

# Operated Texas Gulf Coast Opportunity

Costa Energy, LLC



Costa Energy, LLC (“Costa”) has retained PetroDivest Advisors to market for sale its operated oil and gas leasehold, producing properties, and related assets primarily located along the Texas Gulf Coast. The assets provide an attractive opportunity to acquire: (i) **1.1 MMcfed of gas-weighted net production (79% gas)** from 14 producing vertical wells; (ii) **\$1.5MM in next-twelve-months operating cash flow (PDP Only)**; and (iii) **several behind-pipe and infill development opportunities** offering long-term, low-cost production maintenance and uplift for **an additional +\$17MM PV10 beyond Proved Producing value.**

## Gas Weighted Net Production

1.1 MMcfed | 79% Gas

- Conventional Gulf Coast gas-weighted production offers \$1.5MM in next-twelve-month op. cash flow
  - Current contango gas strip pricing sustains cash flow over 5 years
  - \$7.4MM PDP PV10
- Low lifting costs ensures positive cash flow and asset resiliency in any price environment
  - LTM Avg. Lifting Cost: \$0.78/Mcfe

## ~2,500 Net Acres

100% Held By Production

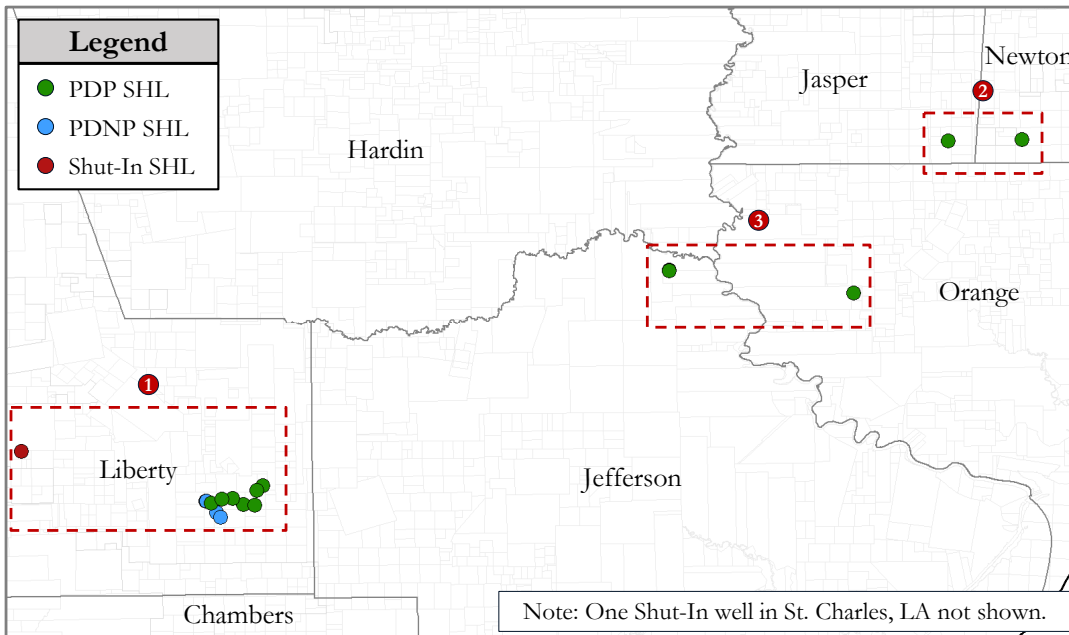
- Legacy assets, fully HBP with well-established production histories, offer long-term optionality on future development
  - 14 active producing wells
  - 24 total wellbores
  - 68.7% avg. WI & 51.4% avg. NRI
- Premium differentials for Gulf Coast assets with optionality and access to coastal LNG and marketing

## Low-Cost Behind-Pipe & Conventional Opportunities

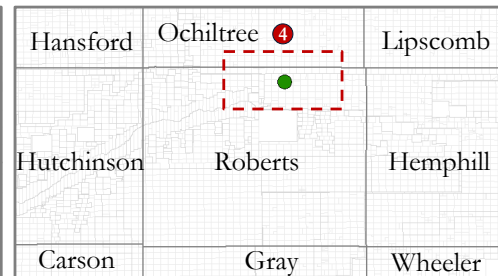
- Two highly economic Liberty County vertical infill locations
  - 4.4 Bcfe add'l net res. (94% gas)
  - Low D&C cost of \$2.3MM/well
- Seven stacked-pay behind-pipe opportunities provide additional reserves and asset production maintenance
  - PDNP+PUD PV10: \$17.3MM
  - Grand Total PV10: \$24.7MM

## Location Maps | Gulf Coast & Northern Texas

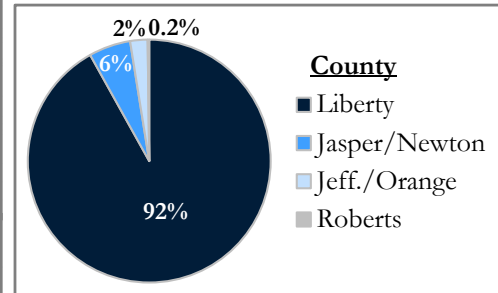
### Gulf Coast Position



### Northern Texas Position



### 3P PV10 (\$24.7MM)



Costa’s Gulf Coast assets target multiple intervals of Yegua, Cook Mountain, and other conventional targets, with a stacked-pay environment offering low-cost behind pipe opportunities for further development, along with material identified infill locations to further uplift current production.

Area Summary							
County	PDP Wells	Total Wells	Net Prod. (MMcfed)	Net Res. (MMcfe)	NTM CF (\$MM)	PDP PV10 (\$MM)	3P PV10 (\$MM)
1 Liberty	7	14	0.7	10,310	\$1.2	\$5.7	\$22.7
2 Jasper/Newton	2	2	0.2	498	0.4	1.4	1.4
3 Jeff./Orange	4	5	0.2	214	0.2	0.3	0.6
4 Roberts	1	2	0.0	15	0.0	0.1	0.1
<b>Total</b>	<b>14</b>	<b>23</b>	<b>1.1</b>	<b>11,037</b>	<b>\$1.8</b>	<b>\$7.4</b>	<b>\$24.7</b>

Note: All metrics based on preliminary reserves as of June 1, 2023 using 5-year NYMEX strip pricing as of 04/19/2023.

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## Process Calendar

May 2023						
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			

June 2023						
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	

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Costa anticipates PSA execution by late-June and closing by July 2023.

## Contact Information | PetroDivest Advisors



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Please contact Jerry Edrington to request access to the virtual data room or to learn more about this opportunity. Please route all communications through PetroDivest Advisors and do not contact Costa directly.

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