

Horizontal Marcellus Wellbore Opportunity



Non-Operated Working Interest & Minerals/Royalty

Winfield Resources, LLC (“Winfield”) is offering for sale its horizontal Marcellus wellbore-only interests in Butler and Armstrong Counties, Pennsylvania, **in two sub-packages: Non-Op Working Interest and Minerals/Royalties**. The assets offer an attractive opportunity to acquire (i) **high-margin cash flow** with net revenue interest greater than working interest (including royalties), (ii) a **well-distributed value position** minimizing concentration risk; (iii) **established production history** enabling high-confidence forecasts; (iv) **well-maintained properties** which constitute ~40% of the operator’s (PennEnergy) gross production⁽¹⁾; and (v) **fully developed pads** with negligible risk of “frack hits” from future drilling activity.

Substantial Prod. & Cash Flow⁽²⁾

~27 MMcfd | \$17MM NTM CF

- **Net Reserves:** 126 Bcf (100% gas)
- **Net PV10:** \$80MM
- **Well Count:** 86 modern hz Marcellus completions (~310 net Mcfd/well)

Net Category	Non-Op WI	Min/Royalty	Total
Prod. (MMcfd)	22.4	4.4	26.8
Prod. (BBTU/d)	24.1	4.7	28.8
Reserves (Bcf)	104	22	126
PV10 (\$MM)	\$65	\$15	\$80
NTM CF (\$MM)	\$14	\$3	\$17

High Margin Cash Flow

15.8% WI | 16.5% NRI

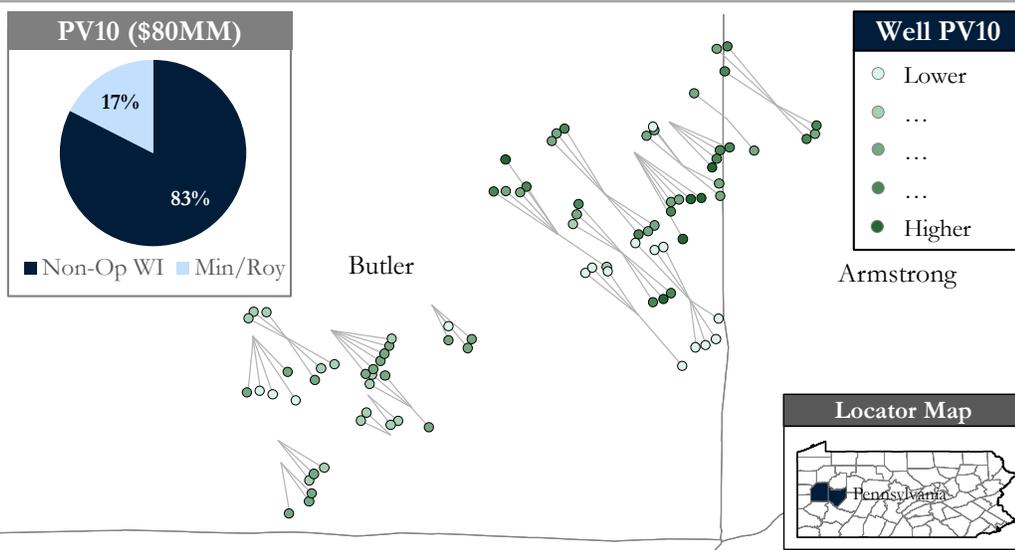
- ~\$2.00/Mcf⁽³⁾ netback offers a resilient, low-cost cashflow stream
- 74 wells include royalty/ORRI interest, improving overall margin
 - Average 3% RI per well
- Stable, predictable production
 - ~93% of reserves and PV10 generated by wells online >1 yr.
- Access to Dom South & TETCO M2 with ability to take gas in-kind
 - Historical realizations at a premium to Dom South

Core Operator Asset

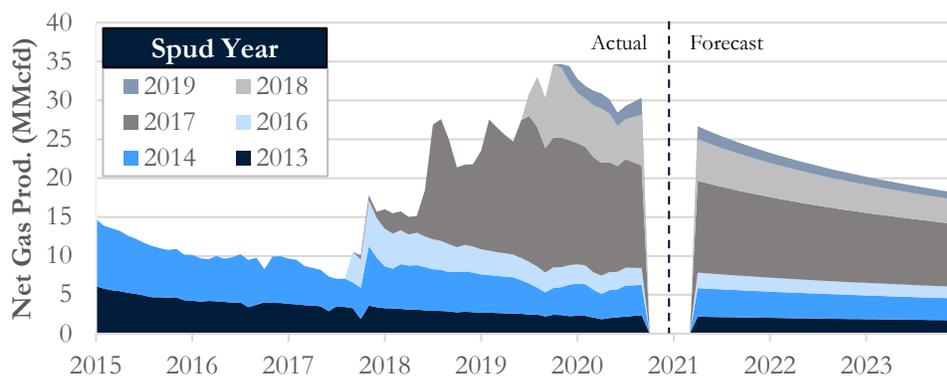
40% of PennEnergy Gross Prod.⁽¹⁾

- Well stewarded asset with minimal downtime and no shut-ins due to recent events
- Full pad development minimizes “frack hit” risk to production with PennEnergy operating offset units

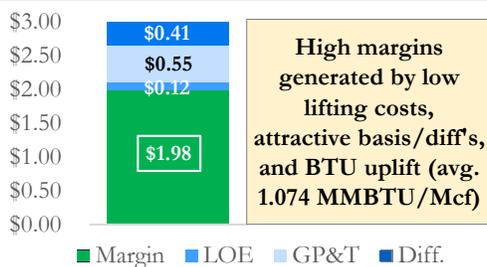
Location Map | Butler & Armstrong Counties, Pennsylvania



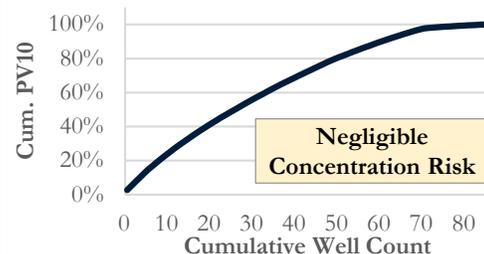
Established Production Provides Confidence In Future Performance



High Netback: ~\$2.00/Mcf⁽³⁾



Evenly Distributed Value



1. Source: IHS. 2. Cash flow, reserves, and NPV10 based on an effective date of 4/1/2021 and NYMEX 5 year strip pricing as of 10/23/2020. 3. 2021E strip pricing (\$3.06/Mcf).

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Process Information

November 2020						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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

- VDR Opens
- Data Rooms
- Bids Due
- Holidays

Winfield anticipates PSA execution and closing by mid-February 2021 and March 2021, respectively. Bids will be requested by package with preference given to offers for the combined position.

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Please contact Melinda Faust to request a confidentiality agreement or to learn more about this opportunity. Please route all communications through Detring and do not contact Winfield directly.

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