

Conventional Gulf Coast Opportunity

Scorpion Oil & Gas



Scorpion Oil & Gas (“Scorpion”) has retained PetroDivest Advisors to market for sale its **operated, oil and gas leasehold and related interests located primarily in Mississippi**. The assets provide an attractive opportunity to acquire (i) an **oil-weighted net production base of 260 Boed (60% oil)** comprised of ~50 active low-decline conventional wells; (ii) **\$2.5MM in NTM net operating cash flow** generated via high-margin, **low-lifting cost production (\$14/BO)**; and (iii) actionable inventory of **low-risk, low-cost return-to-production and recompletion projects** along with many unquantified opportunities enhancing long-term value.

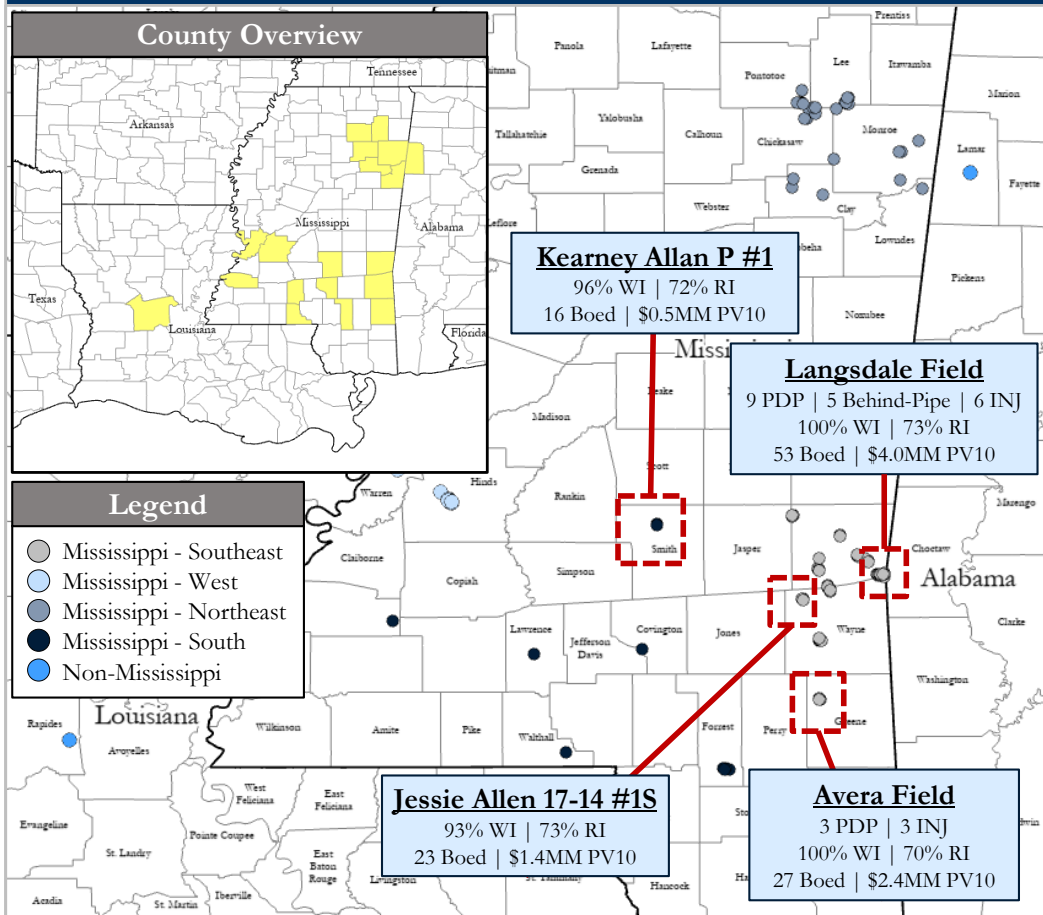
Low-Decline Production Base 260 Boed Net Production | 60% Oil

- 260 Boed net production (60% oil)
 - Consistent 7% annual decline
 - PDP PV10: \$13.4MM
 - PDP Net Reserves: 1,077 MBoe
- \$2.5MM NTM net operating cash flow fully funds ongoing operations and future production enhancement
- High-margin PDP cash flow with low lifting costs of \$14/Bbl

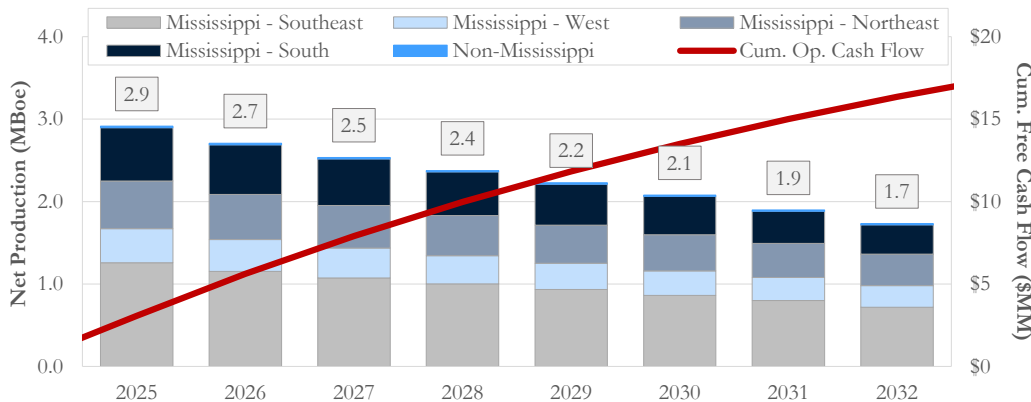
Operated, Conventional Assets Avg. 95% WI | Largely HBP

- Operated conventional Mississippi assets with high-interest wells and evenly distributed value
 - Avg. 95% WI & 73% NRI
- Assets are entirely operated, and leases are largely HBP, allowing for optionality in field management and development strategy
- Majority of production is sold at LLS pricing
- Langsdale Field marketed via pipeline to Hunt Oil, the area’s largest buyer

Gulf Coast Location Map | Mississippi



Stable Cash Flow from Low-Decline, Conventional Assets 7% NTM Decline | \$2.5MM NTM Operating Cash Flow



Identified Workover Projects Maintain Production

- Near-term inventory of low-risk RTP and recompletion projects provides material value
 - Multiple low-risk identified projects
- Actionable operational value uplift
 - PDNP PV10: \$1.3MM
 - PDNP Net Reserves: 74 MBoe

Note: All reserve, production, cash flow, and present value metrics utilize current strip pricing and an effective date of 11/1/2024.

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Process Timeline

September 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					

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		

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Scorpion anticipates PSA execution in early November and closing by December 2024.

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