



# Southern Delaware Basin Royalty Opportunity

Forge Energy II Interests, LLC

Forge Energy II Interests, LLC (“Forge”) is offering for sale its **mineral & royalty interests** in Reeves, Ward, and Pecos Counties, Texas, **strategically located in Vital’s focused-development region** in the Southern Delaware Basin. The assets provide an attractive opportunity to acquire: (i) **~4,300 NRA** located in a highly active development fairway; (ii) **20 near-term DUCs** operated by Vital, contributing to **~\$11MM of NTM cash flow**; and (iii) **~230 remaining locations** layered throughout the **best quality rock within Vital’s growing position**, with access to prolific reserves from **5 highly economic targets**.

## \$11MM NTM Cash Flow

PDP + Line-of-Sight Activity

- ~100 producing horizontal wells offer a stable base of existing cash flow
  - High-interest PDP properties drive near-term cash flow (avg. 2.1% RI)
  - Net Prod:** ~800 Boed (83% liq.)
  - PDP PV10:** \$29MM (\$60MM PV0)
- Near-term locations accelerate cash flow growth into 2026, averaging 2 wells put on production per month
  - Near-term development plans reflect Vital’s rig schedule with line-of-sight on development through 2025

## ~4,300 Net Royalty Acres

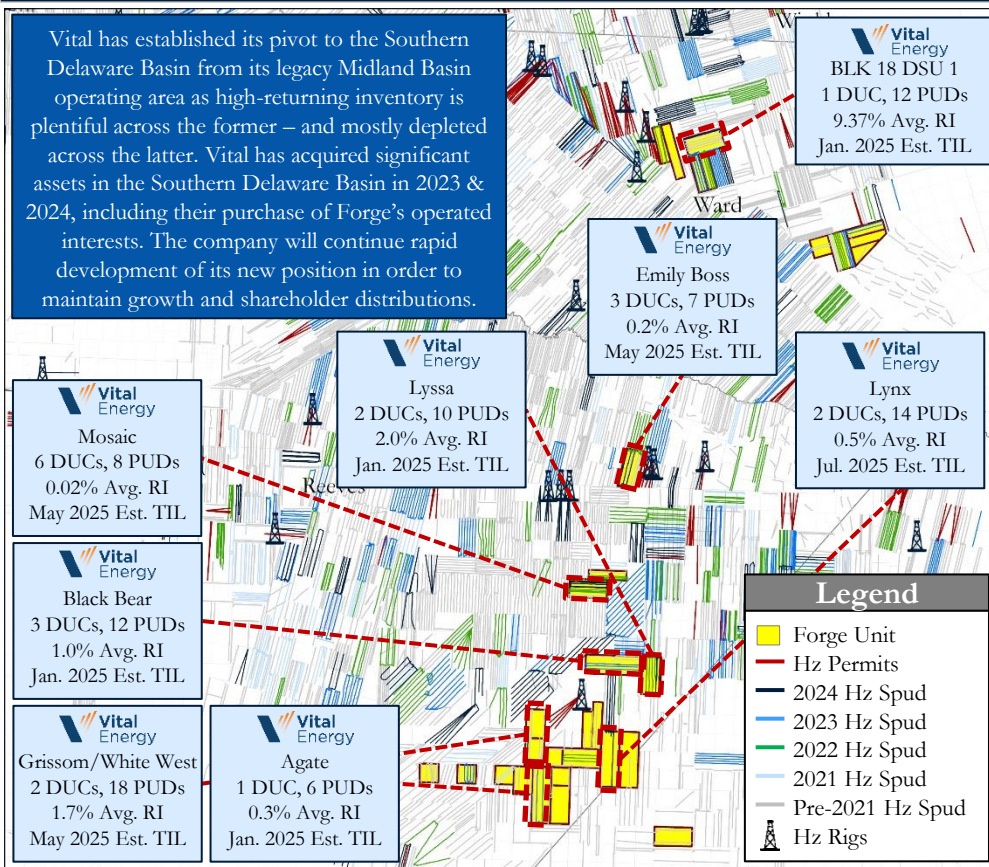
~90% Operated By Vital

- Concentrated under Vital’s recent acquisition of Forge’s operating platform, further highlighted by Vital’s significant ongoing expansion in the Southern Delaware Basin
  - Vital has shifted focus to the Southern Delaware due to depletion of higher quality inventory across its legacy assets located in the Midland Basin

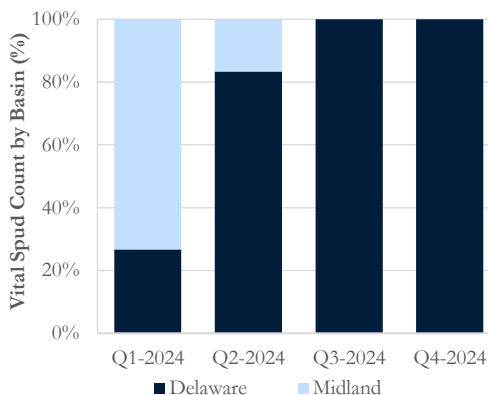
## ~230 PUD Locations in Core Development Fairways

- Assets are centrally located to ongoing development by Vital and other regionally focused operators
  - 3P PV10:** \$111MM (\$266MM PV0)
- Forge’s concentrated position under Vital allows for robust free cash flow from an operator committed to maximizing reserves potential
  - Vital is perfecting well density and multi-target development efficiencies

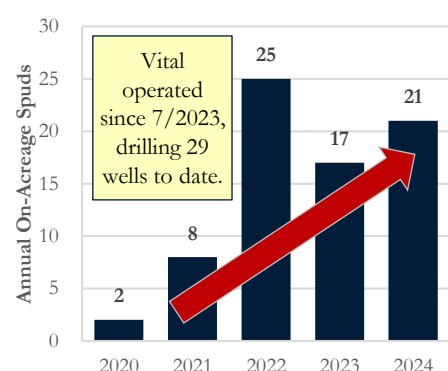
## Location Map | Southern Delaware Basin



## Vital’s Permian Activity Shifting to High-Return Delaware Opportunities



## Rapid Increase in On-Acquire Drilling Activity



Note: All metrics based on preliminary reserves as of January 1, 2025 at current strip pricing. Net Royalty Acres (“NRA”) normalized to 1/8<sup>th</sup> royalty.

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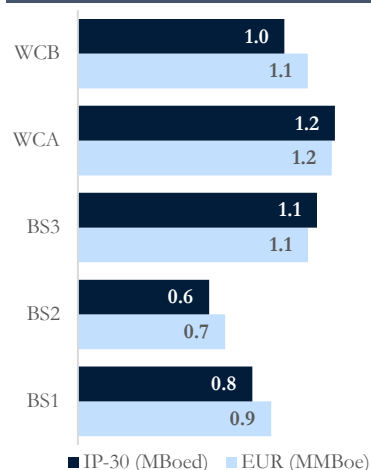
Forge's position is **central to Vital's ongoing pivot to the Southern Delaware Basin** and amongst **the highest-quality rock in their growing portfolio**, with access to five horizontal targets, enabling **multi-pay, high-density simultaneous development** at the unit level. Vital has continued Forge's rapid activity pace, **significantly increasing asset productivity over the last twelve months** with development through 2025. Additional nearby acquisitions demonstrate Vital's further commitment to the Southern Delaware Basin, ensuring **long-term and full-development of hundreds of remaining locations**.

## Reserve Summary | As of January 1, 2025

Strong Cash Flow From PDP | Clear DUC Pipeline Through 2025 | Meaningful Undeveloped Inventory

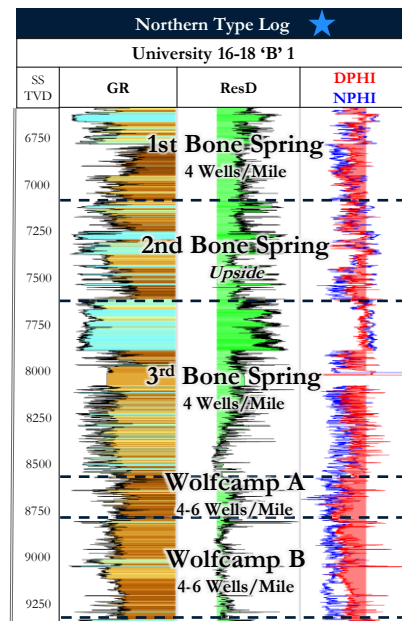
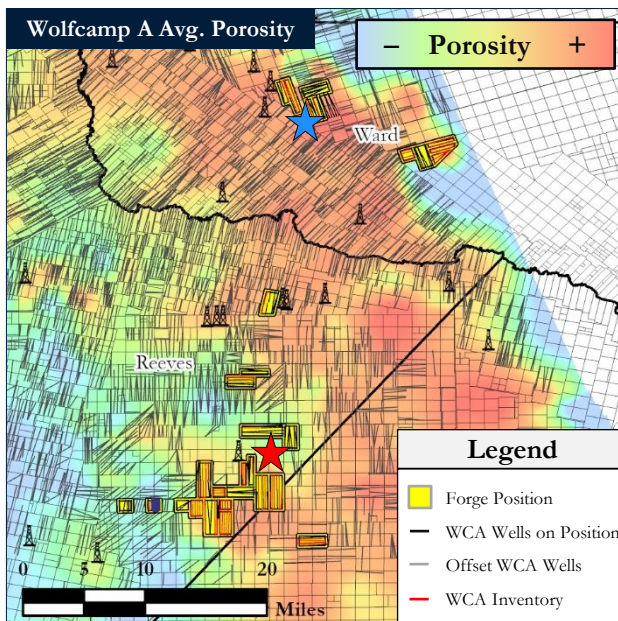
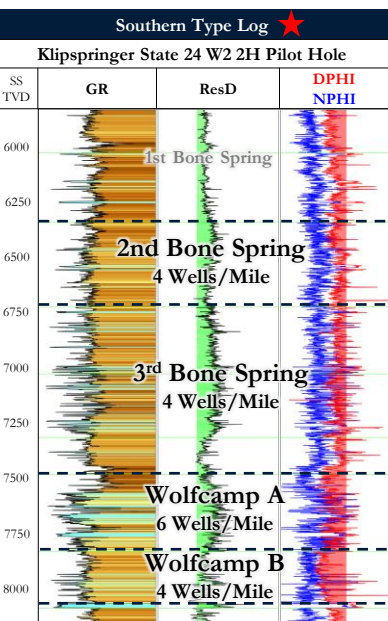
|                                  | Gross Wells | Net Boed   | Net Reserves |              |              |              |            | NPV            |                |
|----------------------------------|-------------|------------|--------------|--------------|--------------|--------------|------------|----------------|----------------|
|                                  |             |            | Oil (MBbl)   | Gas (MMcf)   | NGL (MBbl)   | Total MBoe   | % Liquids  | PV0 (\$MM)     | PV10 (\$MM)    |
| <b>Vital Operated</b>            |             |            |              |              |              |              |            |                |                |
| Producing                        | 94          | 543        | 800          | 1,668        | 468          | 1,546        | 82%        | \$57.3         | \$27.5         |
| Drilled, Uncompleted             | 20          | 224        | 159          | 281          | 79           | 285          | 84%        | 11.2           | 6.6            |
| Undeveloped                      | 204         | 0          | 2,519        | 4,315        | 1,211        | 4,449        | 84%        | 172.6          | 68.6           |
| <b>Total Vital Operated</b>      | <b>318</b>  | <b>767</b> | <b>3,478</b> | <b>6,264</b> | <b>1,758</b> | <b>6,280</b> | <b>83%</b> | <b>\$241.1</b> | <b>\$102.7</b> |
| <b>Other</b>                     |             |            |              |              |              |              |            |                |                |
| Producing                        | 12          | 27         | 43           | 94           | 26           | 85           | 82%        | \$3.1          | \$1.5          |
| Undeveloped                      | 29          | 0          | 327          | 517          | 145          | 558          | 85%        | 22.0           | 6.7            |
| <b>Total Other</b>               | <b>41</b>   | <b>27</b>  | <b>370</b>   | <b>611</b>   | <b>171</b>   | <b>643</b>   | <b>84%</b> | <b>\$25.1</b>  | <b>\$8.2</b>   |
| <b>Grand Total</b>               | <b>359</b>  | <b>794</b> | <b>3,848</b> | <b>6,874</b> | <b>1,929</b> | <b>6,923</b> | <b>83%</b> | <b>\$266.3</b> | <b>\$110.9</b> |
| <b>Total by Reserve Category</b> |             |            |              |              |              |              |            |                |                |
| Producing                        | 106         | 570        | 843          | 1,762        | 494          | 1,631        | 82%        | \$60.4         | \$28.9         |
| Drilled, Uncompleted             | 20          | 224        | 159          | 281          | 79           | 285          | 84%        | 11.2           | 6.6            |
| Undeveloped                      | 233         | 0          | 2,846        | 4,832        | 1,356        | 5,007        | 84%        | 194.6          | 75.3           |
| <b>Grand Total</b>               | <b>359</b>  | <b>794</b> | <b>3,848</b> | <b>6,874</b> | <b>1,929</b> | <b>6,923</b> | <b>83%</b> | <b>\$266.3</b> | <b>\$110.9</b> |

Attractive Performance Across Five Targets (Avg. by Bench)



## Forge Position Offers Premium Inventory vs. Broader Vital Delaware Footprint

Prospectivity Across Multiple Horizons Provides Long-Term Development Opportunities



Note: All metrics based on preliminary reserves as of January 1, 2025 at current strip pricing.

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Forge Energy II Interests, LLC



## Process Timeline

| January 2025 |    |    |    |    |    |    |
|--------------|----|----|----|----|----|----|
| 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 |    |

| February 2025 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| 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 |    |

- VDR Opens
- Evaluation Period
- Bids Due
- Holidays

Forge anticipates PSA execution by March 2025 with closing occurring by April 2025.

## Detring Energy Advisors Contact Information

|  |  |   |   |  |
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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 Forge directly.

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