



Operated Texas Conventional Oil Opportunity

Kingwood Exploration

Kingwood Exploration (“Kingwood”) has retained PetroDivest Advisors to market for sale its **operated, oil and gas leasehold and related interests located in Liberty, Chambers, and Jefferson Counties, Texas.** The assets provide an attractive opportunity to acquire (i) a **~90% oil net production base of ~250 Boed** from **~20 active conventional Gulf Coast wells**; (ii) **\$4.1MM in PDP NTM net operating cash flow** generated with **significant cash margins (~\$50/BO)** underpinning future development capital; and (iii) **development-ready upside, including ~70 low-risk behind pipe completions and 17 low-cost new drill developments.**

Oil-Weighted Production

~250 Boed | 18 Active Wells

- **Single-stream oil production offers excellent cash margins and simplicity of marketing**
 - PDP PV10: \$7.8MM
 - PDP Net Reserves: 216 MBoe
- **High-margin PDP cash flow (~\$50/BO) provides \$4.1MM in NTM net operating cash flow**
 - Further development opportunities fully funded within cash flow

Operated, Conventional Oil

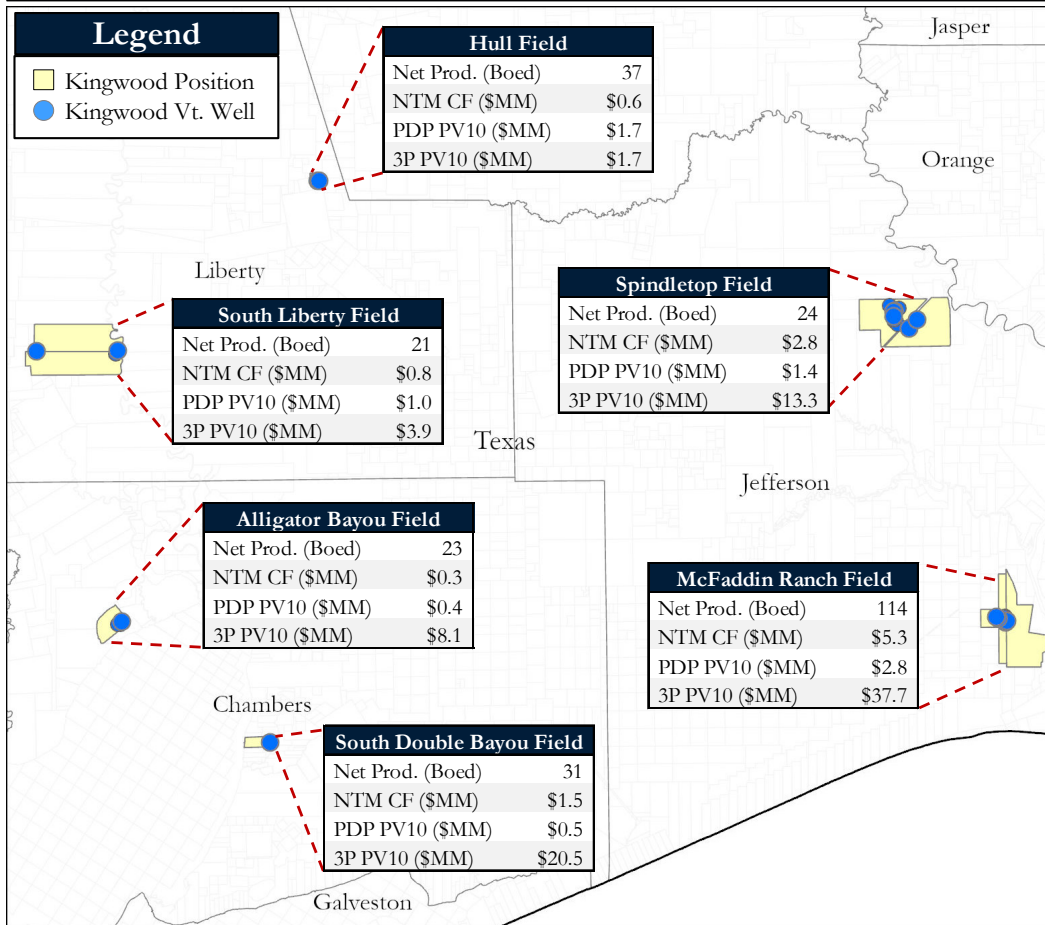
Avg. 100% WI | 100% Operated

- **Consolidated set of operated assets located between Houston and Beaumont, Texas**
- **Assets 100% HBP, allowing for methodical approach to timing of further development**
- **Oil differential benefits from Gulf Coast location with ample takeaway**

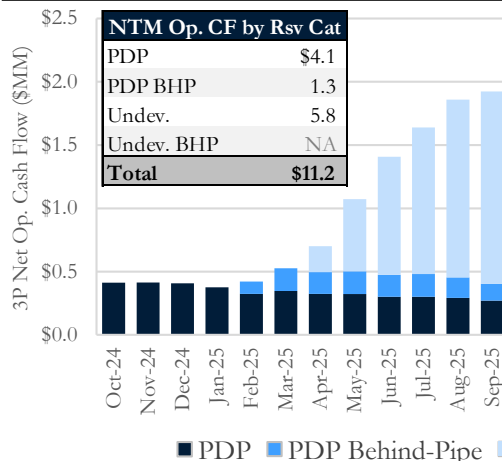
Actionable Low-Risk Upside Primed for Development

- **Imminent development of several low-risk opportunities planned or in-progress by the operator over the next year**
 - 1 behind-pipe case
 - 12 undeveloped locations
- **Prolific oil-rich remaining potential unlocked via full development**
 - 86 total development opportunities
 - 3P PV10: \$85MM
 - 3P Net Reserves: 3.5 MMBoe

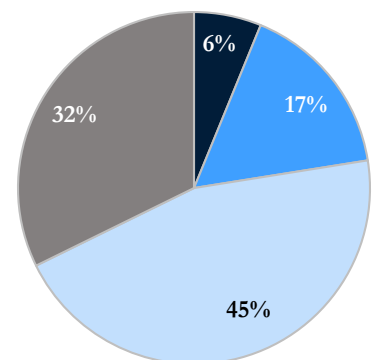
Location Map | Texas Gulf Coast



Substantial Growth Opportunity | Asset Only ~5% Developed



3P Net Reserves: 3.5 MMBoe



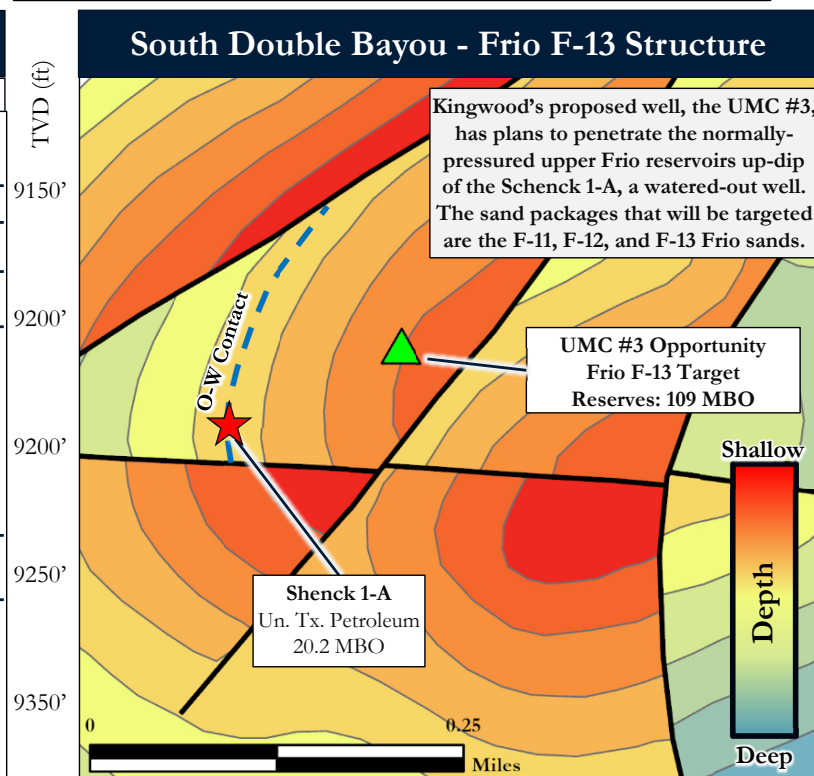
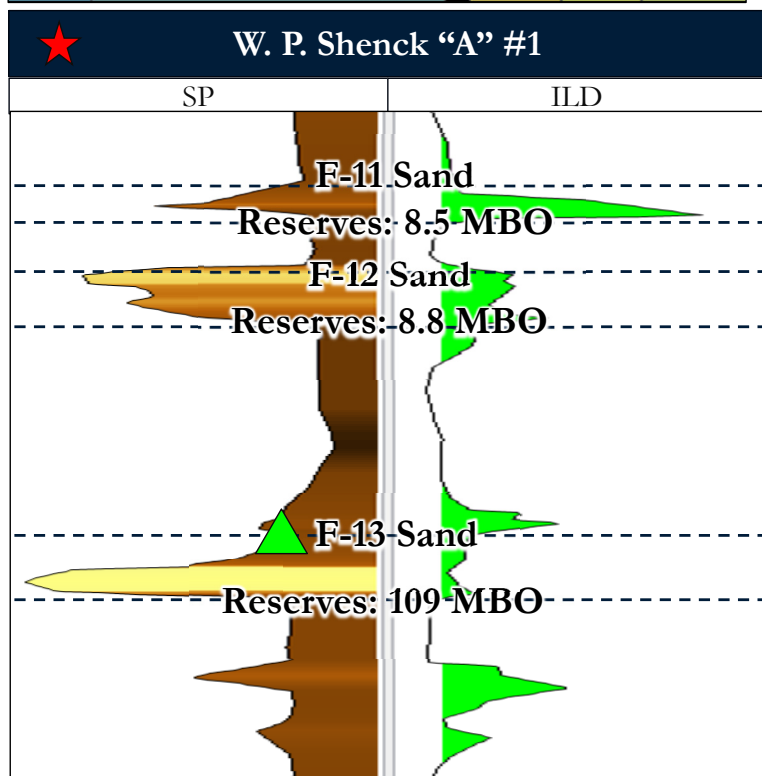
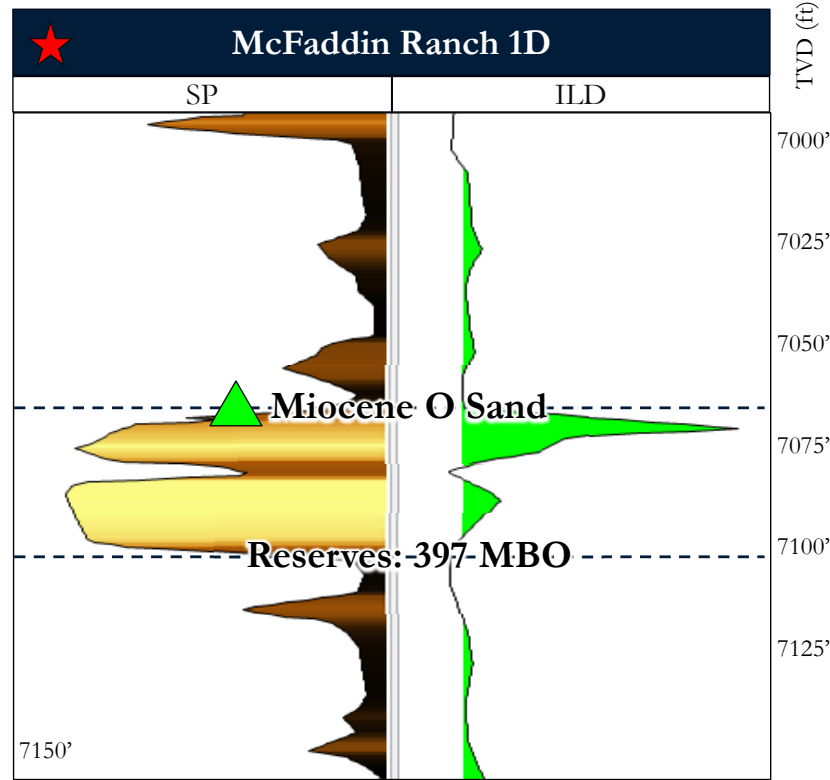
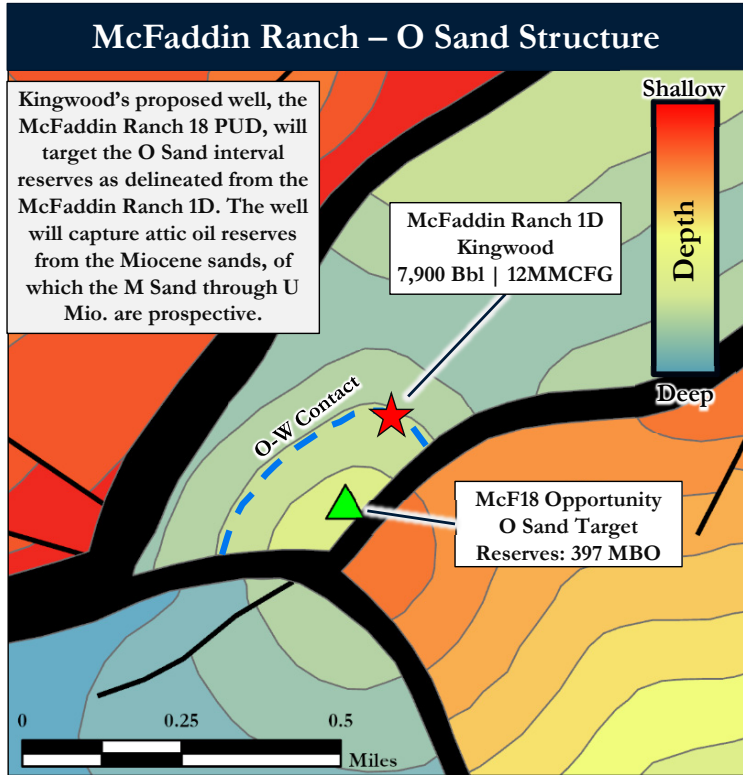
Note: All values, including cash flow, reserves and PV10 are based on an effective date of 10/1/2024 and five-year NYMEX strip as of 9/13/2024.

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Kingwood Exploration’s operated position allows for a strong production basis from its 6 existing conventional Gulf Coast fields. These fields are home to a myriad of conventional clastic reservoirs allowing for additional development upside from both new drill wells and prospective behind pipe recompletes. Notably, two of the below examples from McFaddin Ranch and South Double Bayou fields provide a representation of the multitude of significant new drill opportunities into well delineated vertical targets with proven structural closure, reservoir presence, and favorable oil saturations.



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Process Timeline

October 2024						
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		

November 2024						
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

Kingwood anticipates PSA execution by the early December and closing by the end of January 2025.

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Please contact Jerry Edrington to request a confidentiality agreement or to learn more about this opportunity. Please route all communications through PetroDivest and do not contact Kingwood directly.

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