)	$ 3,455	$ 3,084
Current portion of long-term debt	1,166	717
Long-term debt	2,389	1,920

(1). Finance lease assets are recorded net of accumulated amortization of $1.5 million and $0.4 million at December 31, 2023 and 2022, respectively.

The following table summarizes the components of leases cost for the periods presented:

	Year Ended December 31,	
(in thousands of dollars)	**2023**	**2022**
Operating lease cost	$ 5,206	$ 5,357
Short-term lease cost	18,105	7,406
Finance lease cost		
Amortization of right-of-use assets	1,003	388
Interest on lease liabilities	198	84
Total lease cost	$ 24,513	$ 13,235

The following table summarizes the lease terms and discount rates:

	Year Ended December 31,	
	2023	**2022**
Lease term and discount rate		
Weighted-average term (years)		
Operating leases	10.23	1.80
Finance leases	2.85	3.50
Weighted-average discount rate (percent)		
Operating leases	7.43%	6.20%
Finance leases	5.86%	5.70%

The following table summarizes other lease information for the periods presented:

	Year Ended December 31,	
(in thousands of dollars)	**2023**	**2022**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	$ 8,007	$ (4,633)
Operating cash flow from finance leases	(1,003)	(375)
Financing cash flows from finance leases	(198)	(82)

Future minimum lease payments under noncancellable leases as of December 31, 2023 were as follows:

(in thousands of dollars)	**Operating Leases**	**Finance Leases**
2024	$ 1,607	1,368
2025	4,097	1,363
2026	3,951	918
2027	3,486	175
2028	3,527	-
Thereafter	22,736	-
Total lease payments	39,404	3,825
Less: Portion representing imputed interest	(13,247)	(270)
Total lease liabilities	26,157	3,555
Less: Current portion of lease liabilities	(841)	(1,166)
Long-term lease liabilities	$ 25,316	$ 2,389

7. Long-Lived Assets and Impairment

Our long-lived assets are comprised of oil and natural gas properties and other property, plant and equipment for the periods presented:

(in thousands of dollars)	**2023**	**2022**
Proved oil and natural gas properties(1)	$ 2,548,263	$ 2,310,497
Unproved oil and natural gas properties	126,557	116,175
Total oil and natural gas properties	2,674,820	2,426,672
Other property, plant and equipment	110,888	77,230
Less: Accumulated depletion, depreciation and amortization	(1,097,788)	(876,451)
Net property, plant and equipment	$ 1,687,920	$ 1,627,451

(1). Estimates of future asset retirement costs of $260.4 million and $249.1 million are included in our proved oil and natural gas properties at December 31, 2023 and 2022, respectively.

Costs are excluded from the amortization base until proved reserves are established or impairment is determined.

Long-Lived Assets Impairment

During the year ended December 31, 2023, we recorded impairment losses totaling $66.8 million in proved properties. We incurred $3.5 million and $59.2 million of impairment in the first and second quarters of 2023 due to a significant decrease in commodity prices driven by a decrease in gas futures. We incurred $0.0 million and $4.1 million of impairment in the third and fourth quarters of 2023 due to significant downward revisions in reserves to certain impairment fields, driven by increased costs and decreased production. During the year ended December 31, 2022, we recorded impairment losses totaling $118.8 million in proved properties. We incurred $12 million of impairment in the second quarter of 2022 on divested properties as mentioned in Note 4 – Acquisitions and Divestitures, due to the sales price of the assets sold being lower than the net book value. We incurred $107.0 million of impairment in the fourth quarter of 2022 due to an increase in operating costs caused by supply chain pressures and an inflationary environment as well as changes in capital plans due to 2022 acquisitions.

Additionally, as a result of expiring leases and our periodic assessment of unproved properties, we amortized $0.0 million and $0.1 million of unproved oil and natural gas properties and reported amounts as depletion, depreciation and amortization in our consolidated statement of operations for the periods ended December 31, 2023 and 2022, respectively.

8. Other Long-Term Assets

Other long-term assets consist of the following:

(in thousands of dollars)	2023	2022
Property reclamation	$ 11,910	$ 11,359
Unamortized debt issuance costs	13,206	17,920
Security deposits	1,735	2,904
Other	8,726	6,266
Total other long-term assets	$ 35,577	$ 38,449

Net Profit Interest

We have a net profit interest ("NPI") related to the Jay Field. The NPI is held 50% by Maverick and a third party ("NPI Holder"). Under the arrangement, the NPI is payable after: (i) funds are withheld, to the extent allowable each month under the arrangement, to pay for the NPI holder's share of future development costs and abandonment obligations, and (ii) we are reimbursed for the NPI holder's share of excess historical production costs. Once the NPI holder's share of the excess historical costs is reimbursed, the NPI will be payable monthly to the extent the NPI for that month exceeds the amount withheld for that month for future development costs and abandonment obligations. The NPI holder's share of excess historical production costs amounted to $11.5 million and $15.4 million at December 31, 2023 and 2022, respectively.

Additionally, we will retain the NPI holder's share of future development costs and abandonment obligations, subject to future production, production costs, and capital spending level, which will be paid using the funds withheld. The NPI holder's share along with our share of the abandonment costs as of December 31, 2023 and 2022 are reflected in asset retirement obligations on the consolidated balance sheets. Under the arrangement, we have the option to deposit into a separate account the funds withheld from the NPI holder for their portion of the future development costs and abandonment obligations. At December 31, 2023 and 2022, the funds totaled $0.0 million and $13.6 million, respectively, and are reflected in long-term restricted cash on our consolidated balance sheets. See additional details regarding the Jay Field NPI in Note 12 – Commitments and Contingencies and Note 16 – Subsequent Events.

Property Reclamation Deposit

As of December 31, 2023 and 2022, we had a property reclamation deposit of $11.9 and $11.4 million, respectively, included in other long-term assets, held in an escrow account as security for future abandonment and remediation obligations for the Jay Field. We are required to maintain the escrow account in effect for three years after all abandonment and remediation obligations have been completed. The funds in the escrow account are not to be returned to us until the later of three years after satisfaction of all abandonment obligations or December 31, 2026. At certain dates subsequent to closing, we have the right to request a refund of a portion or all of the property reclamation deposit. The seller has the sole discretion to grant our refund request. In addition to the cash deposit, we are required to provide letters of credit. At December 31, 2023 and 2022, we had $21.0 million in letters of credit related to the property reclamation deposit.

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

(in thousands of dollars)	2023	2022
Accounts payable	$ 112,218	$ 175,804
Revenue and royalties payable	93,315	102,899
Wages and salaries payable	21,008	13,134
Accrued interest payable	12,100	6,071
Production and property taxes payable	22,217	26,808
Hedge settlement payables	8,911	11,331
Other current liabilities	2,868	4,346
Total accounts payable and accrued expenses	$ 272,637	$ 340,393

10. Debt

Our debt was comprised of the following:

(in thousands of dollars)	2023	2022
Credit Facility	$ 190,000	$ 410,000
ABS Notes	640,000	-
Finance Lease Obligations	3,555	2,637
Debt issuance costs	(12,377)	-
Notes held by ABS parent	(10,000)	-
Total debt	811,178	412,637
Current portion, long-term debt	(112,607)	-
Current portion of finance lease obligations	(1,166)	(717)
Total long-term debt	$ 697,405	$ 411,920

ABS Notes

In connection with the ABS Financing Transaction (see Note 4 – Acquisitions and Divestitures), on October 26, 2023, ABS Issuer acquired certain oil and natural gas interests in currently-producing oil and natural gas wells and other assets from Unbridled pursuant to an asset purchase agreement and the acquisition was funded by the issuance of the ABS Notes (as defined in Note 4 – Acquisitions and Divestitures), due December 2038, pursuant to a note purchase agreement. At December 31, 2023, the ABS Notes were comprised of the following:

(in thousands of dollars)			2023
Series 2023	- 1	Class A-1 8.121% Notes	$ 285,000
Series 2023	- 1	Class A-2 8.946% Notes	260,000
Series 2023	- 1	Class B 12.436% Notes	95,000
Total ABS Notes			640,000

The ABS Notes are secured by certain oil and natural gas interests in currently producing oil and natural gas wells and other assets. The ABS Notes accrue interest at the respective stated per annum rates and have a final maturity date of December 15, 2038. Interest and principal payments are payable on a monthly basis. During the period ended December 31, 2023, we incurred $10.3 million of interest related to the ABS Notes.

The ABS Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Issuer maintains specified reserve accounts to be used to make required interest payments in respect of the ABS Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments under certain circumstances, (iii) certain indemnification payments in the event, among other things, that the assets pledged as collateral are used in stated ways defective or ineffective, (iv) covenants related to recordkeeping, access to information and similar matters, and (v) the Issuer will comply with all laws and regulations which it is subject to. The ABS Notes are also subject to customary accelerated amortization events provided for in the indenture, including events tied to failure to maintain stated debt service coverage ratios, failure to maintain certain production metrics, certain change of control and management termination events, and event of default and the failure to repay or refinance the ABS Notes on the applicable scheduled maturity date. The ABS Notes are subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the ABS Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

Under the indenture, the Company must maintain the following financial covenants determined as of the last day of the quarter: 1) Aggregate Debt Service Coverage Ratio (DSCR) less than 1.05, 2) Senior DSCR less than 1.25

As of December 31, 2023, we were in compliance with our covenants under the ABS Notes.

Senior Secured Reserve-Based Credit Facility

In connection with the Permian Acquisition (see Note 4 - Acquisitions and Divestitures), on January 27, 2022, we entered into an agreement with a syndicate of banks including JPMorgan Chase Bank acting as Administrator, Royal Bank of Canada, Citizens Bank, KeyBank National Association acting as co-syndication agents, RBC Capital Markets, and KeyBank Capital Markets (the "Credit Facility"). The agreement is for a maximum $1 billion credit facility with an initial $500 million borrowing base. The maturity date is April 1, 2026. The Credit Facility replaced the Credit Agreement (defined below) subsequent to its closing on April 1, 2022, incurring deferred financing costs of $16.3 million.

The Credit Facility limits the amounts we could borrow to a borrowing base amount determined by the lenders at their sole discretion based on their valuation of our proved reserves and their internal criteria. Our obligations under the credit facility were collateralized by substantially all of our oil and natural gas properties, including mortgage liens on oil and natural gas properties having at least 85% of the reserve value as determined by reserve reports.

The Credit Facility contains certain customary affirmative and negative covenants, including financial covenants requiring maintenance of the Consolidated Total Debt to EBITDAX Ratio to be less than 3.00 to 1.00 and a Current Ratio of no less than 1.00 to 1.00.

At our election, borrowings under the credit facility may be made on an Alternate Base Rate ("ABR") or a Secured Overnight Financing Rate ("SOFR") basis plus an applicable margin. In connection with the Credit Facility, the applicable margins vary from 2.00% to 3.00% for ABR borrowings and 3.00% to 4.00% for SOFR borrowings depending on the borrowing base. In addition, we are also required to pay a commitment fee on the amount of any unused commitments at a rate of 0.50% per annum. Interest on ABR borrowings and the commitment fee are generally payable quarterly. As of December 31, 2023, the effective interest rate of the Credit Facility was 9.24%.

In June 2022, we entered into an amendment to the Credit Facility (the "First Amendment") which increased the borrowing base from the initial $500 million to $750 million. Each lender's borrowing capacity was increased with the exception of Goldman Sachs Bank, and we accounted for the First Amendment as a modification of debt. We incurred deferred financing costs of $2.6 million in relation to this amendment.

In October 2022, we entered into the second amendment to the Credit Facility (the "Second Amendment"), which increased the borrowing base to $1 billion. Each lender's borrowing capacity was increased with the exception of Texas Capital Bank, and we accounted for the Second Amendment as a modification of debt. We incurred deferred financing costs of $2.6 million in relation to this amendment.

In July 2023, we entered into the third amendment to the Credit Facility (the "Third Amendment"), which reduced the borrowing base from $1 billion to $750 million. Each lender's borrowing capacity was decreased, and we accounted for the Third Amendment as a modification of debt. Additionally, the Third Amendment allowed for a one-time cash distribution to our equity holders not to exceed $10 million in aggregate through September 30, 2023. We did not incur deferred financing costs in relation to the Third Amendment.

In October 2023 in conjunction with the ABS Financing Transaction, we entered into the fourth amendment to the Credit Facility (the "Fourth Amendment"), which amended in its entirety the original Credit Facility. Pursuant to the Fourth Amendment, among other things, the borrowing base was reduced from $750 million to $350 million, and the respective reduced commitments of the various lending banks were reallocated among the continuing lenders to assign the exiting lenders' commitment. We accounted for the decreases in a lender's borrowing capacity as a modification and accounted for any lender that exited the credit facility as a debt extinguishment. In connection with ABS, we repaid $0.0 million as of December 31, 2023.

We incurred deferred financing costs of $5.6 million in relation to the Fourth Amendment. At December 31, 2023, our borrowing base is $350.0 million, and the aggregate commitment of all lenders is $1 billion. Our next borrowing base redetermination is scheduled for April 1, 2024.

Unamortized debt issuance costs associated with the Credit Facility were $13.2 million as of December 31, 2023.

As of December 31, 2023, we were in compliance with our debt covenants under the Credit Facility.

Credit Agreement
On October 24, 2018, BOLP, as borrower, entered into a $1.0 billion credit agreement with Maverick Natural Resources, LLC as the parent guarantor, JPMorgan Chase Bank, N.A., as the administrative agent, collateral agent and letter of credit issuer, Royal Bank of Canada, as syndication agent and other syndicate financial institutions (the "Lenders") (the "Credit Agreement"). The Credit Agreement had a maturity date of October 24, 2023, and was replaced by the Credit Facility (discussed above) effective April 1, 2022.

Interest Expense
Our interest expense is as follows:

(in thousands of dollars)		**2023**		**2022**
Credit Facility (a)	$	40,828	$	18,566
ABS Notes (b)		10,307		-
Amortization of deferred debt issuance costs, Credit Facility		10,274		6,462
Amortization of deferred debt issuance costs, ABS Notes		581		-
Other Credit Facility, net		186		81
	$	62,176	$	25,109
(a) Includes commitment fees and other fees	$	2,733	$	2,738
(b) Includes commitment fees and other fees	$	-	$	-

11. Asset Retirement Obligations

We recognize the fair value of a liability for an ARO in the period it is incurred if a reasonable estimate of fair value can be made. Our ARO represents the present value of the expected costs to plug, abandon and remediate producing and shut-in wells at the end of the productive lives in compliance with applicable local, state and federal laws and applicable lease terms. We estimate the value of our ARO by calculating the present value of estimated cash flows related to plugging and abandonment liabilities. The ARO liability is accreted to its present value each period and the capitalized asset retirement costs are depleted with proved oil and natural gas properties using the unit-of-production method. We review our ARO estimates and assumptions periodically and, to the extent future revisions to these assumptions impact the fair value of the existing ARO liability, we make a corresponding adjustment to the related asset. We consider these inputs to be Level 3 inputs as discussed in Note 2 – Summary of Significant Accounting Policies and Note 5 – Financial Instruments and Fair Value Measurements.

The following table presents the balance and activity in our ARO for the periods presented:

(in thousands of dollars)	**2023**	**2022**
Asset retirement obligations, beginning of year	$ 253,281	$ 225,817
Liabilities incurred from drilling	-	769
Liabilities settled	(19,839)	(7,335)
Liabilities related to divested properties(1)	(9,970)	(6,345)
Liabilities related to acquired properties(2)	-	22,916
Revisions of estimates(3)	11,535	3,036
Accretion expense(4)	14,666	14,425
Asset retirement obligations end of year	249,673	253,281
Less: Current portion of asset retirement obligations	(7,282)	(5,060)
Noncurrent portion of asset retirement obligations	$ 242,391	$ 248,221

(1). Includes ARO related to various sold properties. See Note 4 – Acquisitions and Divestitures.

(2). Related to ARO acquired from Permian and Anadarko acquisitions. See Note 4 – Acquisitions and Divestitures.

(3). During the periods presented, we revised our estimates primarily to reflect the following changes in estimated well lives, oil and natural gas prices and plugging and abandonment cost estimates.

(4). Included in DD&A on our consolidated statements of operations.

12. Commitments and Contingencies

Surety Bonds and Letters of Credit

In the normal course of business, we have performance obligations that are secured, in whole or in part, by surety bonds or letters of credit. These obligations primarily relate to abandonments, environmental and other responsibilities where governmental and other organizations require such support. These surety bonds and letters of credit are issued by financial institutions and are required to be reimbursed by us if drawn upon. At both December 31, 2023 and 2022, we had $21.3 million of irrevocable letters of credit outstanding, of which $21.0 million related to the property reclamation deposit as discussed in Note 8 – Other Long-Term Assets. At December 31, 2023, no amounts were drawn under the letters of credit.

Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not currently a party to any material legal proceedings, other than litigation in regards to the Jay Field NPI. As of December 31, 2023, we had accrued $4.2 million related to this litigation. In addition, we are not aware of any material legal or governmental proceedings against us, or contemplated to be brought against us, under the various environmental protection statues to which we are subject.

13. Equity

Common Units

During 2023, we repurchased 3,222 units for $1.5 million for certain members and executives.

Member Distributions
In October 2022, the Board approved a distribution of totaling $120 million at $41.43 per common unit to the common unitholders of record on the applicable record date.

In January 2023, the Board approved a distribution of $30 million at $10.36 per common unit to the common unitholders of record on the applicable record date.

In May 2023, the Board approved two distributions totaling $50 million. The first distribution was $30 million at 10.36 per common unit to the common unitholders of record on the applicable record date. The second distribution was $20 million at $6.91 per common unit to the common unitholders of record on the applicable record date.

In October 2023, the Board approved a distribution of $260 million at $89.76 per common unit to the common unitholders of record on the applicable record date.

The state of Oklahoma requires operators to withhold 5% of all production revenues associated with royalty interests held by Oklahoma nonresidents to be offset against state income taxes. As Maverick is not subject to income taxes as a limited liability company, the tax liability associated with the operations of Unbridled is the responsibility of the members. As such, the balance of Oklahoma state withholding has been reflected as an equity distribution. At December 31, 2023 and 2022, the total distributions attributable to Oklahoma state withholding is $0.6 million and $0.4 million, respectively.

14. Compensation

Defined Contribution Plan
We sponsor a 401(k) defined contribution plan for eligible employees, and the Plan includes a provision for employer matching contributions. We recorded general and administrative expenses for our matching contributions totaling $2.4 million and $1.3 million for the years ended December 31, 2023 and 2022, respectively.

Long Term Incentive Plans
Maverick Natural Resources, LLC Long Term Incentive Plan (or the “LTIP”) was effective and approved by the Board in August 2019. The LTIP provides for the compensation of employees and eligible nonemployee directors of the Company and its subsidiaries by granting Incentive Units to employees and directors with 3-year and 1-year vesting terms, respectively, from the grant date. The Incentive Unit awards are accounted for as liability-classified awards that will settle in cash and reported as accounts payable and accrued expenses in our consolidated balance sheets. Forfeitures associated with the LTIP awards granted are recognized when they occur.

The Incentive Unit Amounts upon vesting are payable in cash and is equal to the quotient of the Implied Equity Value as of the last day of the fiscal year preceding the Vesting Event (provided, that, in the case of vesting due to an Exit Event or Asset Sale, the Implied Equity Value is, in the sole discretion of the Administrator, either (i) the Implied Equity Value as of the last day of the fiscal year preceding such Vesting Event, or (ii) the Implied Equity Value as of another appropriate date determined by the Administrator, divided by a fixed number subject to adjustment by the Administrator. The Implied Equity Value means an amount equal to the quotient of Adjusted EBITDA and Peer Multiple, less Net Debt, plus Cumulative Distributions. The value of each LTIP unit at December 31, 2023 was estimated at $78.34 per unit. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy.

In August 2023, the Company granted long-term incentive awards to various executives in the form of cash. The Awards are subject to time-based vesting conditions.

The following table summarizes liability-classified performance unit activity for the years ended December 31, 2023 and 2022 and provides information for unvested units as of December 31, 2023 and 2022:

	Number of Units
Unvested units at December 31, 2021	95,814
Granted	88,524
Forfeited	(30,305)
Vested	(57,909)
Unvested units at December 31, 2022	96,124
Granted	108,473
Forfeited	(20,068)
Vested	(64,194)
Unvested units at December 31, 2023	120,335

The Company recognized cash-based long-term incentive compensation of $1.3 million and $1.0 million for executive awards in general and administrative expense in our consolidated statement of operations for both the years ended December 31, 2023 and 2022.

Equity Incentive Awards

For equity classified awards, we recognize expense for the grant date fair value of the award over the vesting period of the awards. Forfeitures are accounted for as they occur. The grant date fair value of the common units was derived from an estimate of Enterprise Value, or the fair value of our upstream and midstream businesses and long-term debt and liabilities. Significant inputs used to determine the fair values of properties include estimates of: (i) reserves; (ii) future operating and development costs; (iii) future commodity prices; and (iv) a market-based weighted average cost of capital rate. These inputs require significant judgments and estimates by our management at the time of the valuation and are sensitive and subject to change.

In August 2023, the Company granted executive incentive awards to various executives in the form of common units. The Awards are subject to performance-based vesting conditions based on market conditions. The expected term for awards granted in 2023 is 1.4 to 2.4 years. The Company did not grant any awards in 2022.

The Company recognized non-cash unit-based compensation of $1.6 million in general and administrative expense in our consolidated statement of operations for the year ended December 31, 2023. The weighted average grant date fair value for the award was $309.13 per common unit. As of December 31, 2023, 28,900 common units have been granted, 16,895 common units remain unvested, and unamortized compensation expense is $4.9 million over the next four years.

The Company recognized non-cash unit-based compensation of $1.2 million in general and administrative expense in our consolidated statement of operations for the year ended December 31, 2022. The weighted average grant date fair value for the award was $333.16 per common unit. As of December 31, 2022, 17,222 common units have been granted, 8,663 common units remain unvested, and unamortized compensation expense is $3.2 million over the next four years.

15. Restructuring Costs

In 2023 and 2022, as part of the Company's restructuring plan, we incurred restructuring costs of approximately $1.6 million and $0.3 million, respectively, primarily related to plans for reductions in workforce to improve operational efficiencies.

Restructuring costs recorded in our consolidated statements of operations are presented for the respective periods:

(in thousands of dollars)	2023	2022
Type of restructuring cost		
Severance and related benefit costs	$ 1,485	$ 120
Office-lease abandonment and relocation	146	163
	$ 1,631	$ 283

16. Subsequent Events

The Company has evaluated subsequent events through April 29, 2024, the date the financial statements were issued and noted the events below.

In February 2024, the Company replaced the performance-based equity incentive awards granted in August 2023 with time-based equity incentive awards.

In March 2024, the Company settled its Jay Field litigation for $9.2 million. As part of the settlement, the Company purchased the net profit interest in the Jay Field for approximately $5 million. The Company recognized a litigation settlement accrual as of December 31, 2023 for $4.2 million.

Unaudited Supplementary Information.

Oil and Gas Exploration and Production Activities

The Company has only one reportable operating segment, which is oil and gas development, exploration and production in the U.S. See the Company's accompanying consolidated statements of operations for information about results of operations for oil and gas producing activities.

Capitalized Costs

(in thousands of dollars)	At December 31,	
Category	**2023**	**2022**
Proved properties and related producing assets	$ 2,518,413	$ 2,295,001
Warehouse Inventory	29,850	15,496
Unproved properties	126,557	116,175
Accumulated depreciation, depletion and amortization	(1,053,454)	(843,848)
Net Capitalized Costs	**$ 1,621,366**	**$ 1,582,824**

Costs Incurred for Oil and Gas Producing Activities

(thousands of dollars)	Year Ended December 31,	
	2023	**2022**
Property Acquisition Costs		
Proved	$ 3,529	$ 514,488
Unproved	14,608	27,274
Exploration Costs	160	1,213
Development Costs (a)	259,365	292,910
Total Costs Incurred	**$ 277,662**	**$ 835,885**

a. Development costs incurred for oil and gas producing activities includes the following amounts:

(thousands of dollars)	Year Ended December 31,	
	2023	**2022**
Development Drilling	$ 185,744	$ 241,452
Production Facilities and Equipment Upgrades	35,571	34,584
Warehouse Inventory	14,354	2,450
Capitalized G&A	12,078	10,599
Asset Retirement Obligations	11,615	3,805
Other	2	20
Total Development Costs Incurred	**$ 259,364**	**$ 292,910**

Results of Operations from Natural Gas and Oil Producing Activities

The table below sets forth the results of operations from natural gas and oil producing activities:

(in thousands of dollars)	**2023**	**2022**
Sales	$ 896,493	$ 1,343,817
Realized (loss) gain on commodity derivatives	(46,722)	(370,798)
Lease Operating Expenses	(388,237)	(449,652)
Depreciation, depletion and amortization	(157,837)	(126,623)
Impairment of oil and natural gas properties	(66,785)	(118,839)
Results of operations	$ 236,912	$ 277,905

The results of operations shown above exclude general and administrative.

Reserve Quantity Information

The estimates of the Company's proved reserves as of December 31, 2023 and December 31, 2022 were based on evaluations prepared by independent petroleum engineers. Proved reserves were estimated in accordance with guidelines established by the SEC and the FASB, which require that reserve estimates be prepared under existing economic and operating conditions based upon an average of the first-day-of-the-month commodity price during the 12-month period ending on the balance sheet date with no provision for price and cost escalations except by contractual arrangements.

Proved reserve quantity estimates are subject to numerous uncertainties inherent in the estimation of quantities of proved reserves and in the projection of future rates of production and the timing of development expenditures. The accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of subsequent drilling and production performance may cause either upward or downward revision of previous estimates. Further, the volumes considered to be commercially recoverable fluctuate with changes in commodity prices and operating costs. The Company emphasizes that proved reserve estimates are inherently imprecise and that estimates of new discoveries are more imprecise than those of currently producing oil and gas properties. Accordingly, these estimates are expected to change as additional information becomes available in the future.

The following table provides a roll forward of total proved reserves.

(Thousands of dollars)	**Total (MBoe)**	**Oil (MBbl)**	**NGL (MBoe)**	**Gas (MMcf)**
Proved reserves				
Beginning balance, 12/31/2021	304,570	83,476	64,218	941,258
Revision of previous estimates	30,538	2,932	22,430	31,058
Extensions, discoveries and other additions	18,427	6,020	4,467	47,639
Purchase of reserves in-place	58,626	27,895	5,554	151,060
Sale of reserves in-place	(5,595)	(2,502)	(814)	(13,673)
Production	(25,297)	(7,767)	(5,892)	(69,829)
Ending balance, 12/31/2022	**381,268**	**110,054**	**89,963**	**1,087,513**
Revision of previous estimates	(76,129)	(11,841)	(16,851)	(284,625)
Extensions, discoveries and other additions	9,633	4,762	578	25,759
Sale of reserves in-place	(3,059)	(762)	(778)	(9,119)
Production	(24,959)	(8,257)	(5,714)	(65,929)
Ending balance, 12/31/2023	**286,755**	**93,957**	**67,198**	**753,600**
Proved developed reserves				
Ending balance, 12/31/2021	254,618	66,002	55,288	799,965
Ending balance, 12/31/2022	304,331	86,403	72,476	872,712
Ending balance, 12/31/2023	235,389	75,237	58,240	611,472
Proved undeveloped reserves				
Ending balance, 12/31/2021	49,953	17,474	8,930	141,293
Ending balance, 12/31/2022	76,937	23,650	17,487	214,801
Ending balance, 12/31/2023	51,366	18,720	8,958	142,128

1) For the year ended December 31, 2023, the Company added 9.6 MMBOE through extensions primarily related to increased pricing and future drilling plans on proved undeveloped location in the Company's Western Anadarko and Permian assets. These additions were offset by negative revisions of 76.1 MMBOE, reductions in production of 25.0 MMBOE, and the removal of 3.1 MMBOE related to the Divestiture of properties in Western Anadarko Basin, West Texas, and Wyoming. See Note 4 – Acquisitions, Assets Held for Sale, and Divestitures for further discussion.

2) For the year ended December 31, 2022, the Company added 58.6 MMBOE from acquisitions during the period related to the Permian Acquisition and the Anadarko Acquisition. See Note 4 – Acquisitions, Assets Held for Sale, and Divestitures for further discussion. The Company also added 30.5 MMBOE of estimated proved reserves through positive price and performance revisions, primarily driven by improved commodity prices during 2022. In addition, the Company added 18.4 MMBOE through extensions primarily related to increased pricing and future drilling plans on proved undeveloped location in the Company's Western Anadarko assets. These additions were offset by production of 25.3 MMBOE and the removal of 5.6 MMBOE related to the Divestiture of properties in California and Michigan. See Note 4 – Acquisitions, Assets Held for Sale, and Divestitures for further discussion.

The NYMEX prices used for oil and gas reserve preparation, based upon SEC guidelines, were as follows:

	Year Ended December 31,		% Change	
	2023	2022	2023 to 2022	2022 to 2021
Oil per BBL	$ 78.21	$ 94.14	-17%	41%
Gas per MCF	$ 2.64	$ 6.36	-59%	77%

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows is computed by applying commodity prices used in determining proved reserves (with consideration of price changes only to the extent provided by contractual arrangements) to the estimated future production of proved reserves less estimated future expenditures (based on year-end estimated costs) to be incurred in developing and producing the proved reserves, discounted using a rate of ten percent per year to reflect the estimated timing of the future cash flows. Future income taxes are calculated by comparing undiscounted future cash flows to the tax basis of oil and gas properties plus available carryforwards and credits and applying the current tax rates to the difference. The discounted future cash flow estimates do not include the effects of the Company's commodity derivative contracts.

Discounted future cash flow estimates, like those shown below, are not intended to represent estimates of the fair value of oil and gas properties. Estimates of fair value should also consider probable and possible reserves, anticipated future commodity prices, interest rates, changes in development and production costs and risks associated with future production. Because of these and other considerations, any estimate of fair value is necessarily subjective and imprecise.

The standardized measure of discounted future cash flows as well as a roll forward in total for each respective year are as follows:

(in thousands of dollars)	**2023**	**2022**
Future cash inflows (total revenues)	$ 10,082,939	$ 19,447,716
Future production costs (severance and ad valorem taxes plus LOE)	(4,796,251)	(7,255,342)
Future development costs (capital costs)	(1,707,946)	(1,989,406)
Future income tax expense	(19,546)	(41,120)
Future net cash flows	3,559,196	10,161,848
10% annual discount for estimated timing of cash flows	(1,548,849)	(5,043,697)
Standardized measure of DFNCF	$ 2,010,347	$ 5,118,151

Changes in Standardized Measure of Discounted Future Net Cash Flows

(in thousands of dollars)	**2023**	**2022**
Beginning balance	$ 5,118,150	$ 2,654,919
Net changes in prices and production costs	(2,300,636)	2,056,197
Net change in future development costs	12,714	(214,806)
Oil & gas net revenue	(511,575)	(886,488)
Extensions	109,046	207,825
Acquisition of reserves	-	628,906
Disposition of reserves	(35,438)	(28,777)
Revisions of previous quantity estimates	(997,147)	542,400
Previously estimated development costs incurred	70,396	59,450
Net change in taxes	10,400	(11,217)
Accretion of discount	513,870	257,161
Changes in timing and other	20,567	(147,420)
Ending Balance	$ 2,010,347	$ 5,118,150

Exhibit 99.2

Maverick Natural Resources, LLC and Subsidiaries
Unaudited Consolidated Financial Statements
As of September 30, 2024 and December 31, 2023 and for the nine-month periods ended September 30, 2024 and 2023

Maverick Natural Resources, LLC and Subsidiaries Index

As of September 30, 2024 and December 31, 2023 and for the nine-month periods ended September 30, 2024 and 2023

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Balance Sheets (Unaudited)
September 30, 2024 and December 31, 2023

Thousands of dollars	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash	$ 40,137	$ 53,263
Restricted cash - current	36,736	31,936
Accounts receivable, net	127,889	140,260
Derivative instruments	37,581	46,503
Inventory	9,666	2,209
Prepaid expenses and other current assets	6,535	7,089
Total current assets	258,544	281,260
Property, plant and equipment		
Oil and natural gas properties	2,391,401	2,674,820
Other property, plant and equipment	119,920	110,888
Property, plant and equipment	2,511,321	2,785,708
Accumulated depletion, depreciation, and impairment	(1,047,475)	(1,097,788)
Property, plant and equipment, net	1,463,846	1,687,920
Other long-term assets		
Assets held-for-sale - noncurrent	90,291	–
Derivative instruments	23,151	48,018
Operating lease right-of-use assets	11,534	12,362
Other long-term assets	33,260	35,577
Total assets	$ 1,880,626	$ 2,065,137
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 220,839	$ 272,637
Current portion of long-term debt	110,254	113,773
Derivative instruments	–	98
Current portion of asset retirement obligation	7,282	7,282
Operating lease obligations - current	1,477	841
Liabilities related to assets held-for-sale	13,401	–
Total current liabilities	353,253	394,631
Long-term debt	657,292	697,405
Derivative instruments	548	3,994
Asset retirement obligation	226,248	242,391
Operating lease obligations - noncurrent	24,932	25,316
Liabilities related to assets held-for-sale - noncurrent	16,957	–
Other long-term liabilities	29,785	29,501
Total liabilities	1,309,015	1,393,238
Members' equity	571,611	671,899
Total liabilities and equity	$ 1,880,626	$ 2,065,137

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Operations (Unaudited)
Nine Months Ended September 30, 2024 and 2023

Thousands of dollars	Year to Date September 30, 2024	Year to Date September 30, 2023
Revenues and other income items		
Oil revenues	$ 421,209	$ 465,331
Natural gas revenues	77,601	119,439
NGL revenues	78,111	85,248
Oil, natural gas and NGL revenues	576,921	670,018
Loss on commodity derivative instruments	(2,322)	(27,341)
Other revenues, net	60,881	65,067
Total revenues and other income items	635,480	707,744
Operating costs and expenses		
Operating costs	353,810	372,859
Depletion, depreciation and amortization	130,491	119,186
Impairment of oil and natural gas properties	110,856	62,683
General and administrative expenses	45,638	55,010
Restructuring costs	8,822	1,600
Gain on sale of assets	(2,206)	(1,022)
Total operating costs and expenses	647,411	610,316
Operating income (loss)	(11,931)	97,428
Interest expense	63,558	41,810
Other income, net	(2,680)	(842)
Total other expense (income)	60,878	40,968
Income (loss) before taxes	(72,809)	56,460
Income tax expense (benefit)	148	(416)
Net income (loss)	$ (72,957)	$ 56,876

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Members' Equity (Unaudited)
Nine Months Ended September 30, 2024 and 2023

Thousands of dollars	Outstanding Common Units	Total Members' Equity
Balances, December 31, 2022	**2,896**	**$ 755,148**
Unit-based compensation	–	(410)
Units issued under unit-based compensation awards, net of tax withholdings	2	1,321
Net income (loss)	–	56,876
Redemption of units	(1)	(1,538)
Distributions	–	(80,000)
Other	–	(220)
Balances, September 30, 2023	**2,897**	**731,177**
Balances, December 31, 2023	**2,897**	**671,899**
Units issued under unit-based compensation awards, net of tax withholdings	5	3,092
Net loss	–	(72,957)
Redemption of units	(1)	(1,145)
Unit-based compensation modified to liability awards	(9)	(4,682)
Distributions	–	(24,242)
Other	–	(354)
Balances, September 30, 2024	**2,892**	**571,611**

The accompanying notes are an integral part of these consolidated financial statements.

Maverick Natural Resources, LLC and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
Nine Months Ended September 30, 2024 and 2023

Thousands of dollars	Nine Months Ended September 30, 2024	2023
Cash flows from operating activities		
Net income (loss)	$ (72,957)	$ 56,876
Adjustments to reconcile cash flow from operating activities:		
Depletion, depreciation and amortization	130,491	119,186
Impairment of oil and natural gas properties	110,856	62,683
(Gain) loss on derivative instruments	2,322	27,341
Derivative instrument settlement payments	27,923	(34,819)
Deferred income taxes	-	(397)
Gain on sale of assets	(2,206)	(1,022)
Restructuring costs, net of payments	2,498	93
Write off of debt issuance costs	1,556	3,678
Other	8,672	1,520
Changes in assets and liabilities:		
Accounts receivable and other assets	2,737	47,961
Inventory	(2,352)	(1,615)
Accounts payable and accrued expenses	(29,048)	(53,687)
Net cash provided by operating activities	180,492	227,798
Cash flows from investing activities		
Capital acquisitions, net	(14,683)	(17,367)
Capital expenditures	(104,416)	(227,185)
Proceeds from sale of assets	1,799	15,514
Net cash used in investing activities	(117,300)	(229,038)
Cash flows from financing activities		
Distributions to common unitholders	(24,242)	(80,000)
Credit facility borrowings	160,500	315,000
Repayments of credit facility	(126,500)	(245,000)
Issuance of term debt	10,000	-
Repayments of term debt	(88,464)	-
Long-term debt issuance costs	-	(114)
Redemption of common units	(1,928)	(1,538)
Principal payments on finance lease obligations	(884)	(672)
Net cash used in financing activities	(71,518)	(12,324)
Increase (decrease) in cash and restricted cash	(8,326)	(13,564)
Cash and restricted cash - beginning of period	85,199	16,806
Cash and restricted cash - end of period	$ 76,873	$ 3,242

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Maverick Natural Resources, LLC ("MNR" or "Parent") and its subsidiaries, including Maverick Asset Holdings LLC ("MAH"), Maverick ABS Holdco, LLC ("ABS Holdco"), and Maverick Services, LLC ("MAV Services"), (collectively, "Maverick," "we" or the "Company") is a Delaware limited liability company formed on March 22, 2018. We are a Houston, Texas-based oil and natural gas company focused on the development and production of long-lived oil and natural gas reserves throughout the United States. Our primary operations are in seven regions in the United States: East Texas, Mid-Continent (Western Oklahoma and Eastern New Mexico); Permian (West Texas); Rockies (Wyoming); Southeast (Southwest Florida, Florida Panhandle and Alabama); and Western Anadarko (Texas Panhandle and Southwestern Oklahoma).

On October 26, 2023, the Parent, through its consolidated subsidiaries, raised $640 million through an asset-backed securitization financing transaction. Several new subsidiaries were created including MNR ABS Holdings I, LLC ("ABS Holdings") and MNR ABS Issuer I, LLC ("ABS Issuer"). See Note 4 – Acquisitions, Divestitures, and Assets Held for Sale – Transactions Between Entities Under Common Control and Note 9 – Debt for further discussion.

In January 2025, the Company entered into a definitive merger agreement with Diversified Energy Company PLC ("Diversified"), pursuant to which Diversified will acquire all the outstanding equity interest of the Company. For additional information, see Note 14 – Subsequent Events.

The Company operates its properties through its primary operating subsidiaries: Breitburn Operating, L.P. ("BOLP"), Unbridled Resources, LLC ("Unbridled"), and Maverick Permian, LLC.

In addition to our operating companies, the Company's subsidiaries include: (i) Wheeler Midstream, LLC, an oil terminal located in Wheeler County, TX, which purchases oil from both properties operated by Unbridled, a wholly owned entity, and third-party operated properties, (ii) MidPoint Midstream, LLC, a gas gathering operation located in Wheeler and Hemphill Counties, Texas and Roger Mills and Beckham Counties, Oklahoma, which gathers and compresses natural gas produced from Unbridled and third party operated properties, and (iii) Bluebonnet Resources, LLC, which acquired unproved acreage for development purposes.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

Our unaudited consolidated financial statements relate to our financial position as of September 30, 2024 and December 31, 2023, and our results of operations for the nine months ended September 30, 2024 and September 30, 2023, respectively. They reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods, on a basis consistent with the annual audited financial statements, with the exception of any recently adopted accounting pronouncements. All such adjustments are of a normal recurring nature. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) have been condensed or omitted, although the Company believes that the disclosures are adequate to make the information presented not misleading. Our consolidated financial statements include Maverick and our wholly owned or majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13’’), which changes the impairment model for most financial assets. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL framework utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods, which generally require that a loss be incurred before it is recognized.

On January 1, 2023, the Company adopted the guidance applying the modified retrospective basis approach. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements as of the adoption date, January 1, 2023.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”), which provided optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that referenced LIBOR ("London Inter-Bank Offered Rate") or another rate. ASU 2020-04 was in effect through December 31, 2022. In January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope (“ASU 2021-01”), to provide clarifying guidance regarding the scope of Topic 848. ASU 2020-04 was issued to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848" ("ASU 2022-06"), which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. As of September 30, 2024, the Company’s borrowings under its Credit Facility bear interest at an ABR or SOFR basis plus an applicable margin and the ABS loans have a fixed interest rate. At this time, the Company does not plan to enter into additional contracts using LIBOR as a reference rate. For additional information, see Note 9 – Debt.

In October 2021, the FASB issued ASU 2021-07, "Compensation – Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards" as a practical expedient to allow a nonpublic entity to determine the current price input of equity-classified share-based awards issued to both employees and nonemployees using the reasonable application of a reasonable valuation method. The practical expedient describes the characteristics of the reasonable application of a reasonable valuation method as the same characteristics used in the regulations of the U.S. Department of Treasury for income tax purposes (the "Treasury Regulations"). Consequently, a reasonable valuation performed in accordance with the Treasury Regulations is an example of a way to achieve the practical expedient. This accounting standard had no effect on the Company and the company continues to use a reasonable valuation method for its equity classified awards.

In March 2023, the FASB issued an ASU to amend certain provisions of Accounting Standards Codification ("ASC") Topic 842, "Leases" ("ASC 842") that apply to arrangements between related parties under common control. The ASU amends the accounting for the amortization period of leasehold improvements in common-control leases for all entities and requires certain disclosures when the lease term is shorter than the useful life of the asset. This ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. This accounting standard had no effect on the Company and the Company will continue to evaluate the standard in the future.

New Pronouncements Issued But Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)," which expands disclosures around an entity's costs and expenses of specific items (i.e. employee compensation, DD&A), requires the inclusion of amounts that are required to be disclosed under GAAP in the same disclosure as other disaggregation requirements, requires qualitative descriptions of amounts remaining in expense captions that are not separately disaggregated quantitatively, and requires disclosure of total selling expenses, and in annual periods, the definition of selling expenses. The amendment does not change or remove existing disclosure requirements. The amendment is effective for fiscal years beginning after December 15, 2026, and interim periods with fiscal years beginning after December 15, 2027. Early adoption is permitted, and the amendment can be adopted prospectively or retrospectively to any or all periods presented in the financial statements. The Company is currently assessing the impact of adopting this standard.

Use of Estimates

The preparation of financial statements and related footnotes in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Our significant estimates include oil and natural gas reserves; cash flow estimates used in impairment testing of oil and natural gas properties and midstream assets; depreciation, depletion, amortization ("DD&A") and accretion; asset retirement obligations ("ARO"); accrued revenue and related receivables; operating expenses and accrued liabilities; valuation of liability-classified incentive awards; mark-to-market valuations; and unit-based compensation. We believe our estimates are reasonable, and actual results could differ significantly from these estimates.

Cash and Restricted Cash
Our cash consists of cash in the bank. Current restricted cash represents funds held in escrow that will be used to settle certain general unsecured claims related to the 2018 bankruptcy and cash held in a liquidity reserve account, collection account, and plug and abandonment account maintained in connection with the ABS Financing Transaction. As of September 30, 2024, the amounts in Restricted Cash consisted of $3.2 million, $20.4 million, $12.1 million, and $0.9 million for the escrow, liquidity reserve, collection, and plug and abandonment accounts, respectively. As of December 31, 2023, the amounts in Restricted Cash consisted of $3.2 million $23.6 million, and $5.1 for the escrow, liquidity reserve, and collection accounts, respectively. As of September 30, 2024 and December 31, 2023, long-term restricted cash did not have a balance.

Revenue Recognition and Natural Gas Balancing
We recognize revenues from the sale of oil, natural gas and natural gas liquid (“NGL”) when control of the oil, natural gas and NGL production has transferred to the customer, the transaction price has been determined and collectability is reasonably assured and evidenced by a contract. Performance obligations under our contracts with customers are typically satisfied when oil, natural gas and NGL are transferred through delivery at the inlet of pipeline or processing plant, onloading to the delivery truck or barge.

Oil terminal revenues are recognized when delivery to the purchaser has occurred, title has transferred, and the associated receivable is recoverable.

We generate gathering revenues by providing gathering and compression services to third parties. We recognize revenue for these arrangements over time based on a per unit rate applied to volumes that travel through the gathering system. In addition, we retain any drip liquids collected on our gathering systems. The value of these drip liquids is recognized as part of gathering revenue in the month the underlying gathering service is provided based upon the price realized for sale of drip condensate to third party customers which represents a market price.

Natural gas production imbalances represent the fair value of amounts payable or receivable for natural gas production imbalances, and revenues are recognized based on our share of volumes sold, regardless of whether we have taken our proportional share of volume produced. A receivable or liability is recognized only to the extent that we have an imbalance on a specific property greater than the expected remaining proved reserves. As of September 30, 2024 and December 31, 2023, our natural gas production imbalance asset of $3.8 million and $3.1 million, respectively, was included in other long-term assets and natural gas production imbalance liability of $22.7 million and $21.8 million, respectively, was included in other long-term liabilities on our consolidated balance sheets.

Inventory
Inventory represents our share of crude oil produced from our Florida and Texas operations that is held in storage tanks and unsold at the end of the period. Inventory is reported as current assets in our consolidated balance sheets and carried at the lower of cost or market. We assess the carrying value of our inventory periodically to determine any adjustments necessary to reduce the carrying value to net realizable value. Uncertainties that may impact our assessment include: the applicable quality and location differentials and changes in the timing of a sale. We did not recognize any write-downs during the periods presented.

Property, Plant and Equipment

Proved Oil and Natural Gas Properties

We account for oil and natural gas exploration and development activities using the successful efforts method. Under this method, all property acquisition and development costs are capitalized when incurred and depleted on a unit-of-production basis over total proved reserves and proved developed reserves, respectively. Proved leasehold costs associated with proved reserves are depleted based on total proved reserves, which include proved undeveloped reserves.

Costs of retired, sold or abandoned properties that constitute part of an amortization base are charged or credited, net of proceeds to accumulated DD&A unless doing so significantly affects the unit-of-production amortization rate, in which case a gain or loss is recognized currently in the consolidated statements of operations.

Expenditures for maintenance, repairs and minor renewals necessary to maintain properties in operating condition are expensed as incurred. Major betterments, replacements and renewals are capitalized to the appropriate property and equipment accounts. Estimated dismantlement and abandonment costs for oil and natural gas properties are capitalized, net of salvage, at their estimated net present value and amortized on a unit-of-production basis over the remaining life of the related proved developed reserves.

Unproved Oil and Natural Gas Properties

Unproved oil and natural gas properties include lease acquisition costs which are costs incurred to acquire unproved leases. Lease acquisition costs are capitalized until the leases expire or when we specifically identify leases that will revert to the lessor, at which time we expense the associated lease acquisition costs. Lease acquisition costs that are expensed are recorded as “impairment of oil and natural gas properties” in our consolidated statements of operations. Lease acquisition costs related to successful exploratory drilling are reclassified to proved properties and depleted on a unit-of-production basis.

For sales of entire working interests in unproved properties, gain or loss is recognized to the extent of the difference between the proceeds received and the net carrying value of the property. Proceeds from sales of partial interests in unproved properties are accounted for as recovery of costs unless the proceeds exceed the entire cost of the property.

Impairment of Oil and Natural Gas Properties

We evaluate proved oil and natural gas properties for impairment whenever facts or circumstances indicate that the carrying values of such properties may not be recoverable. We perform impairment assessments by grouping assets at the lowest level for which there are identifiable cash flows. Impairment is indicated when a triggering event occurs and/or the sum of the estimated future net cash flows of an evaluated asset group is less than the asset group’s carrying value. Triggering events may include potential disposition of assets and declines in oil, natural gas and NGL prices. If impairment is indicated, we estimate fair value using a discounted cash flow approach. The factors used to determine fair value are subject to management’s judgment and expertise and include, but are not limited to, recent sales prices of comparable properties, the present value of future cash flows, net of estimated operating and development costs using estimates of proved reserves, future commodity pricing, future production estimates, anticipated capital expenditures and various discount rates commensurate with risk and current market conditions associated with realizing the expected cash flows projected.

We evaluate unproved oil and natural gas properties periodically for impairment on a geographic basis based on remaining lease terms, drilling results or future plans to develop acreage. These factors may be affected by economic factors including future oil and natural gas prices and projected capital costs.

We evaluate the recoverability of our other property, plant and equipment whenever events or circumstances indicate a decline in the recoverability of the respective carrying values may have occurred. We compare the net carrying value of the asset group to the undiscounted net cash flows projected. If the carrying amount exceeds the estimated undiscounted future cash flows, we will adjust the carrying amount to fair value.

Impairment expense for proved and unproved properties is reported as “impairment of oil and natural gas properties” in the consolidated statements of operations. Impairment expense for other property, plant and equipment is reported as “impairment of long-lived assets” in the consolidated statements of operations.

Other Property, Plant and Equipment
Other property, plant and equipment include buildings, field equipment, compressors, furniture, leasehold improvements, computer hardware and software. We record other property, plant and equipment at cost and depreciate the assets using the straight-line method over the estimated lives of the individual assets.

We assign the useful lives of our property, plant and equipment based upon our internal estimates that are reviewed by management periodically. We use estimated lives of 20 years for our buildings, two to seven years for field equipment, furniture and computer hardware and software, and the remaining lease term for leasehold improvements. At the time of sale or disposal, the costs and accumulated DD&A of the sold or disposed assets are removed from our consolidated balance sheets with any gain or loss realized in our consolidated statements of operations.

Midstream Assets
Midstream assets consist primarily of natural gas gathering facilities and pipelines, as well as an oil terminal. Renewals and betterments, which substantially extend the useful lives of the assets, are capitalized and reported as other property, plant and equipment in our consolidated balance sheets. Maintenance and repairs are expensed when incurred. These assets are depreciated using the straight-line method over 3 to 30 years. We consider estimated future dismantlement, restoration and abandonment costs in our calculation of straight-line DD&A for our natural gas gathering, processing facilities and pipelines.

Leases
At inception, contracts are assessed for the presence of a lease according to the criteria prescribed by Accounting Standards Codification ("ASC”) Topic 842, “Leases” (“ASC 842”). If a lease is present, further criteria is assessed to determine if the lease should be classified as an operating or finance lease. Operating leases are presented on the consolidated balance sheet as operating lease right-of-use assets with the corresponding lease liabilities presented as operating lease obligations - current and Operating lease obligations - noncurrent. Finance lease assets are presented on the consolidated balance sheet as other property, plant and equipment with the corresponding liabilities presented in current portion of long-term debt and long-term debt.

Generally, lease liabilities are recognized at commencement and based on the present value of the future minimum lease payments to be made over the lease term. Lease assets are then recognized based on the value of the lease liabilities. For leases where the implicit lease rates are not determinable, the minimum lease payments are discounted using the Company's collateralized incremental borrowing rates.

Operating leases are expensed according to their nature and recognized in operating expenses or general and administrative expenses. Finance leases are depreciated and amortized with the relevant expenses recognized in depreciation, depletion and amortization and interest expense on the consolidated statement of operations.

Revenue and Production Taxes Payable

We calculate and pay taxes and royalties on crude oil and natural gas in accordance with particular contractual provisions of the leases, license or concession agreements and the laws and regulations applicable to those agreements.

Asset Retirement Obligations

We recognize estimated liabilities for future costs associated with the abandonment of our oil and natural gas properties, gas gathering, processing facilities and pipelines. We record a liability for the fair value of an ARO and a corresponding increase to the carrying value of the related long-lived asset in the period in which wells are drilled or acquired. See Note 10 – Asset Retirement Obligations for further discussion.

Liability-Classified Awards

We classify certain awards that will be settled in cash as liability awards in our consolidated balance sheets in accounts payable and accrued expenses. The fair value of a liability-classified award is determined on a quarterly basis beginning at the grant date until final vesting. Changes in the fair value of liability-classified awards are recorded to general and administrative expense and operating costs over the vesting period of the award. The Company's liability-classified awards include a performance condition based on preceding Implied Equity Value. See Note 5 – Financial Instruments and Fair Value Measurements for further discussion.

Unit-Based Compensation

Unit-based compensation grants are measured at their grant date fair value and related compensation cost is recognized over the vesting period of the grant. Compensation cost for awards is recognized on a straight-line basis over the requisite service period.

Environmental Liabilities

We are subject to federal, state and local environmental laws and regulations. These laws regulate the release, disposal or discharge of materials into the environment or otherwise relate to environmental protection. These laws and regulations may require that we remove or mitigate the environmental effect of the discharge, disposal or release of petroleum substances at various sites. Environmental expenditures are expensed or capitalized depending on their future economic benefit. We expense expenditures related to an existing condition caused by past operations that have no future economic benefit. We record liabilities for noncapital expenditures when environmental assessments or remediation is probable, and the costs can be reasonably estimated. Such liabilities are generally undiscounted unless the timing of cash payments for the liability is fixed or determinable. We did not have environmental liabilities at September 30, 2024 and December 31, 2023, respectively.

Business Combinations and Asset Acquisitions

We account for business combinations under the acquisition method of accounting. Accordingly, we recognize amounts for identifiable assets acquired and liabilities assumed equal to their estimated acquisition-date fair values. Transaction and integration costs associated with business combinations are expensed as incurred.

We make various assumptions in estimating the fair values of assets acquired and liabilities assumed. As fair value is a market-based measurement, it is determined based on the assumptions that market participants would use. The most significant assumptions relate to the estimated fair values of the proved and unproved oil and natural gas properties. The fair values of these properties are measured using valuation techniques that convert future cash flows to a single discounted amount. Significant inputs to the valuation include estimates of reserves, future operating and development costs, future commodity prices and a market-based weighted average cost of capital rate. The market-based weighted average costs of capital rate are subjected to additional project-specific risking factors. In addition, when appropriate, we review comparable purchases and sales of oil and natural gas properties within the same regions and use that data as a proxy for fair market value; for example, the amount a willing buyer and seller would enter into exchange for such properties.

Any excess of the acquisition price over the estimated fair value of net assets acquired in recorded as goodwill. Any excess of the estimated fair value of net assets acquired over the acquisition price is recorded as a bargain purchase gain in other income, net on our consolidated statements of operations.

In an asset acquisition, transaction costs are capitalized, and any excess or deficit of fair value of net assets in relation to acquisition price is allocated to the acquired assets based on the relative fair value.

Commitments and Contingencies

We recognize liabilities for other commitments and contingencies when, after fully analyzing the available information, we determine that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. When a range of probable loss can be estimated, we accrue the mostly likely amount, or if no amount is more likely than another, we accrue the minimum of the range of probable loss.

Fair Value of Financial Instruments

Certain of our financial assets and liabilities are measured at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Our financial instruments, not otherwise recorded at fair value, consist primarily of cash, trade receivables, trade payables and long-term debt. The carrying value of cash, trade receivables and trade payables are considered to be representative of their respective fair values due to the short-term maturity of these instruments. See Note 5 – Financial Instruments and Fair Value Measurements for additional details.

Fair Value of Nonfinancial Assets and Liabilities

We apply fair value accounting guidance to measure our nonfinancial assets and liabilities such as those obtained through property, plant and equipment, AROs and restructuring. These assets and liabilities are subject to fair value adjustments only in certain circumstances and are not subject to recurring revaluations. Fair value may be estimated using comparable market data, a discounted cash flow method, or a combination of the two as considered appropriate based on the circumstances. Under the discounted cash flow method, estimated future cash flows are based on management's expectations for the future and include estimates of future oil and natural gas production and other applicable sales estimates, operational costs and risk-adjusted discount rate. We may use the present value of estimated future cash inflows and outflows, third-party offers or prices of comparable assets with consideration of the current market conditions to value our nonfinancial assets and liabilities when circumstances dictate fair value determination is necessary.

Concentrations of Credit Risk

We are subject to credit risk resulting from the concentration of our oil, natural gas and NGL receivables with the following major purchasers that accounted for 10% or more of our total oil, natural gas and NGL sales for the periods presented:

	Nine Months Ended September 30,	
Purchaser	**2024**	**2023**
Customer A	15%	12%
Customer B	13%	6%
Customer C	12%	12%

Our financial instruments with credit risk exposure consist principally of cash, accounts receivable, and derivative instruments. We maintain cash in deposit accounts at financial institutions that may exceed the federally insured limits. We monitor credit risk exposure by (i) placing our assets and other financial instruments with credit-worthy financial institutions, (ii) maintaining policies over credit extension that include our evaluation of customers' financial condition and monitoring payment history and (iii) netting derivative assets and liabilities where we have legal right of offset with counterparties and diversifying our derivative instrument portfolio.

Risk Management and Derivative Instruments

We have entered into derivative contracts with counterparties to reduce the effect of changes in oil and natural gas prices on a portion of our oil and natural gas production. We do not enter into such contracts for speculative trading purposes. Our commodity derivative instruments are measured at fair value in our consolidated balance sheets as derivative assets or derivative liabilities. We have not designated any derivative instruments as hedges for accounting purposes. Gains and losses from valuation changes in commodity derivatives are reported as (gain) loss on commodity derivative instruments in our consolidated statements of operations. Our cash flows are only impacted when the actual settlements under the derivative contracts result in making or receiving a payment to or from the counterparty. Cash settlements are reflected as operating activities in our consolidated statements of cash flows. We expense transaction costs related to the modification of derivative instruments as incurred. See Note 5 – Financial Instruments and Fair Value Measurements for further discussion of our derivative instruments.

We have market and credit risk exposure due to commodity derivatives that are concentrated with certain counterparties who are affiliate lenders under the Credit Agreement. We believe the risk of nonperformance by our counterparties is low as we execute our derivative contracts only with credit-worthy financial institutions and we have no past-due receivables from our derivative counterparties. As of September 30, 2024, J. ARON & Company, JP Morgan Chase Bank N.A., and KeyBank, which accounted for approximately 60%, 39%, and 1%, respectively, of our total hedge settlement receivable.

Our commodity derivative contracts are documented with industry standard contracts known as Schedule to the Master Agreement and International Swaps and Derivatives Association, Inc. Master Agreement (“ISDA”). Typical terms for the ISDAs include credit support requirements, cross default provisions, termination events and set-off provisions. We are not required to provide any credit support to our counterparties other than cross collateralization with the oil and natural gas properties securing the Credit Agreement. We have certain limitations under the Credit Agreement, including a provision that limits the total amount of our production that may be hedged to certain percentages of current and forecasted production. As of September 30, 2024, we were in compliance with these limitations. See Note 5 – Financial Instruments and Fair Value Measurements and Note 9 – Debt for additional information.

Debt Issuance Costs

Debt issuance costs related to our Credit Facility and ABS Notes are amortized over the life of the related debt using the effective interest rate method and unamortized debt issuance costs are netted against the outstanding balance of debt obligations on our consolidated balance sheets. Any unamortized costs associated with retired debt are written off and included in the determination of gain or loss on extinguishment of debt.

Revenues

Sales of oil, natural gas and NGL are recognized at the point when control of the commodity is transferred to the customer and collectability is reasonably assured. Most of our contracts’ pricing provisions are tied to a commodity market index, with certain adjustments based on, among other factors, whether a well delivers to a gathering or transmission line, quality of the oil or natural gas, and prevailing supply and demand conditions. As a result, the price of the oil, natural gas and NGL fluctuates to remain competitive with the other available oil, natural gas and NGL suppliers.

Oil Sales

Under our crude purchase and marketing contracts, we generally sell oil production at the wellhead and collect an agreed-upon index price, net of pricing differentials. We recognize revenue when control transfers to the purchaser at the wellhead or delivery point for onloading to delivery truck or barge at the net price received.

Natural Gas and NGL Sales

Under our natural gas gathering, processing and purchase contracts, we deliver unprocessed natural gas to processing plants at the wellhead or the inlet of the processing plant’s system. The midstream entity then gathers and processes the natural gas to produce residue gas and NGLs generated from processing. In the majority of cases, the midstream entity remits payment to us for NGLs based on index-based pricing or weighted average sales proceeds less deductions which may include gathering, processing and transportation fees, while the residue gas is redelivered to us at the tailgate of the midstream entity’s processing plant for marketing under separate contracts. We sell residue gas at the delivery point specified in the separate contract and collect an agreed-upon index price, net of pricing differentials. Transportation, gathering and processing costs incurred after control transfers to the purchaser are recognized as reductions to revenues rather than as operating costs.

Oil Terminal Sales

Under our oil terminal sales contracts, we sell oil at the delivery point specified in the contract and collect an agreed-upon index price, net of pricing differentials. Control as defined under ASC 606, "Revenue from Contracts with Customers" ("ASC 606") passes at the delivery point. The delivery point is the point at which the oil passes the last permanent delivery flange or meter connecting our facility to customer's facility. At the delivery point, the customer takes physical custody, title and risk of loss of the product and we have a right to receive payment for the sale. We recognize revenue at the net price received when control transfers to the customer. Oil terminal sales are reported in other revenues, net on our consolidated statements of operations.

Gathering Revenue

We generate gathering revenues by providing gathering and compression services to third parties, which are reported in other revenues, net on our consolidated statement of operations. We recognize revenue for these arrangements over time based on a per unit rate applied to volumes that travel through the gathering system. In addition, we retain any drip liquids collected on our gathering systems. The value of these drip liquids is recognized as part of gathering revenue in the month the underlying gathering service is provided based upon the price realized for sale of drip condensate to third party customers which represents a market price.

Purchased Condensate Sales

The Company's purchased oil and natural gas sales are derived from the sale of oil and natural gas purchased from a third party and reported in other revenues, net on our consolidated statements of operations. Revenues and expenses from these sales and purchases are generally recorded on a gross basis, as the Company acts as a principal in these transactions by assuming control of the purchased oil or natural gas before it is transferred to the customer.

Performance Obligations

A significant number of our product sales are short-term in nature with a contract term of one year or less. We record revenue on our oil, natural gas and NGL sales at the time production is delivered to the purchaser. However, settlement statements for certain oil, natural gas and NGL sales may not be received for 30 to 90 days after the production is delivered.

We have elected practical expedients, pursuant to ASC 606, to exclude from the presentation of remaining performance obligations: (i) contracts with index-based pricing or variable volume attributes in which such variable consideration is allocated entirely to a wholly unsatisfied performance obligation; (ii) contracts with an original expected duration of one year or less; and (iii) contracts for which we recognize revenue under the right to invoice practical expedient.

Contract Balances

We invoice our customers when we have satisfied our performance obligations, at which point payment is unconditional. Accordingly, our product sales contracts do not give rise to contract assets or liabilities under ASC 606.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of receivables from joint interest owners on properties the Company operates and from sales of oil and natural gas production delivered to third party purchasers. Accounts receivable is held at cost. At each reporting date, the Company assesses the expected lifetime credit losses on initial recognition of accounts receivable. At September 30, 2024, the credit loss allowance on accounts receivable was $5.8 million, and no credit losses were recorded during the nine months ended September 30, 2024. At December, 2023, the credit loss allowance on accounts receivable from joint interest owners was $5.8 million, and no credit losses were recorded during the nine months ended September 30, 2023.

3. Supplemental Cash Flow Information

Supplemental disclosures to the consolidated statements of cash flows are presented below:

in thousands of dollars	Nine Months Ended September 30, 2024	2023
Cash payments		
Interest	$ 64,337	$ 33,606
Taxes	161	7
Noncash investing activities		
(Increase) decrease in accrued capital expenditures	$ 12,228	$ (1,413)
(Increase) decrease in asset retirement obligations	(2,986)	(10,990)
(Increase) decrease in assets under operating leases	-	(10,939)
(Increase) decrease in liabilities for asset divestitures	(628)	3,580
Noncash financing activities		
(Increase) decrease in assets under finance leases	(35)	(1,753)
Reconciliation of cash and restricted cash reported in the consolidated balance sheets		
Cash	$ 40,137	$ 10
Restricted cash	36,736	3,232
Total cash and restricted cash shown in the statement of cash flows	$ 76,873	$ 3,242

4. Acquisitions, Divestitures, and Assets Held for Sale

Acquisitions

During the nine months ended September 30, 2024 and 2023, the Company did not have any material acquisitions.

Transactions Between Subsidiaries of the Company

On October 26, 2023, Unbridled entered into an asset purchase agreement with ABS Issuer (the “Purchase and Sale Agreement”). Unbridled agreed to sell and transfer to ABS Issuer certain operated and non-operated oil and natural gas wells and all oil and natural gas leases, subleases and leasehold covering such wells (the “ABS Assets” and such transfer, the “ABS Asset Transfer”) for a purchase price of $640 million, of which $630 million was cash and $10 million was a non-cash note payable, which was subsequently issued to a third party in January 2024 for $10 million in cash and accrued interest of $0.2 million.

In connection with the transaction, ABS Issuer entered into an indenture with UMB Bank, N.A. as indenture trustee (the "Indenture Trustee") (the "Indenture") to which ABS Issuer issued (a) $640 million aggregate principal amount of Series 2023-1 Notes, consisting of (i) $285 million aggregate principal amount of its 8.121% Series 2023-1 Notes, Class A-1 Notes due December 2038, (ii) $260 million aggregate principal amount of its 8.946% Series 2023-1 Notes, Class A-2 Notes due December 2038 and (iii) $95 million aggregate principal amount of its 12.436% Series 2023-1 Notes, Class B Notes due December 2038 (collectively, the "ABS Notes") and (b) pledged the ABS Assets to the Indenture Trustee to secure the ABS Issuer's obligations under the Indenture (the "ABS Financing Transaction").

In addition the following events occurred in connection with the transaction: (i) $10 million of the ABS Notes were issued to Maverick, (ii) a holdback of $5.4 million related to consents not received at the date of the transaction which is reflected as restricted cash, (iii) a Liquidity Reserve Account was established for $23.6 million and is reflected as restricted cash, (iv) $260 million was an equity distribution and (v) repaid $300 million for the Credit Facility.

We incurred hedge novation fees of $4.6 million in conjunction with the ABS Financing Transaction which were expensed as incurred in general and administrative expenses in our consolidated statement of operations. We incurred $12.7 million of costs including legal fees and administrative fees in connection with the ABS Financing Transaction which were capitalized as deferred financing costs and recorded as an offset to the carrying value of the ABS Notes.

Divestitures

In May 2024, we entered into an agreement with a third party to divest certain properties in west Texas. The divestiture was executed without a purchase price, and the Company received no financial consideration for the transaction. We recognized a $2.2 million gain on the sale for the nine months ended September 30, 2024. The gain was primarily due to relief of related asset retirement obligations.

In March 2023, we entered into an agreement with a third party to divest certain interests in oil and natural gas properties, rights and related assets in Western Anadarko Basin for a purchase price of $10.0 million. This sale was accounted for as a normal retirement under the provisions of paragraph ASC 932-360-40-3 with no gain or loss recorded on the sale for the nine months ended September 30, 2023.

In May 2023, we entered into an agreement with a third party to divest certain properties in west Texas for a purchase price of $4.5 million. We recognized a $0.3 million gain on the sale for the nine months ended September 30, 2023.

Assets Held for Sale

In August 2024, the Company entered into two agreements with two separate third parties to sell certain East Texas assets (the "East Texas Sale") for a combined purchase price totaling $97.0 million. As of September 30, 2024, the held for sale criteria were met. The related oil and natural gas properties, other property and equipment, asset retirement obligations, and revenue in suspense are classified as held for sale and presented separately in the appropriate asset and liability sections of the consolidated balance sheet. The transactions closed in October 2024.

5. Financial Instruments and Fair Value Measurements

Commodity Activities

At September 30, 2024, our commodity derivatives consisted of fixed price swaps and two-way costless collars. Our fixed price swaps are comprised of a sold call and a purchased put established at the same price (both ceiling and floor). The two-way collars are a combination of options: a sold call and a purchased put. The purchased put establishes a minimum price (floor) and the sold call establishes a maximum price (ceiling). For both swaps and collars, all transactions are settled in cash for the net difference between settlement and contract prices, multiplied by the hedged contract volumes, for the settlement period.

Our commodity derivative contracts settle monthly based on the differential between the contract price and the average NYMEX West Texas Intermediate index price (“NYMEX WTI”) (oil), average NYMEX Henry Hub index price (“NYMEX HH”) (natural gas) and Mont Belvieu Oil Price Information Service (“OPIS”) (NGLs). The following table presents derivative positions for the periods indicated as of September 30, 2024:

	2024	2025	2026	2027	2028	2029	2030
Oil Positions							
Fixed Price Swaps - NYMEX WTI							
Volume (Bbl/d)	13,450	11,926	10,623	3,688	3,366	-	-
Average Price ($/Bbl)	$ 71.88	$ 71.85	$ 68.45	$ 65.95	$ 62.21	$ -	$ -
Costless Collar - NYMEX WTI							
Volume (Bbl/d)	1,000	-	-	-	-	-	-
Average Put Price ($/Bbl)	$ 67.00	$ -	$ -	$ -	$ -	$ -	$ -
Average Call Price ($/Bbl)	$ 80.35	$ -	$ -	$ -	$ -	$ -	$ -
Total							
Volume (Bbl/d)	14,450	11,926	10,623	3,688	3,366	-	-
Average Price ($/Bbl)	$ 72.01	$ 71.85	$ 68.45	$ 65.95	$ 62.21	$ -	$ -
Gas Positions							
Fixed Price Swaps - Henry Hub							
Volume (MMBtu/d)	106,285	108,838	86,514	69,070	61,056	50,962	47,714
Average Price ($/MMBtu)	$ 3.49	$ 3.89	$ 3.87	$ 3.76	$ 3.63	$ 3.41	$ 3.27
Costless Collar - Henry Hub							
Volume (Bbl/d)	10,000	-	10,000	-	-	-	-
Average Put Price ($/Bbl)	$ 2.50	$ -	$ 3.50	$ -	$ -	$ -	$ -
Average Call Price ($/Bbl)	$ 5.80	$ -	$ 5.15	$ -	$ -	$ -	$ -
Total							
Volume (MMBtu/d)	116,285	108,838	96,514	69,070	61,056	50,962	47,714
Average Price ($/MMBtu)	$ 3.54	$ 3.89	$ 3.87	$ 3.76	$ 3.63	$ 3.41	$ 3.27
NGL Positions							
Fixed Price Swaps							
Volume (Bbl/d)	10,500	8,661	6,127	-	-	-	-
Average Price ($/Bbl)	$ 0.91	$ 0.88	$ 0.83	$ -	$ -	$ -	$ -
Total							
Volume (Bbl/d)	10,500	8,661	6,127	-	-	-	-
Average Price ($/Bbl)	$ 0.91	$ 0.88	$ 0.83	$ -	$ -	$ -	$ -
Fixed Gas Basis Swap							
Volume (Bbl/d)	90,219	84,068	77,423	-	-	-	-
Average Price ($/MMBtu)	$ (0.19)	$ (0.26)	$ (0.23)	$ -	$ -	$ -	$ -

Balance Sheet Presentation

The following table summarizes the fair value of the derivatives outstanding on a gross and net basis:

	September 30, 2024				
Financial Statement Caption, thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Commodity Derivatives Netting [(a)]**	**Total Financial Instruments**
Assets					
Current assets - derivative instruments	$ 21,632	$ 28,369	$ 10,634	$ (23,054)	$ 37,581
Other long-term assets - derivative instruments	$ 13,825	$ 32,174	$ 8,968	$ (31,816)	23,151
Total assets	35,457	60,543	19,602	(54,870)	60,732
Liabilities					
Current liabilities - derivative instruments	$ (23)	$ (4,162)	$ (18,869)	$ 23,054	-
Long-term liabilities - derivative instruments	$ (2,457)	$ (17,085)	$ (12,822)	$ 31,816	(548)
Total liabilities	(2,480)	(21,247)	(31,691)	54,870	(548)
Net assets	$ 32,977	$ 39,296	$ (12,089)	$ -	$ 60,184

	December 31, 2023				
Financial Statement Caption, thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Commodity Derivatives Netting [(a)]**	**Total Financial Instruments**
Assets					
Current assets - derivative instruments	$ 7,539	$ 39,124	$ 18,958	$ (19,118)	$ 46,503
Other long-term assets - derivative instruments	30,451	39,797	23,687	(45,917)	48,018
Total assets	37,990	78,921	42,645	(65,035)	94,521
Liabilities					
Current liabilities - derivative instruments	(2,897)	(1,931)	(14,388)	19,118	$ (98)
Long-term liabilities - derivative instruments	(24)	(29,262)	(20,625)	45,917	(3,994)
Total liabilities	(2,921)	(31,193)	(35,013)	65,035	(4,092)
Net liabilities	$ 35,069	$ 47,728	$ 7,632	$ -	$ 90,429

(a) Represents counterparty netting under our ISDA Agreements. See Note 2 – Summary of Significant Accounting Policies. For our derivative contracts, we may enter into master netting, collateral and offset agreements with counterparties. These agreements provide us the ability to offset a counterparty's rights and obligations, request additional collateral when necessary, or liquidate the collateral in the event of counterparty default. We net the fair value of cash collateral paid or received against fair value amounts recognized for net derivative positions executed with the same counterparty under the same master netting or offset agreement.

The following table summarizes the unrealized gains/losses on commodity derivatives, which are included in the "loss on commodity derivative instruments" line of the consolidated income statement:

in thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Total Financial Instruments**
Nine Months Ended September 30, 2024	(2,092)	(8,433)	(19,721)	(30,246)
Nine Months Ended September 30, 2023	(38,207)	37,977	7,708	7,478

The following table summarizes the realized gains/losses on commodity derivatives, which are included in the "loss on commodity derivative instruments" line of the consolidated income statement:

in thousands of dollars	**Oil Commodity Derivatives**	**Natural Gas Commodity Derivatives**	**NGL Commodity Derivatives**	**Total Financial Instruments**
Nine Months Ended September 30, 2024	(15,214)	53,333	(10,196)	27,923
Nine Months Ended September 30, 2023	(25,832)	5,620	(14,608)	(34,820)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We measure certain assets and liabilities at fair value, using the fair value hierarchy noted below. We use valuation techniques that maximize the use of observable inputs and obtain the majority of our inputs from published objective sources or third-party market participants. We incorporate the impact of nonperformance risk, including credit risk, into our fair value measurements. The fair value hierarchy gives the highest priority of Level 1 to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority of Level 3 to unobservable inputs. We categorize our fair value financial instruments based upon the objectivity of the inputs and how observable those inputs are. The three levels of inputs are described further as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 Inputs other than quoted prices that are included in Level 1. Level 2 includes financial instruments that are actively traded but are valued using models or other valuation methodologies. We consider the over the counter ("OTC") commodity derivative contracts in our portfolio to be Level 2.

Level 3 Inputs that are not directly observable for the asset or liability and are significant to the fair value of the asset or liability. Level 3 includes financial instruments that are not actively traded and have little or no observable data for input into industry standard models. We consider our liability-classified long term incentive plan awards and put option liability to be Level 3 liabilities. See Note 12 – Equity for additional details.

Our assessment of the significance of an input to its fair value measurement requires judgment and may affect the valuation of the assets and liabilities and their placement within the fair value hierarchy levels.

Commodity Derivative Instruments

Our commodity derivative instruments include oil, natural gas and NGL swaps and collars. The fair value of our commodity derivative instruments is based on upon a third-party preparer's calculation using mark-to-market valuation reports provided by our counterparties for monthly settlement purposes to determine the valuation of our derivative instruments. We do not have access to the specific proprietary valuation models or inputs used by our counterparties or third-party preparer.

We compare the third-party preparer's valuation to counterparty valuation statements and investigate any significant differences. Additionally, we analyze monthly valuation changes in relation to movements in crude oil and natural gas forward price curves. The fair values reflect nonperformance risk inherent in the transaction using current credit default swap values for each counterparty for asset positions and the Company's creditworthiness for liability positions. Accordingly, we recorded an adjustment to the fair value of our net derivative liability of $2.7 million and $4.5 million at September 30, 2024 and December 31, 2023, respectively.

Fair Value – Recurring Measurement Basis
The following table presents our financial assets and liabilities that were accounted for at fair value on a recurring basis on our consolidated balance sheets at September 30, 2024 and December 31, 2023 by level within the fair value hierarchy.

	September 30, 2024			
in thousands of dollars	**Level 1**	**Level 2**	**Level 3**	**Total**
Commodity derivative instruments (1)				
Assets		115,603		115,603
Liabilities		(55,419)		(55,419)
Net assets (liabilities)	$ -	$ 60,184	$ -	$ 60,184

	December 31, 2023			
in thousands of dollars	**Level 1**	**Level 2**	**Level 3**	**Total**
Commodity derivative instruments (1)				
Assets		159,557		159,557
Liabilities		(69,127)		(69,127)
Net assets (liabilities)	$ -	$ 90,430	$ -	$ 90,430

(1) The derivative fair values are based on analysis of each contract on a gross basis, excluding the impact of netting agreements with counterparties and reclassifications between long-term and short-term balances.

Fair Value – Nonrecurring Measurement Basis
Acquisitions and impairment of proved and unproved properties and other non-oil and natural gas properties are also measured at fair value on a nonrecurring basis. The Company utilizes a discounted cash flow model to estimate the fair value of property as of the measurement date which utilizes the following inputs to estimate future net cash flows: (i) estimated quantities of oil and condensate, natural gas and NGL reserves; (ii) estimates of future commodity prices; and (iii) estimated production rates, future operating and development costs, which are based on the Company's historic experience with similar properties. These inputs are not observable in the market and represent level 3 inputs. In some instances, market comparable information of recent transactions is used to estimate fair value of unproved acreage.

6. Long-Lived Assets and Impairment

Our long-lived assets are comprised of oil and natural gas properties and other property, plant and equipment for the periods presented:

in thousands of dollars	September 30, 2024	December 31, 2023
Proved oil and natural gas properties[a]	$ 2,293,998	$ 2,548,263
Unproved oil and natural gas properties	97,403	126,557
Total oil and natural gas properties	2,391,401	2,674,820
Other property, plant and equipment	119,920	110,888
Less: Accumulated depletion, depreciation and amortization	(1,047,475)	(1,097,788)
Net property, plant and equipment	$ 1,463,846	$ 1,687,920

(a) Estimates of future asset retirement costs of $263.4 million and $260.4 million are included in our proved oil and natural gas properties at September 30, 2024 and December 31, 2023, respectively.

Costs are excluded from the amortization base until proved reserves are established or impairment is determined.

Long-Lived Assets Impairment

During the nine months ended September 30, 2024, we recorded impairment losses of $110.9 million on certain East Texas based assets detailed in Note 4 after entering into purchase and sale agreements for total consideration lower than the net book value of the asset group. During the nine months ended September 30, 2023, we recorded impairment losses of $62.7 million due to a significant decrease in commodity prices driven by a decrease in gas futures.

7. Other Long-Term Assets

Other long-term assets consist of the following:

in thousands of dollars	September 30, 2024	December 31, 2023
Property reclamation	$ 12,381	$ 11,910
Unamortized debt issuance costs	9,078	13,206
Security deposits	1,458	1,735
Other	10,343	8,726
Total other long-term assets	$ 33,260	$ 35,577

Net Profit Interest

As of December 31, 2023, we held a 50% net profit interest (“NPI”) related to Jay Field. The NPI is held 50% by Maverick and a third party (“NPI Holder”). Under the arrangement, the NPI is payable after: (i) funds are withheld, to the extent allowable each month under the arrangement, to pay for the NPI holder’s share of future development costs and abandonment obligations, and (ii) we are reimbursed for the NPI holder’s share of excess historical production costs. Once the NPI holder’s share of the excess historical costs is reimbursed, the NPI will be payable monthly to the extent the NPI for that month exceeds the amount withheld for that month for future development costs and abandonment obligations.

In March 2024, the Company settled outstanding litigation related to the Jay NPI for $9.2 million, including $5.0 million to purchase the remaining 50% interest in the Jay NPI, and $4.2 million to settle all outstanding legal claims.

Property Reclamation Deposit
As of September 30, 2024 and December 31, 2023, we had a property reclamation deposit of $12.4 and $11.9 million, respectively, included in other long-term assets, held in an escrow account as security for future abandonment and remediation obligations for the Jay Field. We are required to maintain the escrow account in effect for three years after all abandonment and remediation obligations have been completed. The funds in the escrow account are not to be returned to us until the later of three years after satisfaction of all abandonment obligations or December 31, 2026. At certain dates subsequent to closing, we have the right to request a refund of a portion or all of the property reclamation deposit. The seller has the sole discretion to grant our refund request. In addition to the cash deposit, we are required to provide letters of credit. At September 30, 2024 and December 31, 2023, we had $21.0 million in letters of credit related to the property reclamation deposit.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

in thousands of dollars	September 30, 2024	December 31, 2023
Accounts payable	$ 105,687	$ 112,218
Revenue and royalties payable	68,599	93,315
Wages and salaries payable	14,642	21,008
Accrued interest payable	4,906	12,100
Production and property taxes payable	19,252	22,217
Hedge settlement payables	4,820	8,911
Other current liabilities	2,933	2,868
Total accounts payable and accrued expenses	$ 220,839	$ 272,637

9. Debt

Our debt was comprised of the following:

in thousands of dollars	September 30, 2024	December 31, 2023
Credit Facility	$ 224,000	$ 190,000
ABS Notes	551,536	640,000
Finance Lease Obligations	2,706	3,555
Debt issuance costs	(10,696)	(12,377)
Notes held by ABS parent	-	(10,000)
Total debt	767,546	811,178
Current portion, long-term debt	(108,965)	(112,607)
Current portion of finance lease obligations	(1,289)	(1,166)
Total long-term debt	$ 657,292	$ 697,405

ABS Notes

In connection with the ABS Financing Transaction (see Note 4 – Acquisitions, Divestitures, and Assets Held for Sale), on October 26, 2023, ABS Issuer acquired certain oil and natural gas interests in currently-producing oil and natural gas wells and other assets from Unbridled pursuant to an asset purchase agreement and the acquisition was funded by the issuance of the ABS Notes (as defined in Note 4 – Acquisitions, Divestitures, and Assets Held for Sale), due December 2038, pursuant to a note purchase agreement. At September 30, 2024 and December 31, 2023, the ABS Notes were comprised of the following:

in thousands of dollars	September 30, 2024	December 31, 2023
Series 2023 - 1 Class A-1 8.121% Notes	$ 232,597	$ 285,000
Series 2023 - 1 Class A-2 8.946% Notes	239,166	260,000
Series 2023 - 1 Class B 12.436% Notes	79,773	95,000
Total ABS Notes	551,536	640,000

The ABS Notes are secured by certain oil and natural gas interests in currently producing oil and natural gas wells and other assets. The ABS Notes accrue interest at the respective stated per annum rates and have a final maturity date of December 15, 2038. Interest and principal payments are payable on a monthly basis. During the nine months ended September 30, 2024, we incurred $41.1 million of interest related to the ABS Notes.

The ABS Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Issuer maintains specified reserve accounts to be used to make required interest payments in respect of the ABS Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments under certain circumstances, (iii) certain indemnification payments in the event, among other things, that the assets pledged as collateral are used in stated ways defective or ineffective, (iv) covenants related to recordkeeping, access to information and similar matters, and (v) the Issuer will comply with all laws and regulations which it is subject to. The ABS Notes are also subject to customary accelerated amortization events provided for in the indenture, including events tied to failure to maintain stated debt service coverage ratios, failure to maintain certain production metrics, certain change of control and management termination events, and event of default and the failure to repay or refinance the ABS Notes on the applicable scheduled maturity date. The ABS Notes are subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the ABS Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

Under the indenture, the Company must maintain the following financial covenants determined as of the last day of the quarter: 1) Aggregate Debt Service Coverage Ratio (DSCR) of at least 1.05, 2) Senior DSCR of at least 1.25, 3) Senior IO DSCR of at least 1.20.

As of September 30, 2024, we were in compliance with our covenants under the ABS Notes.

Senior Secured Reserve-Based Credit Facility

On January 27, 2022, we entered into an agreement with a syndicate of banks including JPMorgan Chase Bank acting as Administrator, Royal Bank of Canada, Citizens Bank, KeyBank National Association acting as co-syndication agents, RBC Capital Markets, and KeyBank Capital Markets (the “Credit Facility”). The agreement is for a maximum $1 billion credit facility with an initial $500 million borrowing base. The maturity date is April 1, 2026. The Credit Facility replaced the Credit Agreement (defined below) subsequent to its closing on April 1, 2022, incurring deferred financing costs of $16.3 million.

The Credit Facility limits the amounts we could borrow to a borrowing base amount determined by the lenders at their sole discretion based on their valuation of our proved reserves and their internal criteria. Our obligations under the credit facility were collateralized by substantially all of our oil and natural gas properties, including mortgage liens on oil and natural gas properties having at least 85% of the reserve value as determined by reserve reports.

The Credit Facility contains certain customary affirmative and negative covenants, including financial covenants requiring maintenance of the Consolidated Total Debt to EBITDAX Ratio to be less than 3.00 to 1.00 and a Current Ratio of no less than 1.00 to 1.00.

At our election, borrowings under the credit facility may be made on an Alternate Base Rate (“ABR”) or a Secured Overnight Financing Rate (“SOFR”) basis plus an applicable margin. In connection with the Credit Facility, the applicable margins vary from 2.00% to 3.00% for ABR borrowings and 3.00% to 4.00% for SOFR borrowings depending on the borrowing base. In addition, we are also required to pay a commitment fee on the amount of any unused commitments at a rate of 0.50% per annum. Interest on ABR borrowings and the commitment fee are generally payable quarterly. As of September 30, 2024, the effective interest rate of the Credit Facility was 8.87%.

In June 2022, we entered into an amendment to the Credit Facility (the “First Amendment”) which increased the borrowing base from the initial $500 million to $750 million. Each lender’s borrowing capacity was increased with the exception of Goldman Sachs Bank, and we accounted for the First Amendment as a modification of debt. We incurred deferred financing costs of $2.6 million in relation to this amendment.

In October 2022, we entered into the second amendment to the Credit Facility (the “Second Amendment”), which increased the borrowing base to $1 billion. Each lender’s borrowing capacity was increased with the exception of Texas Capital Bank, and we accounted for the Second Amendment as a modification of debt. We incurred deferred financing costs of $2.6 million in relation to this amendment.

In July 2023, we entered into the third amendment to the Credit Facility (the “Third Amendment”), which reduced the borrowing base from $1 billion to $750 million. Each lender’s borrowing capacity was decreased, and we accounted for the Third Amendment as a modification of debt. Additionally, the Third Amendment allowed for a one-time cash distribution to our equity holders not to exceed $10 million in aggregate through September 30, 2023. We did not incur deferred financing costs in relation to the Third Amendment.

In October 2023 in conjunction with the ABS Financing Transaction, we entered into the fourth amendment to the Credit Facility (the “Fourth Amendment”), which amended in its entirety the original Credit Facility. Pursuant to the Fourth Amendment, among other things, the borrowing base was reduced from $750 million to $350 million, and the respective reduced commitments of the various lending banks were reallocated among the continuing lenders to assign the exiting lenders’ commitment. We accounted for the decreases in a lender’s borrowing capacity as a modification and accounted for any lender that exited the credit facility as a debt extinguishment. In connection with the ABS financing transaction, we repaid $0.0 million as of December 31, 2023. We incurred deferred financing costs of $5.6 million in relation to the Fourth Amendment.

In September 2024, we entered into the fifth amendment to the Credit Facility (the "Fifth Amendment"), which, upon the close of the aforementioned East Texas Sale, reduced the borrowing base from $350 million to $315 million. Each lender's borrowing capacity was decreased, and we accounted for the Fifth Amendment as a modification of debt, resulting in a $1.5 million write off of deferred financing costs to interest expense. Additionally, the Fifth Amendment allowed for distribution of stock proceeds from the East Texas Sale. At September 30, 2024, our borrowing base is $315.0 million, and the aggregate commitment of all lenders is $1 billion. Our next borrowing base redetermination is scheduled for May 1, 2025.

Unamortized debt issuance costs associated with the Credit Facility were $9.1 million as of September 30, 2024. The unamortized debt issuance costs are included in other long-term assets.

As of September 30, 2024, we were in compliance with our debt covenants under the Credit Facility.

Interest Expense
Our interest expense is as follows:

	Nine Months Ended September 30,	
in thousands of dollars	**2024**	**2023**
Credit Facility [a]	$ 17,624	$ 33,972
ABS Notes	41,075	-
Amortization of deferred debt issuance costs, Credit Facility	2,875	7,704
Amortization of deferred debt issuance costs, ABS Notes	1,748	-
Other Credit Facility, net	237	134
	$ 63,559	$ 41,810
[a] Includes commitment fees and other fees	$ 646	$ 2,331

10. Asset Retirement Obligations

We recognize the fair value of a liability for an ARO in the period it is incurred if a reasonable estimate of fair value can be made. Our ARO represents the present value of the expected costs to plug, abandon and remediate producing and shut-in wells at the end of the productive lives in compliance with applicable local, state and federal laws and applicable lease terms. We estimate the value of our ARO by calculating the present value of estimated cash flows related to plugging and abandonment liabilities. The ARO liability is accreted to its present value each period and the capitalized asset retirement costs are depleted with proved oil and natural gas properties using the unit-of-production method. We review our ARO estimates and assumptions periodically and, to the extent future revisions to these assumptions impact the fair value of the existing ARO liability, we make a corresponding adjustment to the related asset. We consider these inputs to be Level 3 inputs as discussed in Note 2 – Summary of Significant Accounting Policies and Note 5 – Financial Instruments and Fair Value Measurements.

The following table presents the balance and activity in our ARO for the periods presented:

in thousands of dollars	September 30, 2024	December 31, 2023
Asset retirement obligations, beginning of period	$ 249,673	$ 253,281
Liabilities settled	(9,977)	(19,839)
Liabilities related to divested properties[a]	(2,425)	(9,970)
Liabilities related to held for sale properties[a]	(16,957)	-
Revisions of estimates[b]	2,985	11,535
Accretion expense[c]	10,231	14,666
Asset retirement obligations end of period	233,530	249,673
Less: Current portion of asset retirement obligations	(7,282)	(7,282)
Noncurrent portion of asset retirement obligations	$ 226,248	$ 242,391

(a) Includes ARO related to various sold or held for sale properties. See Note 4 – Acquisitions, Divestitures, and Assets Held for Sale.

(b) During the periods presented, we revised our estimates primarily to reflect the following changes in estimated well lives, oil and natural gas prices and plugging and abandonment cost estimates.

(c) Included in DD&A on our consolidated statements of operations.

11. Commitments and Contingencies

Surety Bonds and Letters of Credit

In the normal course of business, we have performance obligations that are secured, in whole or in part, by surety bonds or letters of credit. These obligations primarily relate to abandonments, environmental and other responsibilities where governmental and other organizations require such support. These surety bonds and letters of credit are issued by financial institutions and are required to be reimbursed by us if drawn upon. At both September 30, 2024 and December 31, 2023, we had $21.3 million of irrevocable letters of credit outstanding, of which $21.0 million related to the property reclamation deposit as discussed in Note 7 – Other Long-Term Assets. At September 30, 2024, no amounts were drawn under the letters of credit.

Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we are not currently a party to any material legal proceedings. In addition, we are not aware of any material legal or governmental proceedings against us, or contemplated to be brought against us, under the various environmental protection statues to which we are subject.

12. Equity

Common Units

During the nine months ended September 30, 2024, we repurchased 1,102 units for $1.1 million related to a certain terminated executive. As a result of recent executive terminations, the Company determined that there is an established history cash settling equity awards, which indicates that the substantive terms of the outstanding equity awards include a cash settlement feature, which results in a liability classification. The Company determined it appropriate to modify all outstanding equity awards to liability awards. This modification resulted in the reclassification from equity to liability awards of 8,960 units for $4.7 million. During the year ended December 31, 2023, we repurchased 3,222 units for $1.5 million for certain members and executives.

Member Distributions

There was a $0.2 million distribution in May 2024 related to a certain terminated executive. In September 2024, the Board approved a distribution of $24 million at $8.30 per common unit to the common unit holders on record on the applicable record date. In January 2023, the Board approved a distribution of $30 million at $10.36 per common unit to the common unitholders of record on the applicable record date. In May 2023, the Board approved two distributions totaling $50 million. The first distribution was $30 million at $10.36 per common unit to the common unitholders of record on the applicable record date. The second distribution was $20 million at $6.91 per common unit to the common unitholders of record on the applicable record date.

The state of Oklahoma requires operators to withhold 5% of all production revenues associated with royalty interests held by Oklahoma nonresidents to be offset against state income taxes. As Maverick is not subject to income taxes as a limited liability company, the tax liability associated with the operations of Unbridled is the responsibility of the members. As such, the balance of Oklahoma state withholding has been reflected as an equity distribution. At September 30, 2024 and 2023, the total distributions attributable to Oklahoma state withholding is $1.1 million and $0.6 million, respectively.

13. Restructuring Costs

For the nine months ended September 30, 2024 as part of the Company's restructuring plan, we incurred restructuring costs of approximately $8.8 million. For nine months ended September 30, 2023 we incurred restructuring costs of approximately $1.6 million. The costs incurred were primarily related to plans for reductions in workforce to improve operational efficiencies. Restructuring costs recorded in our consolidated statements of operations are presented for the respective periods:

	Nine Months Ended September 30,	
In thousands of dollars	**2024**	**2023**
Type of Restructuring Cost		
Severance and related benefit costs	$ 8,729	$ 1,485
Office-lease abandonment and relocation	93	115
	$ 8,822	$ 1,600

14. Subsequent Events

The Company has evaluated subsequent events through February 11, 2025, the date the financial statements were issued and noted the events below.

In August 2024, the Company entered into two separate agreements to sell certain East Texas based assets (the "East Texas Sale") to two third parties. Total combined proceeds from the East Texas Sale totaled $97.0 million, of which $34.5 million was settled in shares of one of the purchasing entities. The East Texas Sale closed in Q4 2024.

In January 2025, the Company received a favorable verdict related to a civil claim against another operator. The court awarded $5.6M to the Company, subject to final appeals by the opposing party.

In January 2025, the Company entered into a definitive merger agreement with Diversified Energy Company PLC ("Diversified"), pursuant to which Diversified will acquire all the outstanding equity interest of the Company for total consideration of approximately $1.3 billion. The transaction is subject to customary closing conditions, including due diligence assessments and other closing requirements. The closing date of the transaction is expected to occur in the first half of 2025.

Exhibit 99.3

Unaudited Pro Forma Condensed Combined Financial Information

Maverick Natural Resources, LLC and Subsidiaries ("Maverick") Business Combination

On January 24, 2025, Diversified Energy Company, PLC (the "Company") entered into an agreement (the "Merger Agreement") whereby Maverick will merge with a subsidiary of the Company in a stock-and-cash transaction (the "Maverick Transaction"), after which Maverick will become a wholly owned subsidiary of the Company. Upon preliminary evaluation, the Company concluded that the transaction would not result in significant asset concentration and determined that it will be acquiring a distinct set of inputs, processes, and outputs, leading to the conclusion that the transaction would preliminarily qualify as a business combination under International Financial Reporting Standards 3 ("IFRS 3"). Under the terms of the Merger Agreement, the Company will fund the transaction through a combination of the issuance of 21,217,713 new U.S. dollar-denominated ordinary shares to Maverick unitholders and pay cash consideration of approximately $207.1 million. Transaction costs and severance and change in control costs incurred with the Maverick Transaction are expected to be approximately $50 million. The closing is subject to certain customary conditions, including, among others, regulatory clearance and approval by Diversified shareholders for the issuance and allotment of the ordinary shares pursuant to the Merger Agreement. These closing conditions may not be completed in a timely manner or at all, and, accordingly, the Maverick Transaction may not be completed.

Oaktree Capital Management, L.P. ("Oaktree") Working Interest Asset Acquisition

On June 6, 2024, the Company acquired Oaktree Capital Management, LP's 100% membership interest in OCM Denali Holdings, LLC and its subsidiaries (the "Oaktree Transaction"), whose assets predominantly included non-operated working interests in producing wells and related facilities (the "Assets") that are operated by the Company. The Company assessed the Assets and determined that the Oaktree Transaction was considered an asset acquisition rather than a business combination. When making this determination, management evaluated the Oaktree Transaction under IFRS 3 and concluded that the acquired assets did not meet the definition of a business. The Company paid purchase consideration of $220.8 million, inclusive of transaction costs of $1.2 million and customary purchase price adjustments. As part of the Oaktree Transaction, the Company assumed Oaktree's debt of $132.6 million. The Company funded the purchase through a combination of existing and expanded liquidity and issued approximately $83.3 million in notes payable to Oaktree.

Unaudited Pro Forma Condensed Combined Financial Statements

The unaudited pro forma condensed combined statement of financial position as of June 30, 2024 was prepared as if the Maverick Transaction had occurred on June 30, 2024. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2024 and for the year ended December 31, 2023 were prepared as if the Maverick and Oaktree transactions had occurred on January 1, 2023. The following unaudited pro forma condensed combined financial statements have been derived from the historical consolidated financial statements of the Company, Maverick, and Oaktree.

The unaudited pro forma condensed combined financial statements and underlying pro forma adjustments are based upon currently available information and include certain estimates and assumptions made by the Company's management; accordingly, actual results could differ materially from the pro forma information. Significant estimates and assumptions include, but are not limited to, the preliminary purchase price allocation, based on estimates of, and assumptions related to, the fair value of the assets acquired and liabilities assumed that were applied as if the Maverick Transaction occurred on June 30, 2024. Management believes that the assumptions used to prepare the unaudited pro forma condensed combined financial statements and accompanying notes provide a reasonable and supportable basis for presenting the significant estimated effects of the transactions. The following unaudited pro forma condensed combined statements of operations do not purport to represent what the Company's results of operations would have been if the Maverick and Oaktree transactions had occurred on January 1, 2023. The unaudited pro forma condensed combined statement of financial position does not purport to represent what the Company's financial position would have been if the Maverick Transaction had occurred on June 30, 2024. The unaudited pro forma condensed combined financial statements should be read together with the following:

- the Company's audited historical consolidated financial statements and accompanying notes included in its Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on March 19, 2024;
- the Company's unaudited historical condensed consolidated financial statements and accompanying notes included in its Interim Report for the six months ended June 30, 2024, furnished to the SEC as Exhibit 99.3 with Form 6-K on August 15, 2024;
- Maverick's audited historical consolidated financial statements and accompanying notes thereto filed as Exhibits 99.1 and 99.2 to this report on Form 6-K of which this Exhibit 99.3 is a part; and
- Oaktree's unaudited and audited historical statements of revenues and direct operating expenses and accompanying notes thereto, filed as Exhibits 99.1 and 99.2 to the report on Form 6-K filed furnished to the SEC on August 20, 2024.

The unaudited pro forma condensed combined financial statements have been prepared in accordance with Article 11 of SEC Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using assumptions set forth in the notes herein. Article 11 permits presentation of reasonably estimable synergies and other transaction effects that have occurred or are reasonably expected to occur ("Management's Adjustments"). The Company has elected not to present Management's Adjustments and will only be presenting Transaction Accounting Adjustments in the unaudited pro forma condensed combined financial statements.

Diversified Energy Company PLC Pro Forma Condensed Combined Statement of Financial Position

As of June 30, 2024 (Unaudited)

(In thousands)	DEC Historical (Note 1)	Maverick As Adjusted (Note 2)	Maverick Transaction Adjustments (Note 4)		Pro Forma Combined
ASSETS					
Non-current assets:					
Natural gas and oil properties, net	$ 2,718,258	$ 1,579,386	$ (110,222)	(a)	$ 4,187,422
Property, plant and equipment, net	455,083	74,209	—		529,292
Intangible assets	15,664	6,814	(6,698)	(a)	15,780
Restricted cash	36,374	—	—		36,374
Derivative financial instruments	39,617	1,279	—		40,896
Deferred tax asset	248,868	—	—		248,868
Other non-current assets	13,637	45,590	—		59,227
Total non-current assets	**3,527,501**	**1,707,278**	**(116,920)**		**5,117,859**
Current assets:					
Trade receivables, net	180,017	134,534	—		314,551
Cash and cash equivalents	3,483	62,662	207,100	(a)	53,645
			(207,100)	(a)	
			(12,500)	(b)	
Restricted cash	18,602	39,700	—		58,302
Derivative financial instruments	70,313	4,327	—		74,640
Other current assets	16,547	13,008	—		29,555
Total current assets	**288,962**	**254,231**	**(12,500)**		**530,693**
Total assets	**3,816,463**	**1,961,509**	**(129,420)**		**5,648,552**
EQUITY AND LIABILITIES					
Shareholders' equity:					
Share capital	$ 12,793	$ —	$ 5,305	(a)	$ 18,098
Share premium	1,208,192	—	346,274	(a)	1,554,466
Treasury reserve	(109,322)	—	—		(109,322)
Share-based payment and other reserves	15,889	—	—		15,889
Retained earnings (accumulated deficit)	(591,624)	588,425	(588,425)	(a)	(641,569)
			(49,945)	(c)	
Equity attributable to owners of the parent	**535,928**	**588,425**	**(286,791)**		**837,562**
Non-controlling interest	12,370	—	—		12,370
Total equity	**548,298**	**588,425**	**(286,791)**		**849,932**
Non-current liabilities:					
Asset retirement obligations	510,935	244,213	(68,809)	(a)	686,339
Leases	29,309	25,458	—		54,767
Borrowings	1,442,986	681,377	(21,553)	(a)	2,297,410
			207,100	(a)	
			(12,500)	(b)	
Deferred tax liability	10,879	—	—		10,879
Derivative financial instruments	611,576	23,426	—		635,002
Other non-current liabilities	4,491	29,292	—		33,783
Total non-current liabilities	**2,610,176**	**1,003,766**	**104,238**		**3,718,180**
Current liabilities:					
Trade and other payables	60,482	225,051	—		285,533
Taxes payable	42,624	—	—		42,624
Leases	13,712	—	—		13,712
Borrowings	211,574	113,544	(5,257)	(a)	319,861
Derivative financial instruments	99,790	22,579	—		122,369
Other current liabilities	229,807	8,144	8,445	(a)	296,341
			49,945	(c)	
Total current liabilities	**657,989**	**369,318**	**53,133**		**1,080,440**
Total liabilities	**3,268,165**	**1,373,084**	**157,371**		**4,798,620**
Total equity and liabilities	**$ 3,816,463**	**1,961,509**	**$ (129,420)**		**$ 5,648,552**

See accompanying notes to unaudited pro forma condensed combined financial information.

Diversified Energy Company PLC Pro Forma Condensed Combined Statement of Operations
For the Six Months Ended June 30, 2024 (Unaudited)

(In thousands, except share and per unit data)	DEC Historical (Note 1)	Oaktree Historical (Note 1)	Maverick As Adjusted (Note 2)	Oaktree Transaction Adjustments (Note 3)		Maverick Transaction Adjustments (Note 4)		Pro Forma Combined	
Revenue	$ 368,674	$ 35,398	$ 435,980	$ 20,891	(a)	$ —		$ 860,943	
Operating expense	(196,112)	(19,344)	(239,681)	(8,562)	(a)	—		(463,699)	
Depreciation, depletion and amortization	(119,220)	—	(82,318)	(14,877)	(b)	22,718	(a)	(193,697)	
Gross profit	**53,342**	**16,054**	**113,981**	**(2,548)**		**22,718**		**203,547**	
General and administrative expense	(58,326)	—	(34,919)	—		—		(93,245)	
Allowance for expected credit losses	—	—	—	—		—		—	
Gain (loss) on natural gas and oil property and equipment	7,210	—	2,206	—		—		9,416	
Gain (loss) on sale of equity interest	—	—	—	—		—		—	
Unrealized gain (loss) on investment	2,433	—	—	—		—		2,433	
Gain (loss) on derivative financial instruments	(2,268)	—	(118,407)	—		—		(120,675)	
Impairment of proved properties	—	—	—	—		—		—	
Operating profit (loss)	**2,391**	**16,054**	**(37,139)**	**(2,548)**		**22,718**		**1,476**	
Finance costs	(60,581)	—	(41,844)	(10,684)	(c)	(10,640)	(b)	(123,749)	
Accretion of asset retirement obligation	(14,667)	—	(6,825)	(754)	(d)	1,078	(c)	(21,168)	
Loss on early retirement of debt	(10,649)	—	—	—		—		(10,649)	
Other income (expense)	1,254	—	1,715	—		—		2,969	
Income (loss) before taxation	**(82,252)**	**16,054**	**(84,093)**	**(13,986)**		**13,156**		**(151,121)**	
Income tax benefit (expense)	97,997	—	(160)	(497)	(e)	3,157	(d)	100,497	
Net income (loss)	**15,745**	**16,054**	**(84,253)**	**(14,483)**		**16,313**		**(50,624)**	
Other comprehensive income (loss)	(1,905)	—	—	—		—		(1,905)	
Total comprehensive income (loss)	**$ 13,840**	**$ 16,054**	**(84,253)**	**$ (14,483)**		**$ 16,313**		**$ (52,529)**	
Net income (loss) attributable to owners of the parent									
Diversified Energy Company PLC	$ 15,061	$ 16,054	$ (84,253)	$ (14,483)		$ 16,313		$ (51,308)	
Non-controlling interest	684	—	—	—		—		684	
Net income (loss)	**$ 15,745**	**$ 16,054**	**$ (84,253)**	**$ (14,483)**		**$ 16,313**		**$ (50,624)**	
Earnings (loss) per share attributable to owners of the parent									
Earnings (loss) per share - basic	$ 0.32	$ —	$ —	$ —		$ —		$ (0.75)	(e)
Earnings (loss) per share - diluted	$ 0.32	$ —	$ —	$ —		$ —		$ (0.75)	(e)
Weighted average shares outstanding - basic	47,202,283	—	—	—		—		68,419,996	(e)
Weighted average shares outstanding - diluted	47,561,299	—	—	—		—		68,419,996	(e)

See accompanying notes to unaudited pro forma condensed combined financial information.

Diversified Energy Company PLC Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2023 (Unaudited)

(In thousands, except share and per unit data)	DEC Historical (Note 1)	Oaktree Historical (Note 1)	Maverick As Adjusted (Note 2)	Oaktree Transaction Adjustments (Note 3)		Maverick Transaction Adjustments (Note 4)		Pro Forma Combined	
Revenue	$ 868,263	$ 152,521	$ 977,390	$ —		$ —		$ 1,998,174	
Operating expense	(440,562)	(87,210)	(488,261)	—		—		(1,016,033)	
Depreciation, depletion and amortization	(224,546)	—	(151,822)	(38,720)	(b)	24,733	(a)	(390,355)	
Gross profit	**203,155**	**65,311**	**337,307**	**(38,720)**		**24,733**		**591,786**	
General and administrative expense	(119,722)	—	(84,949)	—		(49,945)	(b)	(254,616)	
Allowance for expected credit losses	(8,478)	—	—	—		—		(8,478)	
Gain (loss) on natural gas and oil property and equipment	24,146	—	1,090	—		—		25,236	
Gain (loss) on sale of equity interest	18,440	—	—	—		—		18,440	
Unrealized gain (loss) on investment	4,610	—	—	—		—		4,610	
Gain (loss) on derivative financial instruments	1,080,516	—	145,934	—		—		1,226,450	
Impairment of proved properties	(41,616)	—	(66,785)	—		—		(108,401)	
Operating profit (loss)	**1,161,051**	**65,311**	**332,597**	**(38,720)**		**(25,212)**		**1,495,027**	
Finance costs	(134,166)	—	(62,176)	(29,605)	(c)	(20,747)	(c)	(246,694)	
Accretion of asset retirement obligation	(26,926)	—	(14,666)	(1,809)	(d)	3,171	(d)	(40,230)	
Loss on early retirement of debt	—	—	—	—		—		—	
Other income (expense)	385	—	1,130	—		—		1,515	
Income (loss) before taxation	**1,000,344**	**65,311**	**256,885**	**(70,134)**		**(42,788)**		**1,209,618**	
Income tax benefit (expense)	(240,643)	—	(604)	1,160	(e)	(10,269)	(e)	(250,356)	
Net income (loss)	**759,701**	**65,311**	**256,281**	**(68,974)**		**(53,057)**		**959,262**	
Other comprehensive income (loss)	(270)	—	—	—		—		(270)	
Total comprehensive income (loss)	**$ 759,431**	**$ 65,311**	**256,281**	**$ (68,974)**		**$ (53,057)**		**$ 958,992**	
Net income (loss) attributable to owners of the parent									
Diversified Energy Company PLC	$ 758,018	$ 65,311	$ 256,281	$ (68,974)		$ (53,057)		$ 957,579	
Non-controlling interest	1,683	—	—	—		—		1,683	
Net income (loss)	**$ 759,701**	**$ 65,311**	**$ 256,281**	**$ (68,974)**		**$ (53,057)**		**$ 959,262**	
Earnings (loss) per share attributable to owners of the parent									
Earnings (loss) per share - basic	$ 16.07	$ —	$ —	$ —		$ —		$ 14.00	(f)
Earnings (loss) per share - diluted	$ 15.95	$ —	$ —	$ —		$ —		$ 13.93	(f)
Weighted average shares outstanding - basic	47,165,380	—	—	—		—		68,383,093	(f)
Weighted average shares outstanding - diluted	47,514,000	—	—	—		—		68,732,234	(f)

See accompanying notes to unaudited pro forma condensed combined financial information.

Notes to Unaudited Pro Forma Condensed Combined Financial Information

Note 1 - Basis of Pro Forma Presentation

The accompanying unaudited pro forma condensed combined financial information was prepared based on the historical consolidated financial statements of the Company for the year ended December 31, 2023 and the six months ended June 30, 2024, the historical Maverick consolidated financial statements, the historical Oaktree statements of revenues and direct operating expenses, and the historical financial activity of Oaktree from April 1, 2024 through June 6, 2024, the closing date of the Oaktree Transaction. The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2024 and the year ended December 31, 2023 were prepared assuming the Maverick and Oaktree transactions occurred on January 1, 2023. The unaudited pro forma condensed combined statement of financial position as of June 30, 2024 was prepared as if the Maverick Transaction had occurred on June 30, 2024. The Oaktree transaction closed on June 6, 2024. Therefore, the Oaktree transaction is already included in the Company's condensed consolidated statement of financial position as of June 30, 2024.

The unaudited pro forma condensed combined financial information reflects pro forma adjustments that are described in the accompanying notes and are based on currently available information and certain assumptions that the Company believes are reasonable, however, actual results may differ materially. In the Company's opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed combined financial information does not purport to represent what the Company's results of operations would have been if the Maverick and Oaktree transactions had actually occurred on the date indicated above, nor is it indicative of the Company's future results of operations. The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and related notes of the Company, as applicable, for the periods presented.

Note 2 - Reclassification Adjustments

Certain reclassifications have been made in the historical presentation of Maverick's financial statements to conform to the Company's historical presentation.

Statement of Financial Position as of June 30, 2024
(In thousands)

Maverick Caption	Diversified Caption	Maverick Historical	Reclassification Adjustments		Maverick As Adjusted
	ASSETS				
	Non-current assets:				
Oil and natural gas properties	Natural gas and oil properties, net	$ 2,715,824	$ (1,136,438)	(1)	1,579,386
Other property, plant and equipment		118,804	(118,804)	(2)	—
Accumulated depletion, depreciation, and impairment		(1,174,219)	1,174,219	(1)	—
	Property, plant and equipment, net	—	74,209	(1)(2)	74,209
	Intangible assets	—	6,814	(2)	6,814
	Restricted cash	—	—		—
Derivative instruments	Derivative financial instruments	1,279	—		1,279
Operating lease right-of-use assets		11,803	(11,803)	(3)	—
	Deferred tax asset	—	—		—
Other long-term assets	Other non-current assets	33,787	11,803	(3)	45,590
	Total non-current assets	**1,707,278**	**—**		**1,707,278**
	Current assets:				
Accounts receivable, net	Trade receivables, net	134,534	—		134,534
Cash	Cash and cash equivalents	62,662	—		62,662
Restricted cash - current	Restricted cash	39,700	—		39,700
Derivative instruments	Derivative financial instruments	4,327	—		4,327
Inventory		8,113	(8,113)	(4)	—
Prepaid expenses and other current assets	Other current assets	4,895	8,113	(4)	13,008
	Total current assets	**254,231**	**—**		**254,231**
	Total assets	**1,961,509**	**—**		**1,961,509**
	EQUITY AND LIABILITIES				
	Shareholders' equity:				
	Share capital	—	—		—
	Share premium	—	—		—
	Treasury reserve	—	—		—
	Share-based payment and other reserves	—	—		—
Members' equity	Retained earnings (accumulated deficit)	588,425	—		588,425
	Equity attributable to owners of the parent	**588,425**	**—**		**588,425**
	Non-controlling interest	—	—		—
	Total equity	**588,425**	**—**		**588,425**
	Non-current liabilities:				
Asset retirement obligation	Asset retirement obligations	244,213	—		244,213
Operating lease obligations - noncurrent	Leases	25,458	—		25,458
Long-term debt	Borrowings	681,377	—		681,377
	Deferred tax liability	—	—		—
Derivative instruments	Derivative financial instruments	23,426	—		23,426
Other long-term liabilities	Other non-current liabilities	29,292	—		29,292
	Total non-current liabilities	**1,003,766**	**—**		**1,003,766**
	Current liabilities:				
Accounts payable and accrued expenses	Trade and other payables	225,051	—		225,051
Current portion of long-term debt	Borrowings	113,544	—		113,544
Derivative instruments	Derivative financial instruments	22,579	—		22,579
Current portion of asset retirement obligations		7,282	(7,282)	(5)	—
Operating lease obligation - current		862	(862)	(5)	—
	Other current liabilities	—	8,144	(5)	8,144
	Total current liabilities	**369,318**	**—**		**369,318**
	Total liabilities	**1,373,084**	**—**		**1,373,084**
	Total equity and liabilities	**$ 1,961,509**	**$ —**		**$ 1,961,509**

(1) Represents the reclassification of balances contained in “Accumulated depletion, depreciation, and impairment” on Maverick’s historical balance sheet to “Natural gas and oil properties, net” and “Property, plant and equipment, net” to conform to the Company’s balance sheet presentation.

(2) Represents the reclassification of balances contained in “Other property, plant and equipment” on Maverick’s historical balance sheet to “Property, plant and equipment, net” and “Intangible assets” to conform to the Company’s balance sheet presentation.

(3) Represents the reclassification of balances contained in “Operating lease right-of-use assets” on Maverick’s historical balance sheet to “Other non-current assets” to conform to the Company’s balance sheet presentation.

(4) Represents the reclassification of balances contained in “Inventory” on Maverick’s historical balance sheet to “Other current assets” to conform to the Company’s balance sheet presentation.

(5) Represents the reclassification of balances contained in “Current portion of asset retirement obligations” and “Operating lease obligation - current” on Maverick’s historical balance sheet to “Other current liabilities” to conform to the Company’s balance sheet presentation.

Statement of Operations for the Six Months Ended June 30, 2024
(In thousands)

Maverick Caption	Diversified Caption		Maverick Historical		Reclassification Adjustments			Maverick As Adjusted
Oil revenues		$	288,298	$	(288,298)	(1)	$	—
Natural gas revenues			52,087		(52,087)	(1)		—
NGL revenues			53,721		(53,721)	(1)		—
Other revenues, net			41,874		(41,874)	(1)		—
	Revenue		—		435,980	(1)		435,980
Operating costs	Operating expense		239,681		—	(5)		(239,681)
Depletion, depreciation and amortization	Depreciation, depletion and amortization		89,143		(6,825)	(2)(5)		(82,318)
	Gross profit		**107,156**		**(6,825)**			**113,981**
General and administrative expenses	General and administrative expense		31,043		3,876	(3)(5)		(34,919)
Restructuring costs			3,876		(3,876)	(3)		—
	Allowance for expected credit losses		—		—			—
(Gain) loss on sale of assets	Gain (loss) on natural gas and oil property and equipment		(2,206)		—	(6)		2,206
	Gain (loss) on sale of equity interest		—		—			—
	Unrealized gain (loss) on investment		—		—			—
Realized gain (loss) on commodity derivative instruments	Gain (loss) on derivative financial instruments		12,421		(130,828)	(4)		(118,407)
Unrealized gain (loss) on commodity derivative instruments			(130,828)		130,828	(4)		—
Impairment of oil and natural gas properties	Impairment of proved properties		—		—			—
	Operating profit (loss)		**(43,964)**		**(6,825)**			**(37,139)**
Interest expense	Finance costs		41,844		—	(5)		(41,844)
	Accretion of asset retirement obligation		—		6,825	(2)(5)		(6,825)
	Loss on early retirement of debt		—		—			—
Other income, net	Other income (expense)		(1,715)		—	(6)		1,715
	Income (loss) before taxation		**(84,093)**		**—**			**(84,093)**
Income tax expense (benefit)	Income tax benefit (expense)		160		—	(5)		(160)
	Net income (loss)		**(84,253)**		**—**			**(84,253)**
	Other comprehensive income (loss)		—		—			—
	Total comprehensive income (loss)	**$**	**(84,253)**	**$**	**—**		**$**	**(84,253)**

(1) Represents the reclassification of amounts contained in “Oil revenues,” “Natural gas revenues,” “NGL revenues,” and “Other revenues, net” on Maverick’s historical income statement to “Revenue” to conform to the Company’s income statement presentation.

(2) Represents the reclassification of amounts contained in “Depletion, depreciation and amortization” on Maverick’s historical income statement to “Accretion of asset retirement obligation” to conform to the Company’s income statement presentation.

(3) Represents the reclassification of amounts contained in “General and administrative expenses” and “Restructuring costs” on Maverick’s historical income statement to “General and administrative expense” to conform to the Company’s income statement presentation.

(4) Represents the reclassification of amounts contained in “Realized gain (loss) on commodity derivative instruments” and “Unrealized gain (loss) on commodity derivative instruments” on Maverick’s historical income statement to “Gain (loss) on derivative financial instruments” to conform to the Company’s income statement presentation.

(5) Represents the presentation on Maverick’s historical income statement as a negative value to conform to the Company’s income statement presentation.

(6) Represents the presentation on Maverick’s historical income statement as a positive value to conform to the Company’s income statement presentation.

Statement of Operations for the Twelve Months Ended December 31, 2023
(In thousands)

Maverick Caption	Diversified Caption	Maverick Historical	Reclassification Adjustments		Maverick As Adjusted
Oil revenues		$ 619,524	$ (619,524)	(1)	$ —
Natural gas revenues		161,054	(161,054)	(1)	—
NGL revenues		113,320	(113,320)	(1)	—
Other revenues, net		83,492	(83,492)	(1)	—
	Revenue	—	977,390	(1)	977,390
Operating costs	Operating expense	488,261	—	(4)	(488,261)
Depletion, depreciation and amortization	Depreciation, depletion and amortization	166,488	(14,666)	(2)(4)	(151,822)
	Gross profit	**322,641**	**(14,666)**		**337,307**
General and administrative expenses	General and administrative expense	83,318	1,631	(3)(4)	(84,949)
Restructuring costs		1,631	(1,631)	(3)	—
	Allowance for expected credit losses	—	—		—
(Gain) loss on sale of assets	Gain (loss) on natural gas and oil property and equipment	(1,090)	—	(5)	1,090
	Gain (loss) on sale of equity interest	—	—		—
	Unrealized gain (loss) on investment	—	—		—
Gain (loss) on commodity derivative instruments	Gain (loss) on derivative financial instruments	145,934	—	(4)	145,934
Impairment of oil and natural gas properties	Impairment of proved properties	66,785	—	(4)	(66,785)
	Operating profit (loss)	**317,931**	**(14,666)**		**332,597**
Interest expense	Finance costs	62,176	—	(4)	(62,176)
	Accretion of asset retirement obligation	—	14,666	(2)(4)	(14,666)
	Loss on early retirement of debt	—	—		—
Other income, net	Other income (expense)	(1,130)	—	(5)	1,130
	Income (loss) before taxation	**256,885**	**—**		**256,885**
Income tax expense (benefit)	Income tax benefit (expense)	604	—	(4)	(604)
	Net income (loss)	**256,281**	**—**		**256,281**
	Other comprehensive income (loss)	—	—		—
	Total comprehensive income (loss)	**$ 256,281**	**$ —**		**$ 256,281**

(1) Represents the reclassification of amounts contained in “Oil revenues,” “Natural gas revenues,” NGL revenues,” and “Other revenues, net” on Maverick’s historical income statement to “Revenue” to conform to the Company’s income statement presentation.

(2) Represents the reclassification of amounts contained in “Depletion, depreciation and amortization” on Maverick’s historical income statement to “Accretion of asset retirement obligation” to conform to the Company’s income statement presentation.

(3) Represents the reclassification of amounts contained in “General and administrative expenses” and “Restructuring costs” on Maverick’s historical income statement to “General and administrative expense” to conform to the Company’s income statement presentation.

(4) Represents the presentation on Maverick’s historical income statement as a negative value to conform to the Company’s income statement presentation.

(5) Represents the presentation on Maverick’s historical income statement as a positive value to conform to the Company’s income statement presentation.

Note 3 - Pro Forma Adjustments - Oaktree Transaction

The unaudited pro forma condensed combined financial information reflects the adjustments listed below for the Oaktree Transaction. These adjustments are expected to have a continuing impact on the combined Company, unless stated otherwise.

(a) Adjustments are for the period April 1, 2024 through June 6, 2024, the date the Oaktree Transaction closed.

(b) Depletion expense associated with the acquired producing properties for the respective 6 and 12 month periods presented.

(c) Interest expense for the Company’s related $172 million borrowing on its Credit Facility and ABS Warehouse Facility using current interest rates, the issuance of an $83 million note payable to Oaktree and the assumption of Oaktree’s $133 million proportionate share of the ABS VI debt.

(d) Accretion of asset retirement obligation associated with Oaktree’s proportionate working interest in the asset retirement obligations.

(e) Adjustments to the income tax provision reflect the historical and adjusted income (loss) before taxation multiplied by an approximate 24% effective tax rate for the periods presented.

Note 4 - Preliminary Purchase Price & Pro Forma Adjustments - Maverick Transaction

Statement of Financial Position

The unaudited pro forma condensed combined statement of financial position as of June 30, 2024 reflects the following adjustments for the Maverick Transaction:

(a) As the accounting acquirer, Diversified expects to account for the Maverick Transaction as a business combination in accordance with IFRS 3. Diversified’s allocation of the preliminary purchase price with respect to the Maverick Transaction is based on preliminary estimates of, and assumptions related to, the fair value of the assets to be acquired and liabilities to be assumed as of June 30, 2024, using currently available information. Because the unaudited pro forma condensed combined financial statements have been prepared based on these preliminary estimates, the final purchase price allocation and the resulting effect on the financial position and results of operations of the combined company may be materially different from the pro forma amounts included herein. Diversified expects to finalize the purchase price allocation as soon as reasonably practicable after completing the Maverick Transaction, which will not extend beyond the one-year measurement period provided under IFRS 3.

The preliminary purchase price allocation is subject to change due to several factors, including, but not limiting to, the following:

- Changes in the estimated fair value of Maverick’s identifiable assets acquired and liabilities assumed as of the closing date of the Maverick Transaction, which could result from changes in natural gas and oil commodity prices, oil and gas reserves estimates, discount rates and other factors; and

- Changes in the estimated fair value of the Diversified common stock consideration issued to Maverick unitholders, based on the Diversified common stock closing price.

The tables below represent the preliminary value of the total consideration and its allocation to the net assets acquired:

(In thousands, except share and per unit data)	Diversified Shares Issued(1)	Price per Share(2)	Purchase Price Consideration
Diversified shares issued to legacy Maverick unit holders	21,217,713	$ 16.57	$ 351,578
PLUS: Cash consideration to legacy Maverick unitholders through draw on expanded credit facility			207,100
Preliminary purchase price consideration			**$ 558,678**

(1) The Diversified shares issued consists of the number of shares of Diversified common stock expected to be issued to legacy Maverick unitholders on the close date of the Maverick Transaction.

(2) The per share price reflects the closing price per share of Diversified common stock as of February 6, 2025.

(In thousands)	Preliminary Purchase Price Allocation
Assets acquired	
Non-current assets	
Natural gas and oil properties, net	$ 1,469,164
Property, plant and equipment, net	74,209
Intangible assets	116
Derivative financial instruments	1,279
Other non-current assets	45,590
Current assets	
Trade receivables, net	134,534
Cash and cash equivalents	62,662
Restricted cash	39,700
Derivative financial instruments	4,327
Other current assets	13,008
Total assets acquired	**1,844,589**
Liabilities assumed	
Non-current liabilities	
Asset retirement obligations(1)	(175,404)
Leases	(25,458)
Borrowings	(659,824)
Derivative financial instruments	(23,426)
Other current liabilities	(29,292)
Current liabilities	
Trade and other payables	(225,051)
Borrowings	(108,287)
Derivative financial instruments	(22,579)
Other current liabilities(1)	(16,590)
Total liabilities assumed	**(1,285,911)**
Net assets acquired	**$ 558,678**
Preliminary purchase price consideration	**$ 558,678**

(1) Maverick prepares its financial statements in accordance with U.S. GAAP, while the Company prepares its financial statements in accordance with IFRS. Accordingly, the Company has adjusted Maverick's current and non-current asset retirement obligation to conform to IFRS. No other material adjustments were necessary to conform to Diversified's IFRS presentation.

The final value of the consideration will be determined based on the market price of Diversified common stock at closing. A 20% change in the closing price of Diversified common stock, as compared to the February 6, 2025 closing price, would increase or decrease the consideration by approximately $70 million, assuming all other factors are held constant. Diversified anticipates that a change in the closing price of Diversified common stock will primarily impact the value of natural gas and oil properties.

(b) Represents the adjustment of $12.5 million for estimated financing costs expected to be incurred by Diversified related to the amendment to be entered into by Diversified on the closing date of the Maverick Transaction to increase the borrowing base and commitment amounts on its existing revolving credit facility.

(c) Represents the accrual of $33.8 million of estimated transaction costs and $16.2 million of estimated severance and change in control costs payable to certain Maverick officers who are expected to be terminated as a result of the Maverick transaction, which are expected to be incurred by Diversified subsequent to June 30, 2024. These transaction and severance and change in control costs are preliminary estimates; the final amounts and the resulting effect on Diversified's financial position may differ significantly.

Statement of Operations

The unaudited pro forma combined statement of operations for the six months ended June 30, 2024 reflects the adjustments listed below for the Maverick Transaction. These adjustments are expected to have a continuing impact on the combined Company, unless stated otherwise.

(a) Represents the incremental depreciation, depletion and amortization expense related to the assets to be acquired in the Maverick Transaction, which is based on the preliminary purchase price allocation. Depletion was calculated using the unit-of-production method under the successful efforts method of accounting. The depletion expense was adjusted for the revision to the depletion rate reflecting the acquisition costs and the reserves volumes attributable to the acquired oil and gas properties. The pro forma depletion rate attributable to the Maverick Transaction was $4.71 per barrel of oil equivalent.

(b) Represents the net increase to interest expense resulting from the (i) incremental interest expense for borrowings on Diversified's expanded credit facility to finance the closing of the Maverick Transaction and (ii) incremental interest expense for the amortization of estimated financing costs related to the amendment to be entered into by Diversified on the closing date of the Maverick Transaction to increase the borrowing base capacity and commitment amounts on Diversified's revolving credit facility as follows:

(In thousands)	**Six Months Ended June 30, 2024**	
Incremental interest expense for borrowings on Diversified's expanded revolving credit facility		(9,077)
Incremental interest expense for amortization of expected financing costs		(1,563)
Net transaction accounting adjustments to interest expense	**$**	**(10,640)**

A 0.125% change in the variable interest rate of Diversified's revolving credit facility or a $10 million change in the amount financed would increase or decrease interest expense presented in the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2024 by $0.1 million and $0.4 million, respectively.

(c) Represents a decrease in accretion expense attributable to asset retirement obligations of $1.1 million for the six months ended June 30, 2024 due to a downward adjustment in the asset retirement obligation based on its fair value under IFRS.

(d) Represents the estimated income tax impact of the pro forma adjustments from the Maverick Transaction at the estimated blended federal and state statutory rate of approximately 24% for the six months ended June 30, 2024. Because the tax rates used for these unaudited pro forma condensed combined financial statements are an estimate, the blended rate will likely vary from the actual effective rate in periods subsequent to the completion of the Maverick Transaction.

(e) The table below represents the calculation of the weighted average shares outstanding and earnings per share included in the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2024. As the Maverick Transaction is being reflected in the unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2024 as if it had occurred on January 1, 2023, the calculation of weighted average shares outstanding for basic and diluted earnings per share assumes that the shares issuable related to the Maverick Transaction have been outstanding for the entire period.

(In thousands, except share and per unit data)	**Six Months Ended June 30, 2024**	
Net loss, pro forma combined	**$**	**(51,308)**
Diversified weighted average shares outstanding - basic		47,202,283
Diversified shares issued in exchange for legacy Maverick shares as part of consideration transferred		21,217,713
Pro forma weighted average shares outstanding - basic		**68,419,996**
Dilutive impact of potential shares		0
Pro forma weighted average shares outstanding - diluted		**68,419,996**
Earnings attributable to Diversified per share, basic	$	(0.75)
Earnings attributable to Diversified per share, diluted	$	(0.75)
Potentially dilutive shares[1]		359,016

(1) Outstanding share-based payment awards excluded from the diluted EPS calculation because their effect would have been anti-dilutive.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 reflects the adjustments listed below. These adjustments are expected to have a continuing impact on the combined Company, unless stated otherwise.

(a) Represents the incremental depreciation, depletion and amortization expense related to the assets to be acquired in the Maverick Transaction, which is based on the preliminary purchase price allocation. Depletion was calculated using the unit-of-production method under the successful efforts method of accounting. The depletion expense was adjusted for the revision to the depletion rate reflecting the acquisition costs and the reserves volumes attributable to the acquired oil and gas properties. The pro forma depletion rate attributable to the Maverick Transaction was $4.71 per barrel of oil equivalent.

(b) Represents $33.8 million of estimated transaction costs and $16.2 million of estimated severance and change in control costs payable to certain Maverick officers who are expected to be terminated as a result of the Maverick transaction, which are expected to be incurred by Diversified upon closing the Maverick Transaction. These costs are preliminary estimates; the final amounts and the resulting effect on Diversified's results of operations may differ significantly. These costs are nonrecurring and will not affect Diversified's statement of operations beyond 12 months after the closing of the Maverick Transaction.

(c) Represents a decrease in accretion expense attributable to asset retirement obligations of $3.2 million for the year ended December 31, 2023 due to a downward adjustment in the asset retirement obligation based on its fair value under IFRS.

(d) Represents the net increase to interest expense resulting from the (i) incremental interest expense for borrowings on Diversified's expanded credit facility to finance the closing of the Maverick Transaction and (ii) incremental interest expense for the amortization of estimated financing costs related to the amendment to be entered into by Diversified on the closing date of the Maverick Transaction to increase the borrowing base capacity and commitment amounts on Diversified's revolving credit facility as follows:

(In thousands)		Year Ended December 31, 2023
Incremental interest expense for borrowings on Diversified's expanded revolving credit facility		(17,622)
Incremental interest expense for amortization of expected financing costs		(3,125)
Net transaction accounting adjustments to interest expense	**$**	**(20,747)**

A 0.125% change in the variable interest rate of Diversified's revolving credit facility or a $10 million change in the amount financed would increase or decrease interest expense presented in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 by $0.3 million and $0.9 million, respectively.

(e) Represents the estimated income tax impact of the pro forma adjustments from the Maverick Transaction at the estimated blended federal and state statutory rate of approximately 24% for the year ended December 31, 2023. Because the tax rates used for these unaudited pro forma condensed combined financial statements are an estimate, the blended rate will likely vary from the actual effective rate in periods subsequent to the completion of the Maverick Transaction.

(f) The table below represents the calculation of the weighted average shares outstanding and earnings per share included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023. As the Maverick Transaction is being reflected in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023 as if it had occurred on January 1, 2023, the calculation of weighted average shares outstanding for basic and diluted earnings per share assumes that the shares issuable related to the Maverick Transaction have been outstanding for the entire year.

(In thousands, except share and per unit data)		Year Ended December 31, 2023
Net income, pro forma combined	**$**	**957,579**
Diversified weighted average shares outstanding - basic		47,165,380
Diversified shares issued in exchange for legacy Maverick shares as part of consideration transferred		21,217,713
Pro forma weighted average shares outstanding - basic		**68,383,093**
Dilutive impact of potential shares		349,141
Pro forma weighted average shares outstanding - diluted		**68,732,234**
Earnings attributable to Diversified per share, basic	$	14.00
Earnings attributable to Diversified per share, diluted	$	13.93
Potentially dilutive shares(1)		54,133

(1) Outstanding share-based payment awards excluded from the diluted EPS calculation because their effect would have been anti-dilutive.

Note 5 - Supplemental Oil & Gas Reserve Information

Estimated Quantities of Proved Oil and Natural Gas Reserves

The following tables present information regarding net proved oil and natural gas reserves attributable to the Company's interests in proved properties as of December 31, 2023, along with a summary of changes in quantities of net remaining proved reserves during the year ended December 31, 2023. The information set forth in the tables regarding historical reserves of the Company is based on proved reserves reports prepared in accordance with Securities and Exchange Commission's ("SEC") rules. The Company's petroleum engineers prepared the proved reserves reports as of December 31, 2023.

In addition, the following tables also set forth information as of December 31, 2023 about the estimated net proved oil and natural gas reserves attributable to the Maverick and Oaktree transactions, and the pro forma estimated net proved oil and natural gas reserves as if the Maverick and Oaktree transactions had occurred on January 1, 2023. The reserve estimates attributable to the Maverick and Oaktree transactions at December 31, 2023 and the summary of changes in quantities of net remaining proved reserves during the year ended December 31, 2023 presented in the table below were prepared in accordance with the authoritative guidance of the SEC on oil and natural gas reserve estimation and disclosures.

Reserve estimates are inherently imprecise and are generally based upon extrapolation of historical production trends, analogy to similar properties and volumetric calculations. Accordingly, reserve estimates are expected to change, and such changes could be material and occur in the near term as future information becomes available.

	Natural Gas (MMcf)			
	DEC Historical	Oaktree Transaction Adjustments	Maverick Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	**4,349,611**	**555,228**	**1,087,513**	**5,992,352**
Revisions of previous estimates	(658,917)	(146,142)	(284,624)	(1,089,683)
Extensions, discoveries and other additions	712	3,383	25,759	29,854
Production	(256,378)	(39,539)	(65,929)	(361,846)
Purchase of reserves in place	105,713	—	—	105,713
Sales of reserves in place	(340,697)	—	(9,119)	(349,816)
Total proved reserves, end of period	**3,200,044**	**372,930**	**753,600**	**4,326,574**
Proved developed reserves				
Beginning of period	4,340,779	555,228	872,712	5,768,719
End of period	3,184,499	372,930	611,472	4,168,901
Proved undeveloped reserves:				
Beginning of period	8,832	—	214,801	223,633
End of period	15,545	—	142,128	157,673

	NGLs (MBbls)			
	DEC Historical	Oaktree Transaction Adjustments	Maverick Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	**101,931**	**13,352**	**89,963**	**205,246**
Revisions of previous estimates	153	(3,737)	(16,851)	(20,435)
Extensions, discoveries and other additions	—	50	578	628
Production	(5,832)	(949)	(5,714)	(12,495)
Purchase of reserves in place	2,592	—	—	2,592
Sales of reserves in place	(3,143)	—	(778)	(3,921)
Total proved reserves, end of period	**95,701**	**8,716**	**67,198**	**171,615**
Proved developed reserves				
Beginning of period	101,931	13,352	72,476	187,759
End of period	94,391	8,716	58,240	161,347
Proved undeveloped reserves:				
Beginning of period	—	—	17,487	17,487
End of period	1,310	—	8,958	10,268

	Oil (MBbls)			
	DEC Historical	Oaktree Transaction Adjustments	Maverick Transaction Adjustments	Pro Forma Combined
Total proved reserves, beginning of period	**14,830**	**6,469**	**110,053**	**131,352**
Revisions of previous estimates	(230)	(616)	(11,841)	(12,687)
Extensions, discoveries and other additions	50	83	4,762	4,895
Production	(1,377)	(657)	(8,257)	(10,291)
Purchase of reserves in place	923	—	—	923
Sales of reserves in place	(1,580)	—	(762)	(2,342)
Total proved reserves, end of period	**12,616**	**5,279**	**93,955**	**111,850**
Proved developed reserves				
Beginning of period	14,830	6,469	86,403	107,702
End of period	12,380	5,279	75,236	92,895
Proved undeveloped reserves:				
Beginning of period	—	—	23,650	23,650
End of period	236	—	18,719	18,955

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Oil and Gas Reserves

The following table presents the standardized measure of discounted future net cash flows relating to the proved oil and natural gas reserves of the Company and the Maverick and Oaktree transactions on a pro forma combined basis as of December 31, 2023 as if the Maverick and Oaktree transactions had occurred on January 1, 2023. The standardized measure shown below represents estimates only and should not be construed as the current market value of the Company's estimated oil and natural gas reserves or those acquired estimated oil and natural gas reserves attributable to the Maverick and Oaktree transactions.

	December 31, 2023			
(In thousands)	DEC Historical	Oaktree Transaction Adjustments	Maverick Transaction Adjustments	Pro Forma Combined
Future cash inflows	$ 10,900,742	$ 1,371,293	$ 10,082,939	$ 22,354,974
Future production costs	(5,345,117)	(725,738)	(4,796,251)	(10,867,106)
Future development costs	(1,937,293)	(174,796)	(1,707,946)	(3,820,035)
Future income tax expense	(653,216)	(1,621)	(615,276)	(1,270,113)
Future net cash flows	**2,965,116**	**469,138**	**2,963,466**	**6,397,720**
10% annual discount for estimated timing of cash flows	(1,219,580)	(140,870)	(1,319,032)	(2,679,482)
Standardized Measure	**$ 1,745,536**	**$ 328,268**	**$ 1,644,434**	**$ 3,718,238**

The following table sets forth the principal changes in the standardized measure of discounted future net cash flows applicable to estimated net proved oil and natural gas reserves of the Company and the Maverick and Oaktree transactions on a pro forma combined basis as of December 31, 2023:

	December 31, 2023			
(In thousands)	DEC Historical	Oaktree Transaction Adjustments	Maverick Transaction Adjustments	Pro Forma Combined
Standardized Measure, beginning of year	$ 6,743,100	$ 1,324,614	$ 5,118,150	$ 13,185,864
Sales and transfers of natural gas and oil produced, net of production costs	(431,629)	(65,311)	(511,575)	(1,008,515)
Net changes in prices and production costs	(5,850,625)	(760,888)	(2,300,636)	(8,912,149)
Extensions, discoveries, and other additions, net of future production and development costs	(13,682)	5,027	121,760	113,105
Acquisition of reserves in place	122,613	—	—	122,613
Divestiture of reserves in place	(377,097)	—	(35,439)	(412,536)
Revisions of previous quantity estimates	(1,224,544)	(342,713)	(997,147)	(2,564,404)
Net change in income taxes	1,688,208	1,842	(355,513)	1,334,537
Changes in estimated future development costs	—	—	—	—
Previously estimated development costs incurred during the year	—	—	70,396	70,396
Changes in production rates (timing) and other	206,646	32,965	20,569	260,180
Accretion of discount	882,546	132,732	513,869	1,529,147
Standardized Measure, end of year	**$ 1,745,536**	**$ 328,268**	**$ 1,644,434**	**$ 3,718,238**

Exhibit 99.4

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-276139) of Diversified Energy Company PLC of our report dated April 29, 2024 relating to the financial statements of Maverick Natural Resources, LLC, which appears in this Report on Form 6-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
February 11, 2025

Exhibit 99.5

February 11, 2025

Diversified Energy Company PLC
(“Diversified” or the “Company”)

Diversified Energy’s Unique Strategy Produces Reliable Cash Flow and Strong Full Year 2024 Results

Seventh Year in a Row of Approximately 50% or Better Cash Margins

Cash Flow Growth Initiatives Contributed Over $50 million in Cash Flow

Company Returned Over $105 million to Shareholders in 2024

Diversified Energy Company PLC (LSE: DEC, NYSE: DEC) is pleased to announce the following operations and trading update for the year ended December 31, 2024.

Delivering Reliable Results

- Full-year 2024 average production of 791 MMcfepd (132 Mboepd)
  - 4Q24 average production of 843 MMcfepd (141 Mboepd)
  - December 2024 exit rate of 864 MMcfepd (144 Mboepd)

- 2024 Adjusted EBITDA[a] of $470-$475 million; Adjusted Free Cash Flow[b] of $210-$215 million
- 2024 Adjusted EBITDA Margin[a] of 50%and TTM Adjusted Free Cash Flow Yield[b] of 33%
  - 2024 Total Revenue, Inclusive of Settled Hedges per Unit[c] of $3.21/Mcfe ($19.28/Boe)
  - 2024 Adjusted Operating Cost per Unit[d] of $1.70/Mcfe ($10.22/Boe)

Cash Flow Growth Initiatives

- Announced fixed-price contract for gas delivery to a major Gulf Coast LNG export facility
- Generated ~$42 million year-to-date in cash flow through divestiture of undeveloped leasehold
- Recorded $8 million in impact to Adjusted EBITDA from Coal Mine Methane (“CMM”) Revenues

Executing Strategic Objectives and Milestones

- Retired over $200 million in debt principal through amortizing debt payments
- Returned $105 million to shareholders, including $21 million in share buybacks[e]
- Completed $585 million (gross) in strategic and bolt-on acquisition during 2024
- Announced accretive bolt-on acquisition of southern Appalachia assets from Summit Natural Resources
- Announced transformative $1.3 billion acquisition of Maverick Natural Resources
- Marked one full year of trading on the New York Stock Exchange and as is customary, the Company expects to file a shelf registration with the US Securities and Exchange Commission

Next LVL Milestones

- The Company retired 202 operated wells in 2024, marking its third consecutive year to exceed its stated goal of retiring 200 wells per year
- Next LVL Energy completed a total 287 well retirements, including Diversified's wells and 85 wells associated with state-owned orphan wells and third-party operators

Rusty Hutson, Jr., CEO of Diversified, commented:

*"*Our team executed extremely well and continued to deliver solid results in 2024 that enabled us to advance our balanced capital allocation framework. Our strong results highlight our unique business model that strives to deliver consistent cash flow during the full range and volatility of commodity cycles. Aligned with our priorities, we generated significant cash flows, returned capital to investors, and paid down more than $200 million in debt principal, all while executing and integrating over $585 million in accretive acquisitions. Once again, our ability to deliver durable production and consistent cash flow throughout the year was a result of our team's relentless execution of our strategies. We are committed to lowering costs and improving operational efficiencies across the organization, along with providing innovative solutions to extract hidden value from our asset base. The results we have achieved in 2024 strike at the heart of our business model and strategy.

We believe that 2025 has the potential to be a transformative year for the Company as we work to execute our strategic initiative to become the premier public company focused on managing mature producing assets. The Company's previously announced accretive acquisitions of Summit Natural Resources and Maverick Natural Resources are proceeding as planned, and we have received encouraging comments from both shareholders and the public debt and equity markets. During the past year, we have seen our strategy and our previous investment decisions yield increased performance in all aspects of our business model. We are optimistic about our future and confident that our current efforts will continue to position us well to have a significant positive impact on shareholder value."

Operations and Finance Update

Production

Diversified exited the year with December 2024 average production of 864 MMcfepd (144 Mboepd), up 11% versus the December 2023 exit rate of 775 MMcfepd (129 Mboepd), reflecting the cumulative effect of the Company's 2024 acquisitions and industry-leading PDP declines of ~10% per year[f].

Diversified ended the year with 4Q24 average production of 843 MMcfepd (141 Mboepd) and full-year 2024 average production of 791 MMcfepd (132 Mboepd).

The Company's production continues to be positively impacted by Diversified's Smarter Asset Management ("SAM") approach focused on the improvement and optimization of production profiles, development of efficiency gains and extension of well life, and the Company is well-positioned to again-deliver on a solid operational foundation for robust cash flows in 2025 with the additional impact of the recently announced acquisitions of Maverick Natural Resources and Summit Natural Resources.

Margin, Realized Price and Total Cash Expenses per Unit

Diversified's resilient cash flow strategy is exemplified by the Company's 2024 Adjusted EBITDA Margin of 50%, marking the Company's seventh consecutive annual period of ~50% margins or higher.

The Company's commitment to responsibly hedge production and initiatives to expand revenue generation is reflected in 2024 Total Revenue, Inclusive of Settled Hedges per unit of \$3.21/Mcfe (\$19.28/Boe), with Financial Derivatives Settled in Cash delivering \$151 million in cash flows, and Midstream & Other Revenue delivering \$63 million in supplemental income during the year.

Prudent expense management resulted in the stable Adjusted Operating Cost per Unit for 2024 of just \$1.70/Mcfe (\$10.22/Boe) representing a minimal 1% change when compared to the prior year.

	2024		2023		
	\$/Mcfe	**\$/Boe**	**\$/Mcfe**	**\$/Boe**	**%**
Total Commodity Revenue, Including the Impact of derivatives settled in cash	\$ 3.05	\$ 18.30	\$ 3.27	\$ 19.62	(7)%
Other Revenue[1]	0.16	0.98	0.13	0.75	31%
Average Realized Price[1]	**\$ 3.21**	**\$ 19.28**	**\$ 3.40**	**\$ 20.37**	**(5)%**

Adjusted Operating Cost per Unit[(d)]	**2024**		**2023**		
	\$/Mcfe	**\$/Boe**	**\$/Mcfe**	**\$/Boe**	**%**
Lease Operating Expense[2]	\$ 0.73	\$ 4.40	\$ 0.64	\$ 3.83	15%
Midstream Expense	0.24	1.44	0.23	1.38	4%
Gathering and Transportation	0.31	1.86	0.32	1.92	(3)%
Production Taxes	0.12	0.72	0.21	1.26	(43)%
Total Operating Expense[2]	**\$ 1.40**	**\$ 8.42**	**\$ 1.40**	**\$ 8.39**	**—%**
Employees, Administrative Costs and Professional Fees[(g)]	0.30	1.80	0.29	1.74	3%
Adjusted Operating Cost per Unit[2]	**\$ 1.70**	**\$ 10.22**	**\$ 1.69**	**\$ 10.13**	**1%**
Adjusted EBITDA Margin[(a)]	**50%**		**53%**		

[1] 2024 excludes \$0.06/Mcfe (\$0.34/Boe) and 2023 excludes \$0.09/Mcfe (\$0.57/Boe) of other revenues generated by Next LVL Energy Values may not sum due to rounding; 2024 excludes \$0.09/Mcfe (\$0.54/Boe) & 2023 excludes\$0.08/Mcfe (\$0.48/Boe) of proceeds from land sales

[2] 2024 excludes \$(0.07)/Mcfe (\$(0.40)/Boe) and 2023 excludes \$(0.07)/Mcfe (\$(0.43)/Boe) of expenses attributable to Next LVL Energy Values may not sum due to rounding

Results of Hedging and Current Financial Derivatives Portfolio

Diversified's consistent application of the Company's differentiated hedging strategy resulted in a 2024 weighted average natural gas hedge floor of $3.26/MMbtu and realized price of $2.49/MMBtu, providing insulation from historically low commodity prices and representing respective premiums of 44% and 10% to the 2024 NYMEX average Henry Hub settlement price of $2.27/MMbtu[h]. The Company enters 2025 with ~80% of consolidated production hedged, and stands to benefit from the recent improvement in the forward strip. The table below reflects Diversified's full-year hedge positions through calendar year 2027 as of December 31, 2024:

	GAS (Mcf)		NGL (Bbl)		OIL (Bbl)	
	Wtd. Avg. Hedge Price[i][j]	~ % of Production Hedged[k]	Wtd. Avg. Hedge Price[i]	~ % of Production Hedged[k]	Wtd. Avg. Hedge Price[i]	~ % of Production Hedged[k]
FY25	$ 3.32	85%	$ 33.98	60%	$ 64.25	90%
FY26	$ 3.25	75%	$ 32.38	55%	$ 62.44	55%
FY27	$ 3.27	70%	$ 32.29	45%	$ 62.67	50%

Environmental Update

Asset Retirement Progress and Next LVL Energy Update

During the year, the Company exceeded its Appalachian well retirement commitments and stated plugging goals by retiring 202 Diversified-operated wells. Total well retirements by Next LVL Energy in Appalachia amounted to 287 wells, including 51 retirements associated with state orphan well programs.

Next LVL Energy continues to be a strategic and value-additive component of Diversified's vertically integrated operations focused on the full life cycle of operated wells and to provide third-party revenue to offset the cash costs associated with the retirement of operated wells.

Acquisition Update

2024 Acquisitions Update

The Company's previously announced acquisition of Oaktree Working Interests, Crescent Pass Energy assets and East Texas assets were successfully closed in the course of the year, representing $585 million (gross) in strategic, accretive acquisitions in 2024. These assets have been fully integrated into Diversified's systems and processes, and are already benefiting from the Company focus on safe, efficient operations through the application of Smarter Asset Management.

Summit Natural Resources

Diversified's previously announced acquisition of Appalachia and Alabama assets from Summit Natural Resources is proceeding as planned and the Company expects to close the transaction in the first quarter of 2025.

Maverick Natural Resources

As previously announced on January 27, 2025, Diversified has entered into a definitive agreement to acquire Maverick Natural Resources for total consideration of approximately $1,275 million. The acquisition of Maverick by Diversified (the "Acquisition") adds immediate scale, increases liquids production, and creates a combined company with long-term free cash flow generation, superior unit cash margins, and a compelling sustainability profile.

The Acquisition is expected to close during the first half of 2025, subject to customary closing conditions, including, among others, regulatory clearance and approval by Diversified shareholders for the issue and allotment of the Ordinary Shares pursuant to the merger agreement.

2024 Annual Results and Conference Call Details

Diversified will release its 2024 full-year results on Monday, March 17, 2025 and will host a conference call that day at 12:30 PM GMT (8:30 AM EDT) to discuss the Annual Results.

US (toll-free)	+ 1 877 836 0271
UK (toll-free)	+ 44 (0)800 756 3429
Web Audio	https://www.div.energy/news-events/ir-calendarevents

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Footnotes:

(a) Adjusted EBITDA represents earnings before interest, taxes, depletion, and amortization, and includes adjustments for items that are not comparable period-over-period; As presented, Adjusted EBITDA includes the impact of the accounting basis for land sales; Adjusted EBITDA Margin represents Adjusted EBITDA (excluding the adjustment for the accounting basis on land sales) as a percent of Total Revenue, Inclusive of Settled Hedges; For purposes of comparability, Adjusted EBITDA Margin excludes Other Revenue of $16 million in 2024 and $28 million in 2023, and Lease Operating Expense of $19 million in 2024 and $21 million in 2023 associated with Diversified's wholly owned plugging subsidiary, Next LVL Energy.

(b) Free Cash Flow represents net cash provided by operating activities less expenditures on natural gas and oil properties and equipment and cash paid for interest; As used herein, Adjusted Free Cash Flow represents Free Cash Flow, plus cash proceeds from undeveloped acreage sales; Adjusted Free Cash Flow Yield is calculated using 2024 Free Cash Flow per share, divided by the 2024 average share price of $13.47; Free Cash Flow per Share calculated as Adjusted Free Cash Flow divided by average shares outstanding of 48,031,916 during the period.

(c) Includes the impact of derivatives settled in cash; Excludes the impact of land sales during the period; For purposes of comparability, excludes certain amounts related to Diversified's wholly owned plugging subsidiary, Next LVL Energy.

(d) Adjusted Operating Cost represent total lease operating costs plus recurring administrative costs. Total lease operating costs include base lease operating expense, owned gathering and compression (midstream) expense, third-party gathering and transportation expense, and production taxes. Recurring administrative expenses (Adjusted G&A) is a Non-IFRS financial measure defined as total administrative expenses excluding non-recurring acquisition & integration costs and non-cash equity compensation; For purposes of comparability, excludes certain amounts related to Diversified's wholly owned plugging subsidiary, Next LVL Energy.

(e) Share repurchases include activity by Diversified's Employee Benefit Trust.

(f) Calculated as the rate of decline in average daily production from December 2023 to December 2024, adjusted to exclude the impact of acquisitions and divestitures.

(g) As used herein, employees, administrative costs and professional services represents total administrative expenses excluding cost associated with acquisitions, other adjusting costs and non-cash expenses. We use employees, administrative costs and professional services because this measure excludes items that affect the comparability of results or that are not indicative of trends in the ongoing business.

(h) Calculated as the average monthly settlement price for NYMEX Henry Hub futures contracts.

(i) Weighted average price reflects the weighted average of the swap price and floor price for collar contracts as applicable.

(j) MMBtu prices have been converted to Mcf using a richness factor of 1Mcf=1.036 MMBtu, calculated as the weighted average Btu richness factor for the twelve months ended December 31, 2024.

(k) Illustrative percent hedged, calculated using December 2024 average production and assuming a consolidated annual corporate decline rate of 10%; Calculation assumes constant product mix over the illustrative decline period.

For Company-specific items, refer also to the Glossary of Terms and/or Alternative Performance Measures found in the Company's Annual Report and Form 20-F for the year ended December 31, 2023 filed with the United States Securities and Exchange Commission and available on the Company's website.

For further information, please contact:

Diversified Energy Company PLC +1 973 856 2757
Doug Kris dkris@dgoc.com
Senior Vice President, Investor Relations & Corporate Communications www.div.energy

FTI Consulting dec@fticonsulting.com
U.S. & UK Financial Public Relations

About Diversified Energy Company PLC

Diversified is a leading publicly traded energy company focused on natural gas and liquids production, transport, marketing, and well retirement. Through our unique and differentiated strategy, we acquire existing, long-life assets and invest in them to improve environmental and operational performance until retiring those assets in a safe and environmentally secure manner. Recognized by ratings agencies and organizations for our sustainability leadership, this solutions-oriented, stewardship approach makes Diversified the Right Company at the Right Time to responsibly produce energy, deliver reliable free cash flow, and generate shareholder value.

Forward-Looking Statements

This announcement contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and business of the Company and its wholly owned subsidiaries (the “Group”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements, which contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect”, “may”,”should”,”intend”, “will”, “seek”, “continue”, “aim”, “target”, “projected”, “plan”, “goal”, “achieve” and words of similar meaning, reflect the Company's beliefs and expectations and are based on numerous assumptions regarding the Company's present and future business strategies and the environment the Company and the Group will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company or the Group to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's or the Group's ability to control or estimate precisely, such as the expected timing and likelihood of completion of the Acquisition and the risk that problems may arrise in successfully integrating Maverick or that the combined company may not achieve synergies as expected,as well as factors such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of regulators and other factors such as the Company's or the Group's ability to continue to obtain financing to meet its liquidity needs, the Company’s ability to successfully integrate its other acquisitions, changes in the political, social and regulatory framework in which the Company or the Group operate or in economic or technological trends or conditions. The list above is not exhaustive and there are other factors that may cause the Company's or the Group's actual results to differ materially from the forward-looking statements contained in this announcement, including the risk factors described in the “Risk Factors” section in the Company’s Annual Report and Form 20-F for the year ended December 31, 2023, filed with the United States Securities and Exchange Commission (the “SEC”) and the risk factors descibed in Exhibit 99.2 to the Company’s Form 6-k furnished with the SEC on January 27, 2025.

Forward-looking statements speak only as of their date and neither the Company nor the Group nor any of its respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement, may not occur. As a result, you are cautioned not to place undue reliance on such forward-looking statements. Past performance of the Company cannot be relied on as a guide to future performance. No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that the financial performance of the Company for the current or future financial years would necessarily match or exceed the historical published for the Company.

Unaudited Financial Information

Certain financial and operating results included in this announcement are based on unaudited estimated results. These estimated results are subject to change upon completion of the Company's audited financial statements for the year ended December 31, 2024, and changes could be material. The Company anticipates publishing its audited financial results for the year ended December 31, 2024 on Tuesday, March 17, 2025.

Use of Non-IFRS Measures

Certain key operating metrics that are not defined under IFRS (alternative performance measures) are included in this announcement. These non-IFRS measures are used by us to monitor the underlying business performance of the Company from period to period and to facilitate comparison with our peers. Since not all companies calculate these or other non-IFRS metrics in the same way, the manner in which we have chosen to calculate the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. The non-IFRS metrics should not be considered in isolation of, or viewed as substitutes for, the financial information prepared in accordance with IFRS. Certain of the key operating metrics are based on information derived from our regularly maintained records and accounting and operating systems. We have not presented reconciliations of the non-IFRS measures included in this announcement because the comparable IFRS measures will not be accessible until the Company's audited financial results for the year ended December 31, 2024 are complete. The Company will include the comparable IFRS measures and reconciliations of the non-IFRS measures in its release of full-year results, which we expect to publish on Tuesday, March 17, 2025.