RING ENERGY

VALUE FOCUSED
PROVEN STRATEGY

EnerCom Dallas 2023
The Energy Investment & ESG Conference

April 2023

Forward-Looking Statements and Cautionary Note Regarding Hydrocarbon Disclosures

Forward –Looking Statements

This Presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of strictly historical facts included in this Presentation constitute forward-looking statements and may often, but not always, be identified by the use of such words as “may,” “will,” “should,” “could,” “intends,” “estimates,” “expects,” “anticipates,” “plans,” “project,” “guidance,” “target,” “potential,” “possible,” “probably,” and “believes” or the negative variations thereof or comparable terminology. These forward-looking statements include statements regarding the expected benefits to the Company and its stockholders from the acquisition of oil and gas properties (the “Stronghold Acquisition”) from Stronghold Energy II Operating, LLC and its affiliates; and the Company's financial position, future revenues, net income, potential evaluations, business strategy and plans and objectives for future operations. Forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause actual results to be materially different than any future results expressed or implied in those statements. However, whether actual results and developments will conform to expectations is subject to a number of material risks and uncertainties, including but not limited to: the Company’s ability to successfully integrate the oil and gas properties acquired in the Stronghold Acquisition; declines in oil, natural gas liquids or natural gas prices; the level of success in exploration, development and production activities; the timing of exploration and development expenditures; inaccuracies of reserve estimates or assumptions underlying them; revisions to reserve estimates as a result of changes in commodity prices or production history; impacts to financial statements as a result of impairment write-downs; risks related to the level of indebtedness and periodic redeterminations of the borrowing base under the Company’s credit facility; the impacts of hedging on results of operations; the Company’s ability to replace oil and natural gas reserves; any loss of senior management or technical personnel; and the direct and indirect impact on most or all of the foregoing due to the COVID-19 pandemic or future variants. Some of the factors that could cause actual results to differ materially from expected results are described under “Risk Factors” in our 2022 annual report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 9, 2023 and the Company’s other SEC filings. Although the Company believes that the assumptions upon which such forward-looking statements are based are reasonable, it can give no assurance that such assumptions will prove to be correct. All forward-looking statements in this Presentation are expressly qualified by the cautionary statements and by reference to the underlying assumptions that may prove to be incorrect.

The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as required by applicable law. The financial and operating estimates contained in this Presentation represent our reasonable estimates as of the date of this Presentation. Neither our independent auditors nor any other third party has examined, reviewed or compiled the projections and, accordingly, none of the foregoing expresses an opinion or other form of assurance with respect thereto. The assumptions upon which the projections are based are described in more detail herein. Some of these assumptions inevitably will not materialize, and unanticipated events may occur that could affect our results. Therefore, our actual results achieved during the periods covered by the estimates will vary from the projected results. Prospective investors are cautioned not to place undue reliance on the estimates included herein.

Cautionary Note regarding Hydrocarbon Disclosures

The SEC has generally permitted oil and natural gas companies, in their filings with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, and certain probable and possible reserves that meet the SEC’s definitions for such terms. We use the terms “estimated ultimate recovery,” or “EURs,” “probable,” “possible,” and “non-proven” reserves, reserve “potential” or “upside” or other descriptions of volumes of reserves potentially recoverable through additional drilling or recovery techniques that the SEC’s guidelines prohibit us from including in filings with the SEC. Reference to EURs of oil and natural gas includes amounts that are not yet classified as proved reserves under SEC definitions, but that we believe should ultimately be produced and are based on previous operating experience in a given area and publicly available information relating to the operations of producers who are conducting operations in these areas. These estimates are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by us. Factors affecting the ultimate recovery of reserves that may be recovered include the scope of our drilling programs, which will be directly affected by capital availability, drilling and production costs, commodity prices, availability of services and equipment, permit expirations, transportation constraints, regulatory approvals and other factors, and actual drilling results, including geological and mechanical factors affecting recovery rates. Accordingly, actual quantities that may be recovered from our interests will differ from our estimates and could be significantly less than our targeted recovery rate. In addition, our estimates may change significantly as we receive additional data.

Supplemental Non-GAAP Financial Measures

This Presentation includes financial measures that are not in accordance with accounting principles generally accepted in the United States (“GAAP”), such as “Adjusted Net Income,” “Adjusted EBITDA,” “PV-10,” “Free Cash Flow,” or “FCF,” “Cash Flow from Operations,” “Return on Capital Employed” or “ROCE” and “Leverage.” While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For definitions of such non-GAAP financial measures and their reconciliations to GAAP measures, please see the Appendix.

Independent Oil & Gas Company

Focused on Conventional Permian Assets in Texas

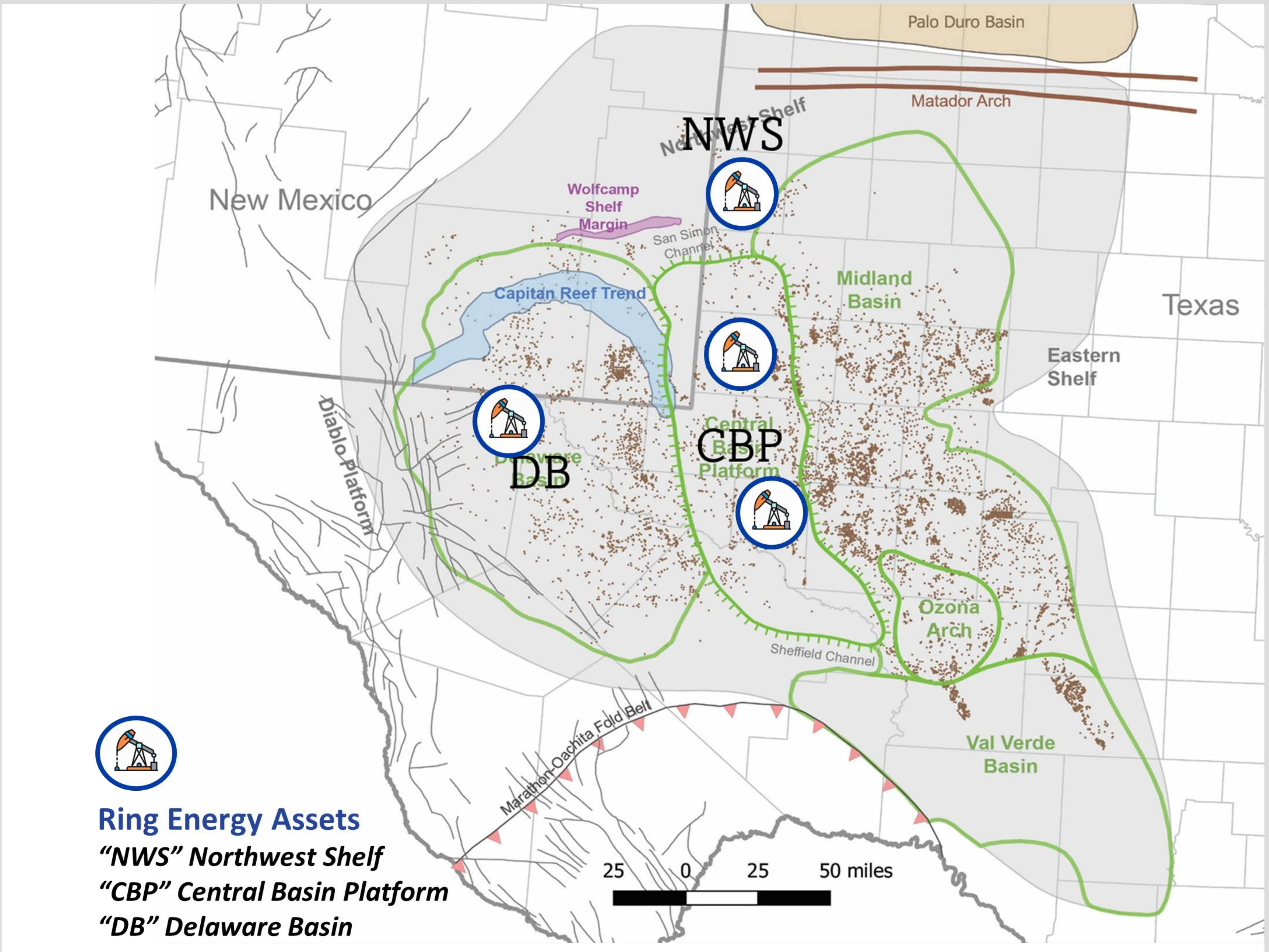
Generated Free Cash Flow
for 13 Consecutive Quarters

Q4 2022 Net Sales
17,856 Boe/d
Highly oil weighted
68% oil 17% gas 15% NGL

2022 SEC Proved Reserves[1,2]
138.1 MMBoe/PV10 $2,774MM
Proved Developed 65%

Gross / Net Acres[3] Permian Basin
124,216 / 102,174
400+ Proved Locations

Reduced Leverage[4]
YE 2022 ~1.56x



Source: EIA

1. Reserves as of 1/1/23 utilizing SEC prices, YE 2022 SEC Pricing Oil $90.15 per bbl Gas $6.358 per Mcf
2. PV-10 is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure
3. Includes all locations operated and non-operated across "PDNP" and "PUD" reserve categories and project types
4. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement. Adjusted EBITDDA is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure

Value Focused Proven Strategy

Supporting Sustainable Returns

KEY TAKEAWAYS

***Added Size & Scale** - accretive acquisition of Stronghold assets*

Closed on August 31, 2022

***Delivered Record Results**[1] - net sales, cash flow from operations, and Adj. EBITDA*

2022 year-over-year increases of 45%, 149% and 134%, respectively

***Consistently Generating Free Cash Flow**[1] - for more than 3 years*

Company has generated FCF for 13 consecutive quarters, 2022 year-over-year increase of 70%

***Focused on Improving Balance Sheet** - reduced leverage ratio[2] and increased liquidity*

Year-end 2022 leverage decreased by almost 2 full turns to ~1.56x and increased liquidity year-over-year by 205%

***Increased Proved Reserves**[3] to 138.1 million barrels of oil equivalent*

2022 year-over-year increase of 78%

***Continue Value Focused Proven Strategy**…creating sustainable returns to shareholders*

Long-term goal - position Company to return capital to shareholders

Focused On Delivering Competitive And Sustainable Returns By Developing, Acquiring, Exploring For, And Commercializing Oil And Natural Gas Resources Vital To The World's Health And Welfare

1. *Adjusted EBITDA, Free Cash Flow and Cash Flow from Operations are Non-GAAP financial measures. See Appendix for reconciliation to GAAP measures*
2. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement
3. Reserves as of 1/1/23 utilizing SEC prices, YE 2022 SEC Pricing Oil $90.15 per bbl and Gas $6.358 per Mcf

Corporate Strategy

Value Focused for Sustainable Returns

Attract and Retain Highly Qualified People

✓ *Successfully attracting key personnel with <3% attrition rates while decreasing G&A per Boe*

Pursue Operational Excellence with a Sense of Urgency

✓ *Safely set record production with increased efficiency and environmental stewardship*

Invest in High-Margin, High RoR Projects

✓ *Increased ROCE[1] to over 20% in 2022*

Focus on FCF[2] and Strengthen Balance Sheet

✓ *Multi-year generation of FCF while reducing leverage[3] to ~1.56x and increasing liquidity[4] 205%*

Pursue Strategic A&D to Lower Breakeven Costs

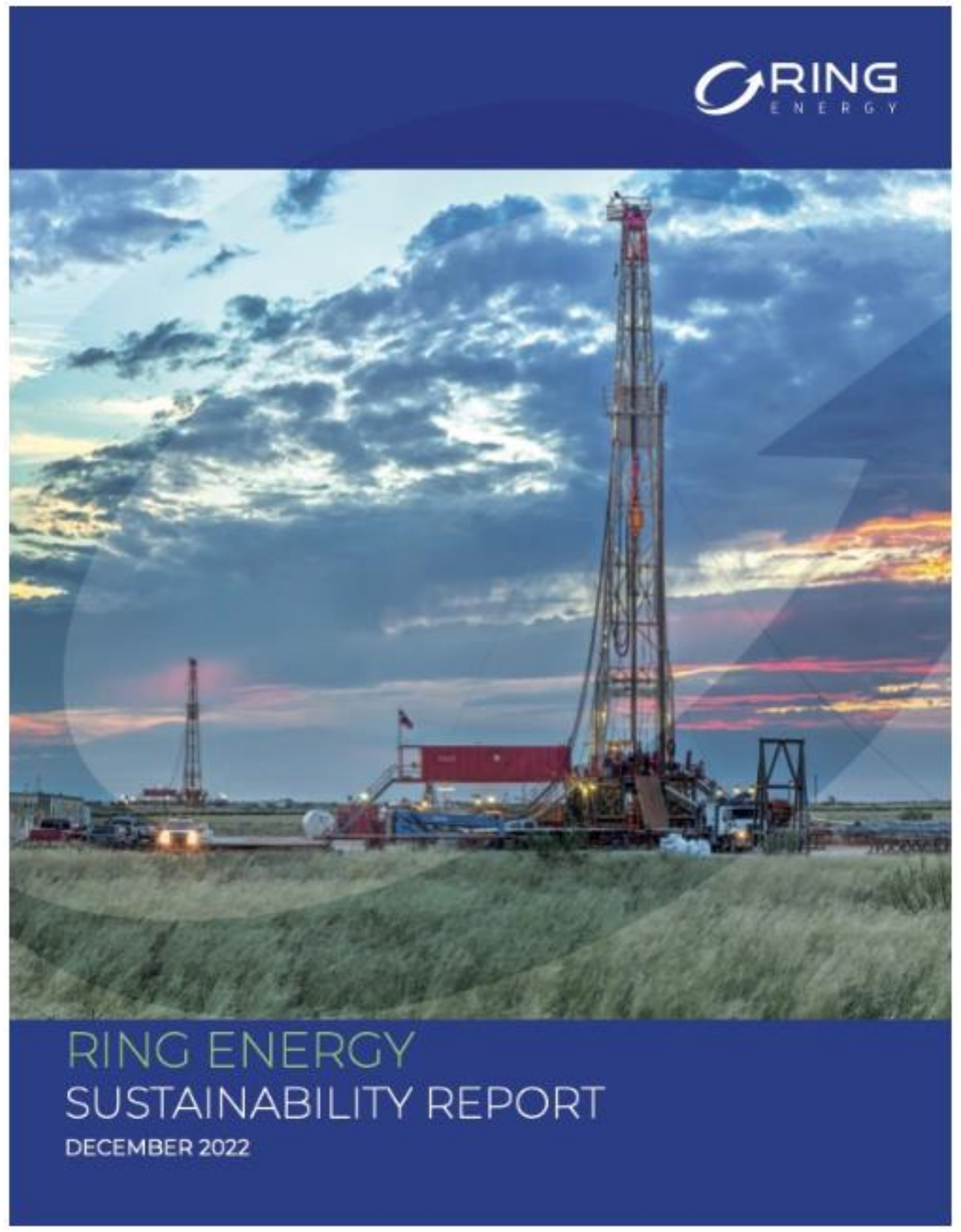
✓ *Closed transformational acquisition that led to improved metrics*

1. We define ROCE as the return on capital employed.
2. ROCE and FCF are non-GAAP financial measures. See Appendix for reconciliation to GAAP measures.
3. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement. Adjusted EBITDA is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure
4. Liquidity is defined as cash on hand and available borrowings under the Company's RBL

Committed to ESG

Critical to Sustainable Success

2022 SUSTAINABILITY REPORT



Progressing our ESG Journey

- Created **ESG Task Force** to monitor Company's adherence to ESG standards and formally communicate to CEO and the Board on ongoing basis
- Established **Target Zero 365 (TZ-365)** Safety & Environmental Initiative to further build culture for employees to work safely, openly communicate incidents and strive for continuous improvement
  - Designed to protect workforce, environment, communities and financial sustainability
  - Focused on **Safety-first** environment and achieving high percentage of **Target Zero Days**
- 2023 Capital Program includes **Fugitive Emission Reduction** plans with:
  - Installation of **Vapor Recovery Units**
  - Installation of **Air Compression Equipment** to operate Pneumatic Actuators
  - Establishing **Leak Detection and Repair** program
- Refreshed all charters, guidelines and bylaws
- Increased charitable giving and employee outreach within the communities in which we live and work

A Target Zero Day is a Day that Results in:

- **Zero Company or Contractor OSHA Recordable Injury, and**
- **Zero Agency Reportable Spill or Release as Defined by TRRC, EPA, TCEQ, etc., and**
- **Zero Preventable Vehicle Incidents, and**
- **Zero Unintentional Natural Gas Releases**

RING ENERGY

2022 Highlights

Proven Strategy Leads to Record Results[1]

	BOE Production	Oil Production	Cash Flow From Ops[2]	Adjusted EBITDA[2]	Free Cash Flow[2]	Leverage Ratio[3]	Liquidity[4]
Q4 2022	17,856 Boe/d	12,189 BOPD	$47.4 Million	$56.3 Million	$5.5 Million	1.56x	$188 Million
FY 2022	12,364 Boe/d	9,479 BOPD	$172.9 Million	$195.2 Million	$34.8 Million	1.56x	$188 Million

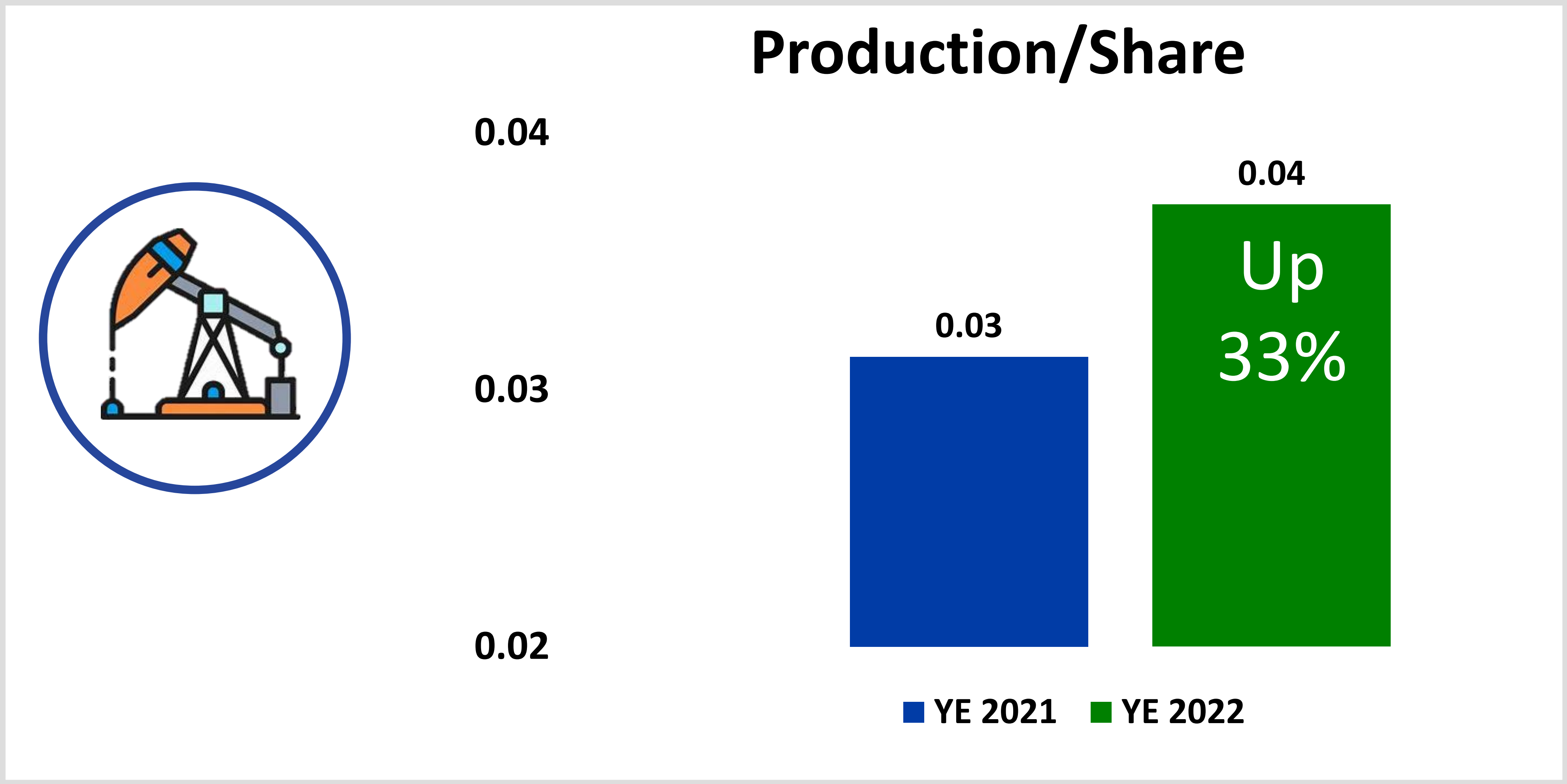
All Time High

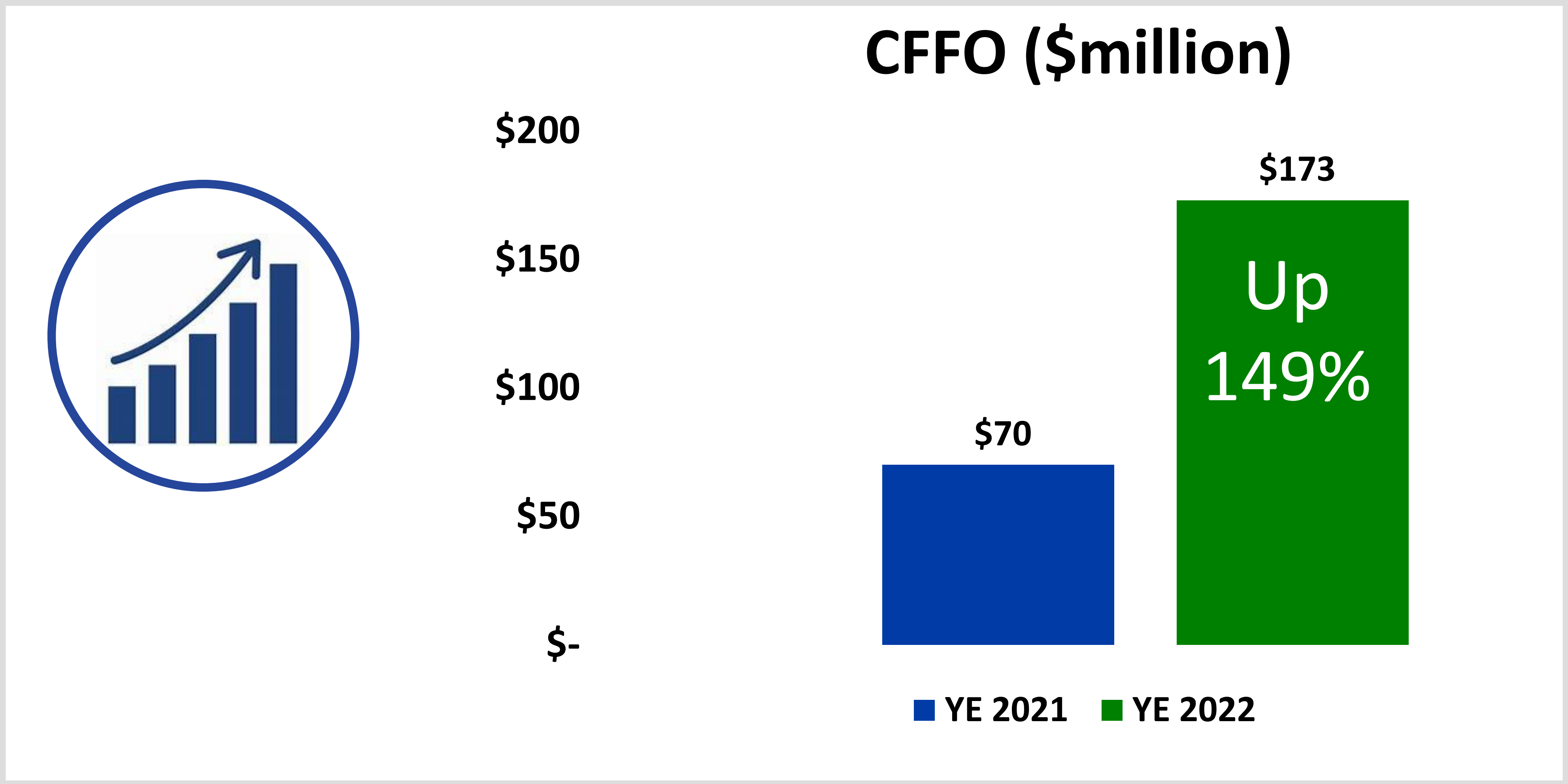
2022 Was A Transformational Year With Record Results

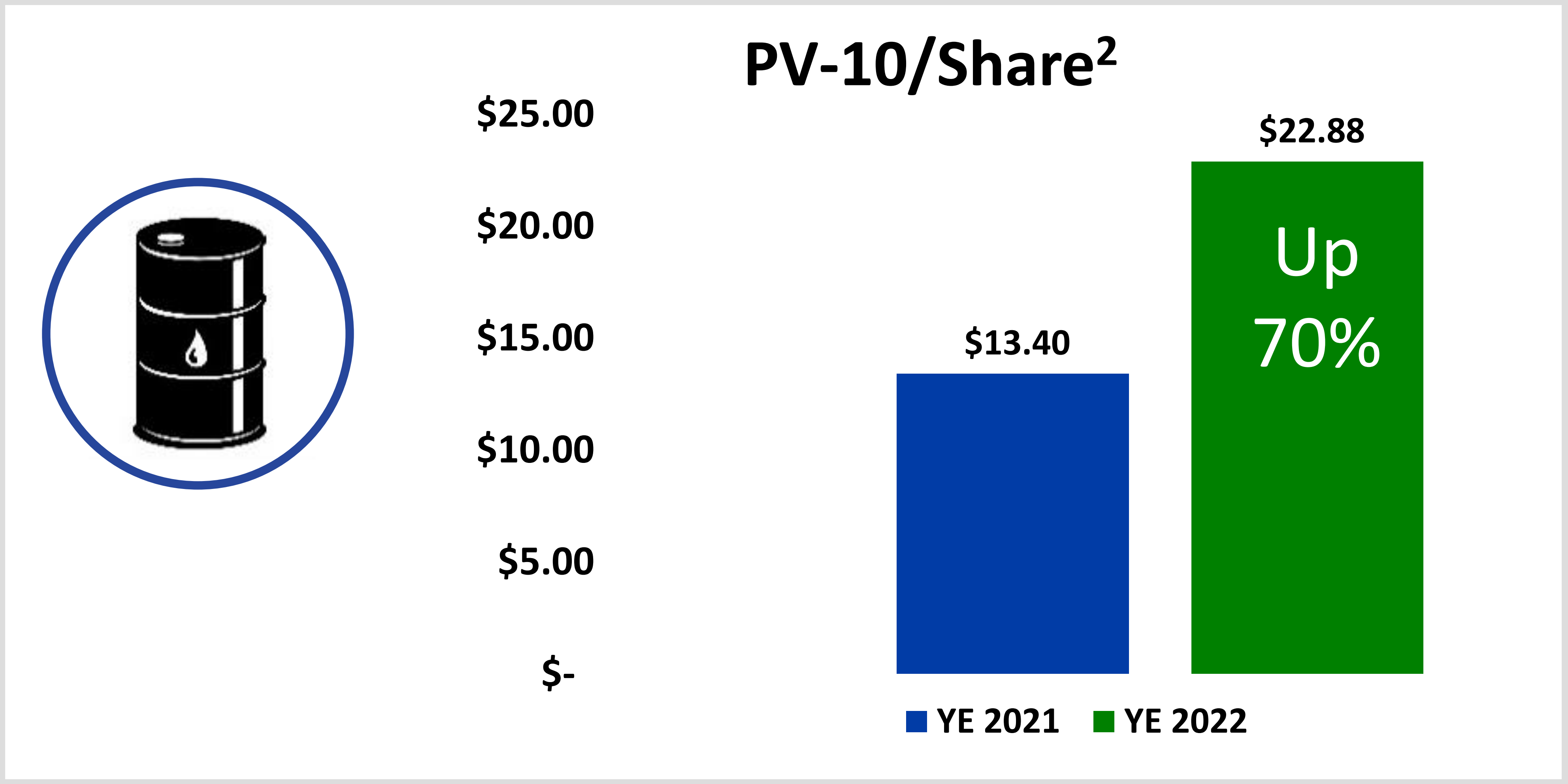
1. Includes four months of Stronghold acquisition which closed on August 31, 2022 as well as conversion from 2-stream to 3-stream financial reporting of oil, natural gas and NGL production beginning July 1, 2022
2. *Adjusted EBITDA, Free Cash Flow and Cash Flow from Operations are Non-GAAP financial measures. See Appendix for reconciliation to GAAP measures*
3. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement. Adjusted EBITDDA is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure
4. Liquidity is defined as cash on hand and available borrowings under the Company's RBL

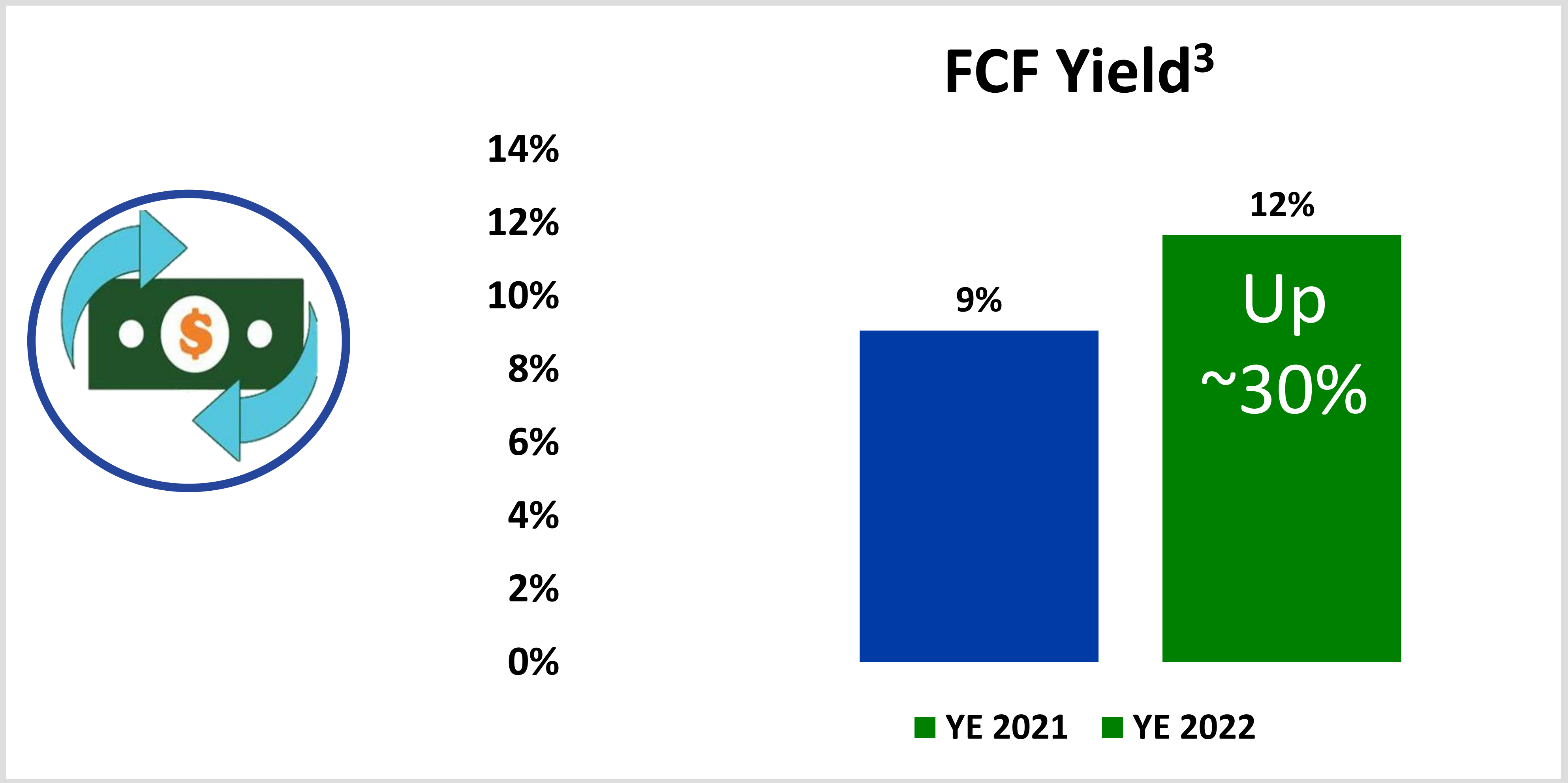
Enhancing Value for Shareholders

Executing Strategy Improves Key Metrics[1]





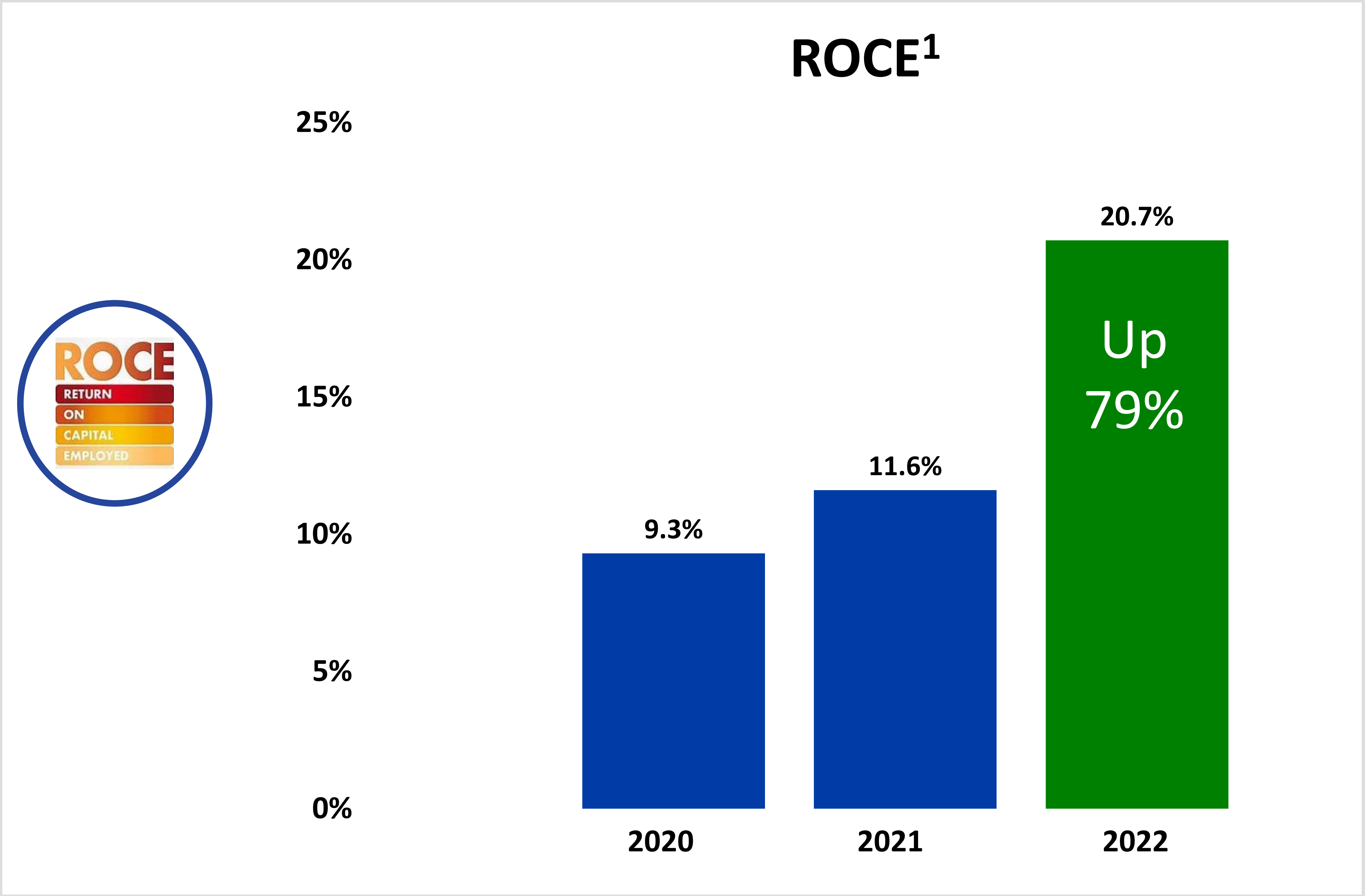


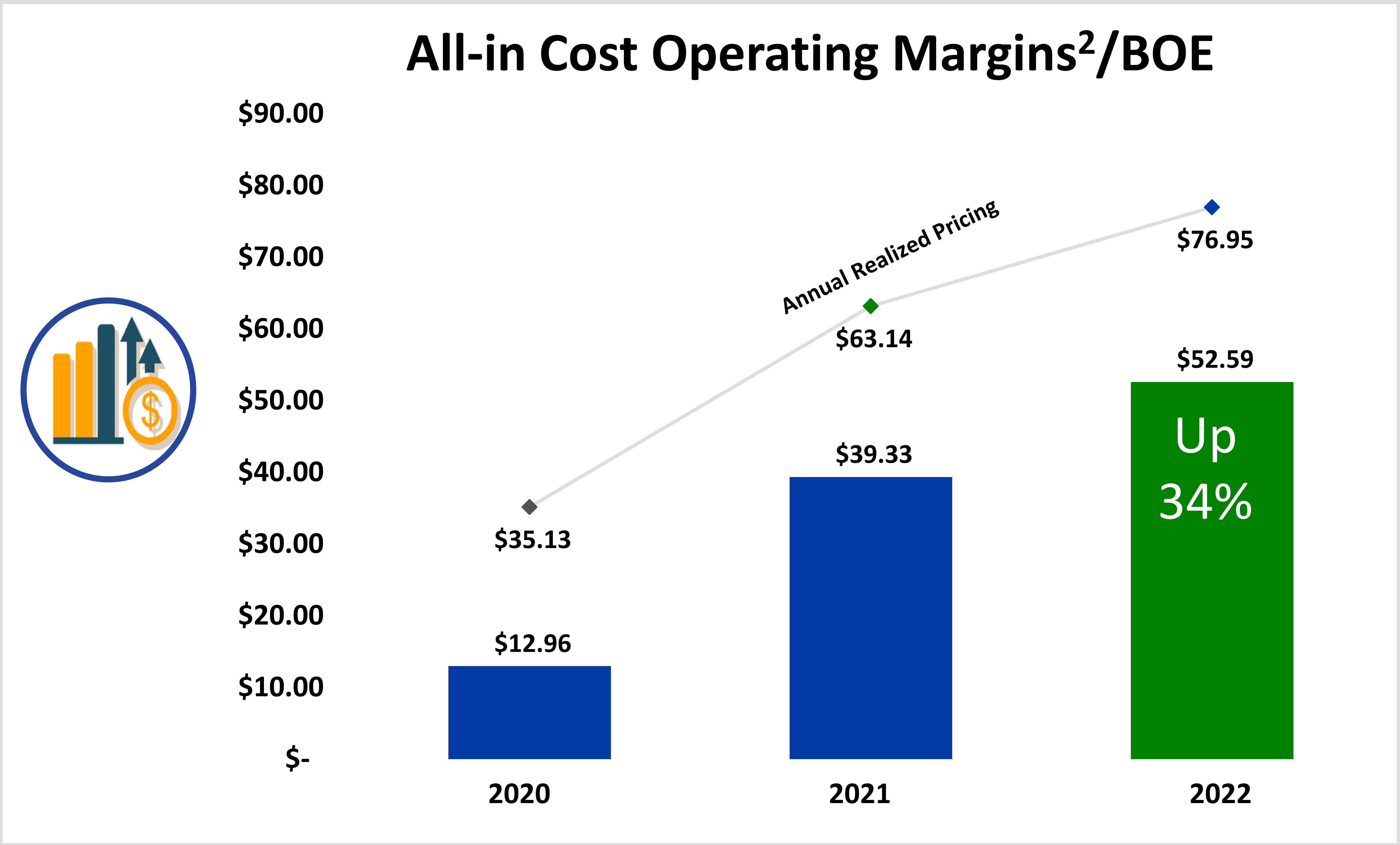


1. *Adjusted EBITDA, Free Cash Flow, PV-10 and Cash Flow from Operations are Non-GAAP financial measures.* See Appendix for reconciliation to GAAP measures
2. *PV-10 is a Non-GAAP financial measure.* See Appendix for reconciliation to GAAP measure
3. Free cash flow yield is (free cash flow divided by the average share count for the period) divided by the share price for the period.

Enhancing Value for Shareholders

Executing Strategy Improves Key Metrics





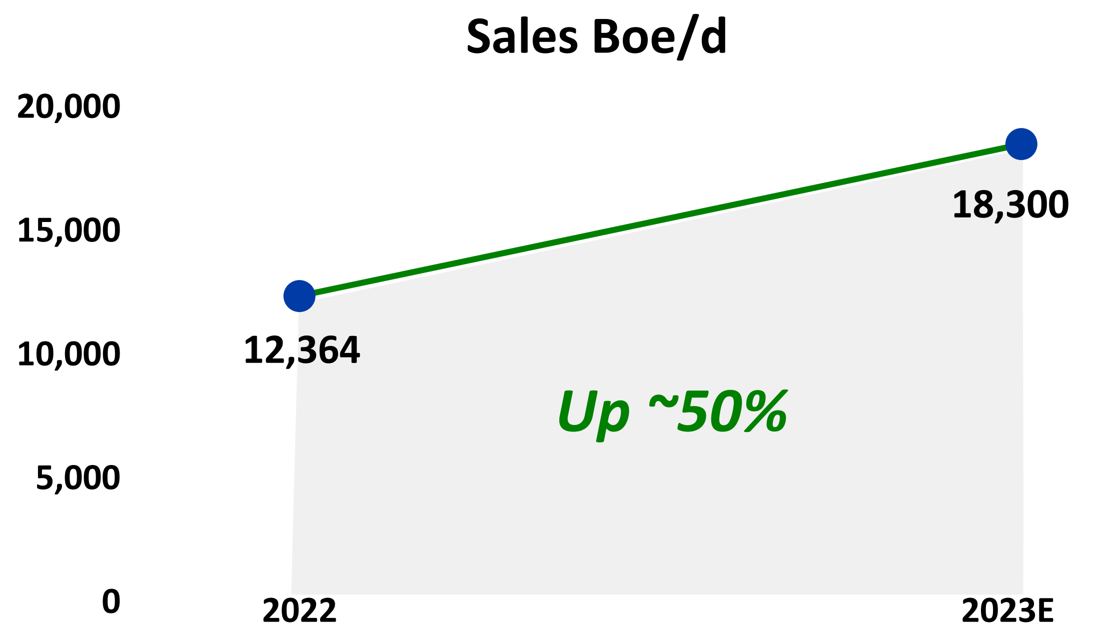
1. *ROCE is a Non-GAAP financial measure.* See Appendix for reconciliation to GAAP measure
2. All in cash costs includes LOE, severance and ad-valerum taxes, operating expenses leases, cash G&A and interest expense. Annual realized price includes impact of hedges

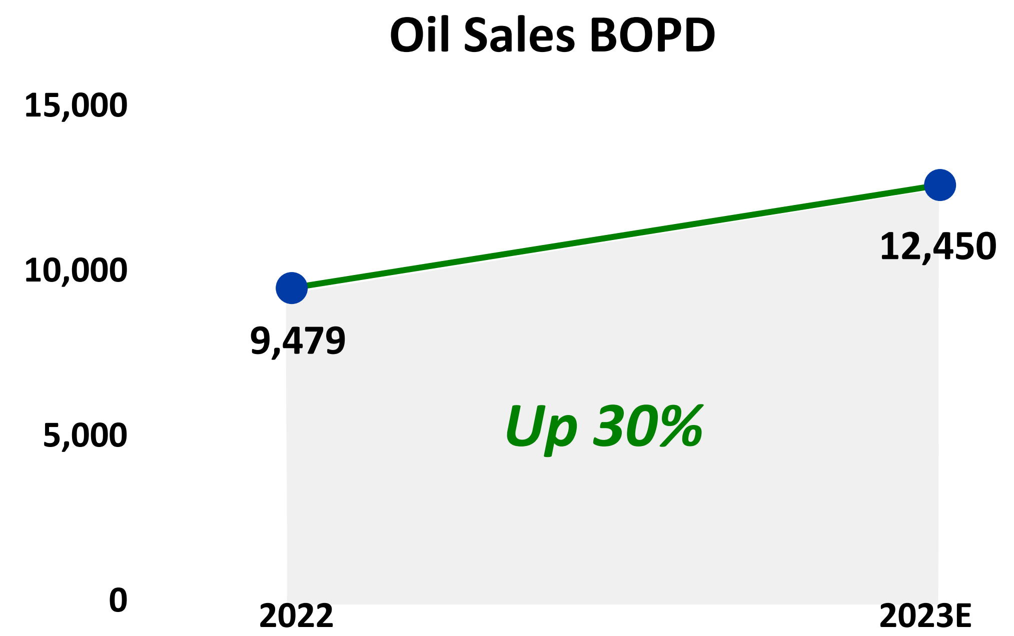
2023 Outlook

Proven Strategy Leads to Shareholder Value

Pursue Operational Excellence with a Sense of Urgency

Net Sales
17,800 to 18,800 Boe/d
Mid-point 18,300 Boe/d
(68% Oil, 15% NGLs, 17% Gas)



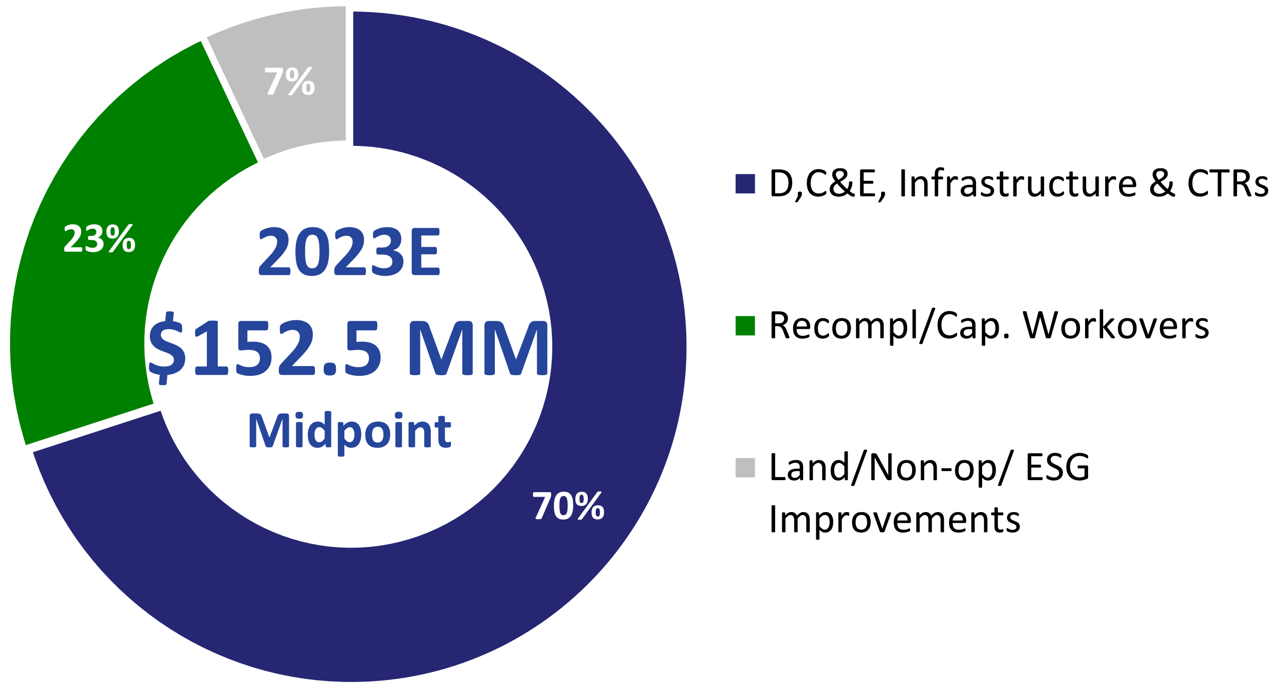


Invest in High-Margin, High ROR Projects

Capex $135 to $170 Million
Mid-point $152.5 Million

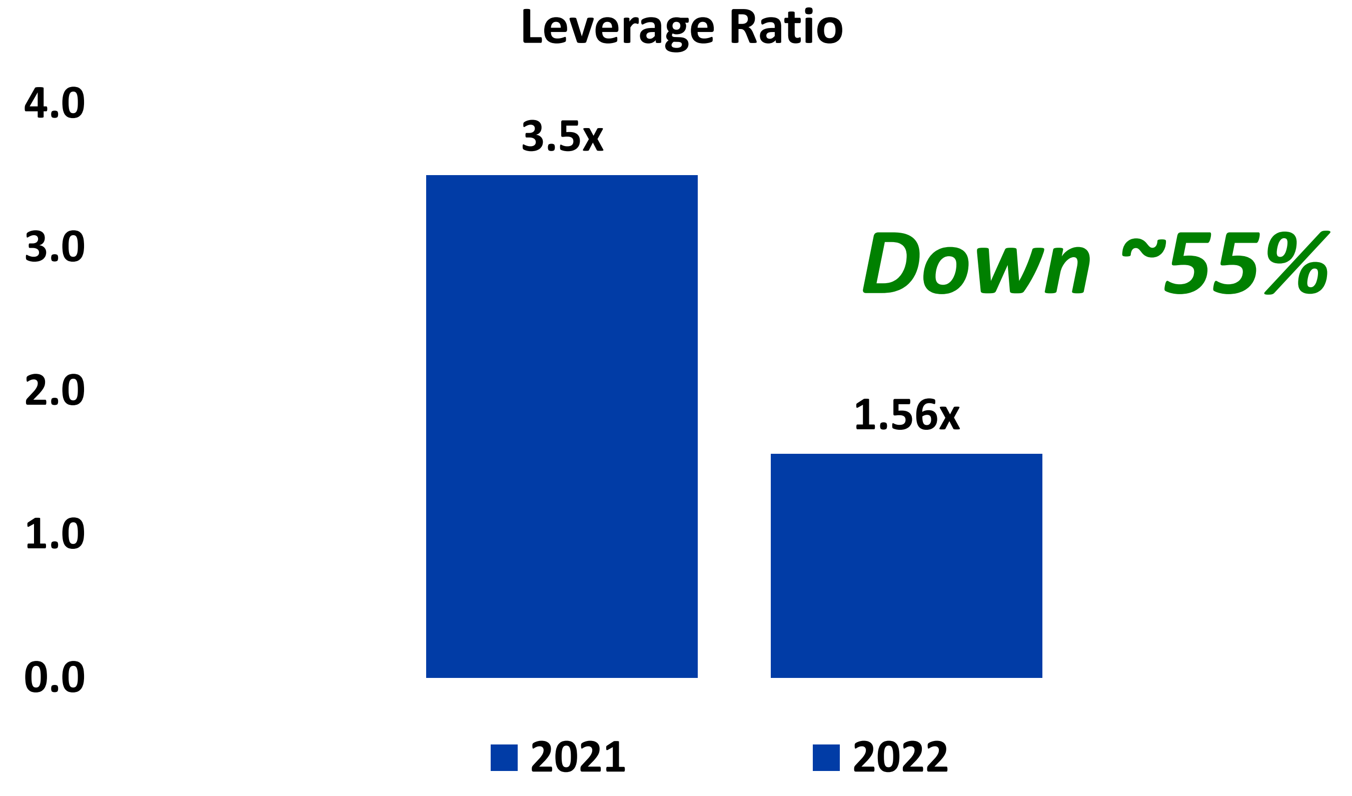
Capital Projects:
12-15 Hz and 12-25 Vertical wells

Up Only ~9%



Focus on FCF and Strengthening Balance Sheet

Reducing Leverage Ratio[1]
(Forecasting to operate within CF, further reducing leverage ratio over time)



1. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement. Adjusted EBITDA is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure

Simplifying and Enhancing the Capital Structure

Preparing to Pursue Balance Sheet Enhancing & Accretive Acquisitions

Exercising Warrants

- Shares issued pursuant to the exercise of the warrants were previously included in shares authorized and in fully diluted shares calculated using the treasury stock method
- Exercising the warrants increased shares outstanding, but does not impact shares available for use
- Accelerating ~$9 MM in warrant proceeds accelerates debt paydown
- Increases Ring's public float and we believe it should improve trading liquidity

	As of 12/31/22	As of 3/28/23	As of 4/14/23
Shares Authorized	225.0 MM	225.0 MM	225.0 MM
Shares Outstanding	175.5 MM	180.6 MM	195.1 MM
Exercisable Warrants	19.1 MM	14.6 MM	0.1 MM
Reserved Shares(1)	10.5 MM	9.9 MM	9.9 MM
Remaining Shares Available for Use	**19.8 MM**	**19.9 MM**	**19.9 MM**

1. *Reserved shares include common shares set aside for, restricted stock, stock options and performance shares granted but not yet vested, and stock committed to be used for shareholder approved equity incentive plans.*

Improving Financial Flexibility

- Continuing to pursue its **value focused proven strategy** leading to **accretive growth** through targeted, balance sheet enhancing, and accretive acquisitions **requires an increase** in the shares authorized
- The Stronghold Acquisition in 2022 was partially funded with Ring shares and was **balance sheet enhancing** and **accretive on all major metrics**
- The Company's strategy associated with potential future transactions is to likewise **meet similar accretive metrics** when **using equity**
- Having an adequate number of authorized shares **significantly reduces transaction execution risk**
- Any future transaction that requires use of more than 20% of the shares outstanding **will require an affirmative vote** by Ring shareholders
- **Approving** an increase in authorized shares **is not a dilutive event**

ONLY ~19.9 MILLION SHARES AUTHORIZED FOR FUTURE USE
(less than 9% of total authorized shares)

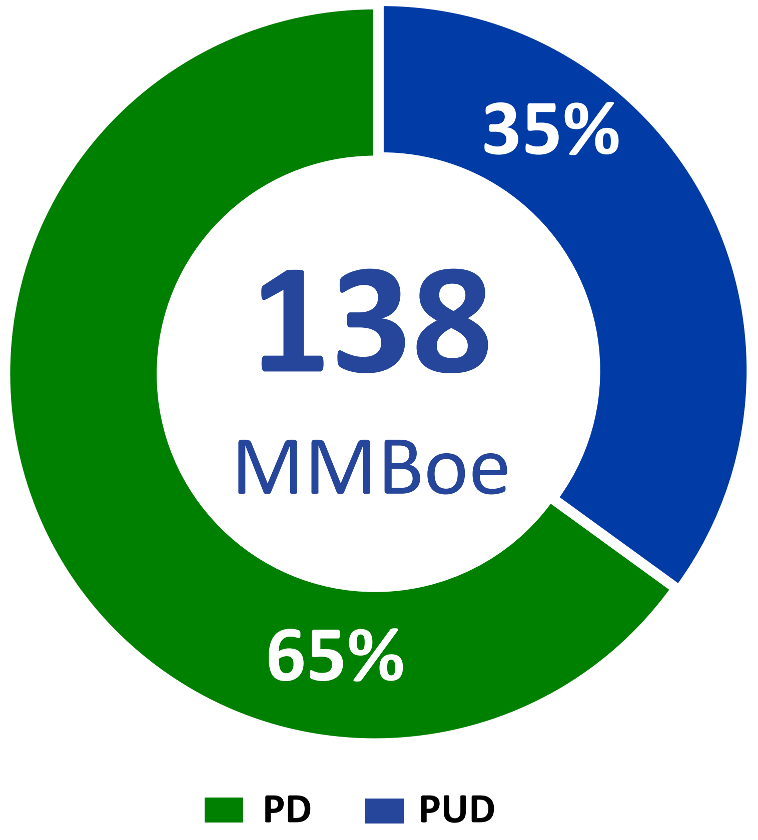
IMPORTANT INFORMATION ABOUT THE AUTHORIZED SHARE PROPOSAL
This communication may be deemed to be solicitation material in connection with the proposal to be submitted to Ring Energy, Inc.'s (the "Company") stockholders at its 2023 annual meeting seeking, among other proposals, the approval to increase the authorized shares of common stock. In connection therewith, on April 11, 2023, the Company filed a preliminary proxy statement on Schedule 14A with the Securities and Exchange Commission ("SEC"). Stockholders are urged to read the preliminary proxy statement and all other relevant documents filed with the SEC when they become available, including the definitive proxy statement, because they will contain important information about the authorized share proposal and other proposals set forth therein.
Investors and security holders will be able to obtain the documents when available free of charge at the SEC's website, www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC when available at the Company's website, www.ringenergy.com. Information contained on such websites or that can be accessed through such websites does not constitute a part of this communication.

PARTICIPANTS IN THE SOLICITATION
The Company and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders in respect to the authorized share proposal and other proposals. Information about the directors and executive officers of the Company is set forth in the Company's preliminary proxy statement, which was filed with the SEC on April 11, 2023. Investors may obtain additional information regarding the interests of the Company and its directors and executive officers in the authorized share proposal and other proposals set forth therein by reading the preliminary proxy statement and, when it becomes available, the definitive proxy statement relating to the 2023 annual meeting. STOCKHOLDERS OF THE COMPANY ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT AND ALL OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION.

Proved Reserves[1] and Inventory

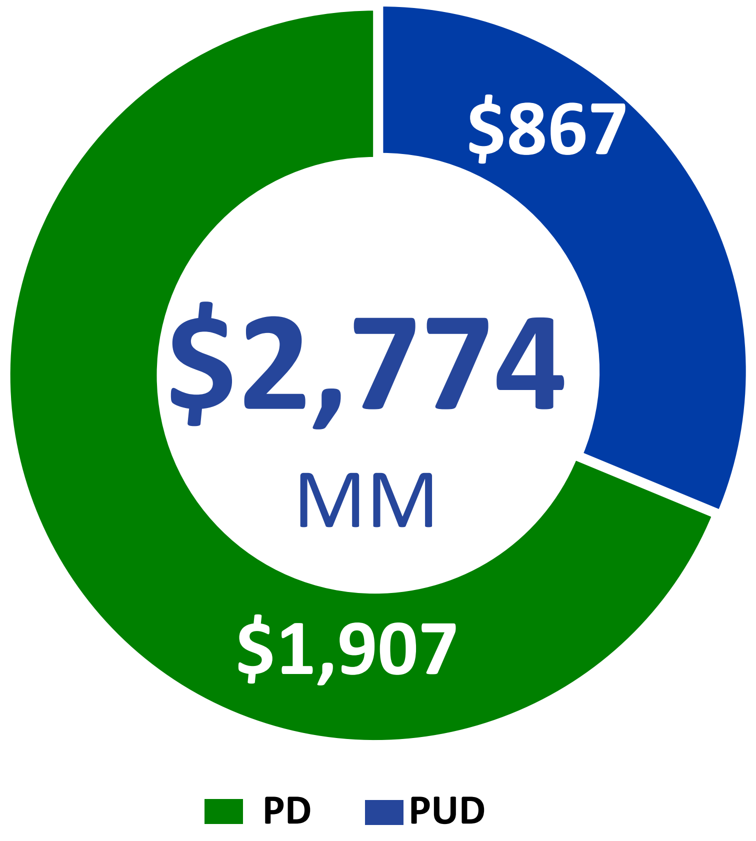
SEC YE 2022

Reserves by Category (%)



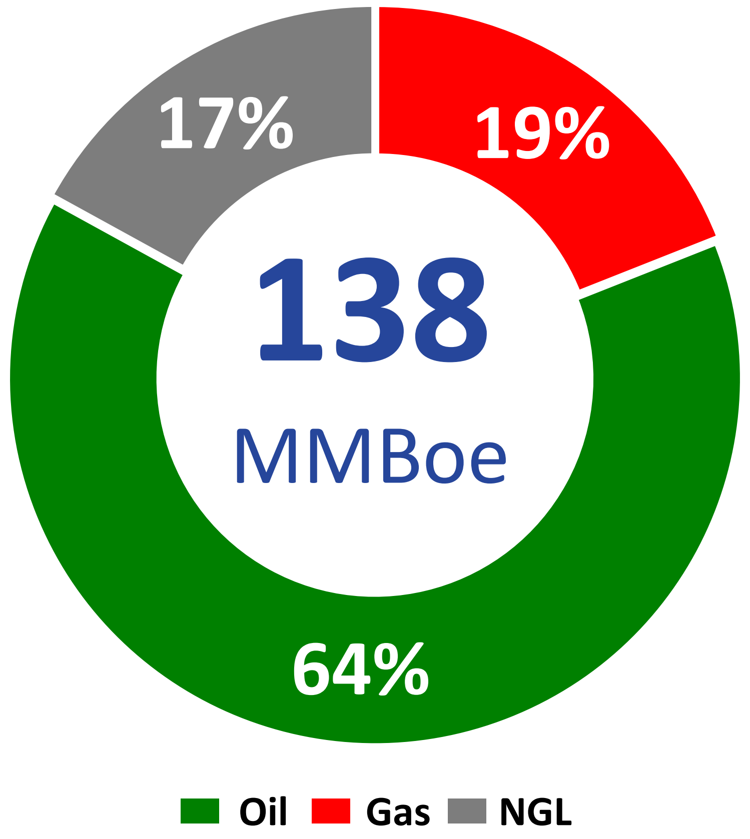
78% MMBoe Increase YOY

Reserves by PV-10[2] ($MM)



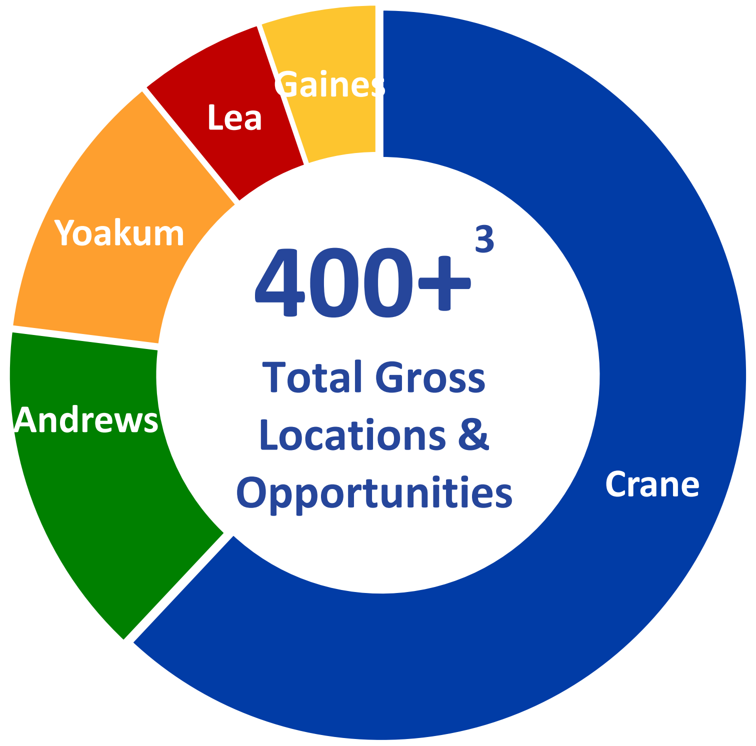
>2x PV-10 Increase YOY

Reserves by Product (%)



Highly Oil Weighted

Locations



200+ PUD Locations
200+ PDNP Opportunities

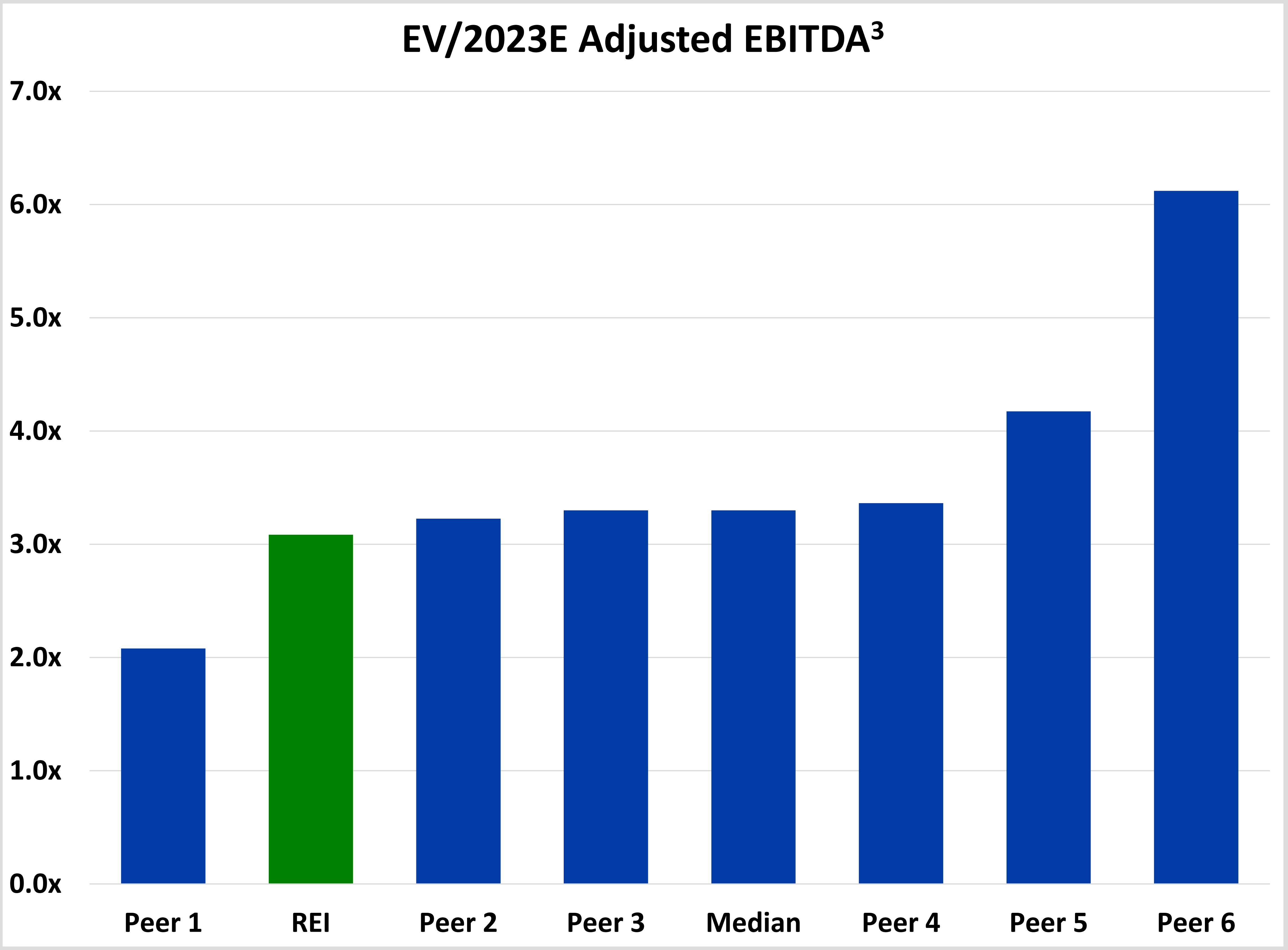
21 Year Proved Reserve Life[4]

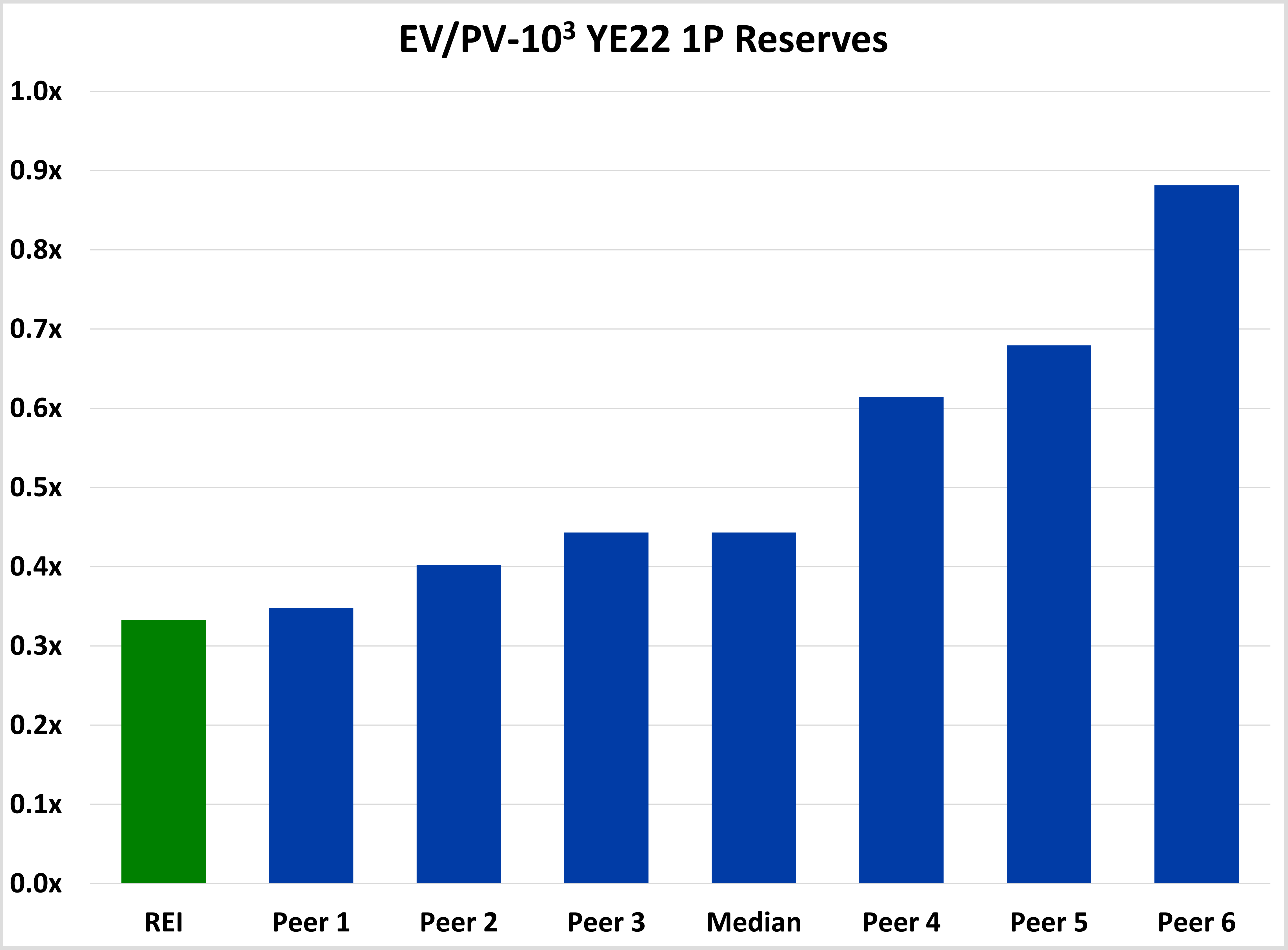
Significant Increase in Proved Reserves and Inventory from Stronghold Acquisition Provides Sustainable Future Growth and Capital Allocation Flexibility

1. Reserves as of 1/1/23 utilizing SEC prices, YE 2022 SEC Pricing Oil $90.15 per bbl Gas $6.358 per Mcf
2. PV-10 is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure
3. Includes all locations operated and non-operated across “PDNP” and “PUD” reserve categories and project types
4. Based on Q4 annualized production rate

Compelling Value Proposition

Proven Strategy Leads to Shareholder Value[1,2]





Despite Strong Returns, Significant Cash Flow, Improved Balance Sheet and Meaningful Growth, Ring Continues to Trade at a Discount to Peers

1. Peers include: Amplify, Berry, Crescent, Highpeak, Permian Resources and Vital Energy
2. Source information for data obtained from Peer Reports and Capital IQ
3. Adjusted EBITDA and PV-10 are Non-GAAP financial measures. See Appendix for reconciliation to GAAP measures

Value Proposition
2023 and Beyond

- Trading at a discount to peer average
- Delivering higher returns than peer average
- Value focused strategy is proven by record 2022 results
- Disciplined and capital efficient budget is focused on maintaining production levels, FCF generation, and debt reduction
- Pursuing accretive, balance sheet enhancing acquisitions to further increase scale and lower break-even costs
- Strategy and long-term goals designed to position Ring Energy to return capital to stockholders

Appendix

Experienced Management Team

Shared Vision with a Track Record of Success

Paul D. McKinney
Chairman & Chief Executive Officer

39+ years of domestic & international oil & gas industry experience

Executive & board roles include CEO, President, COO, Region VP and public & private board directorships

Alexander Dyes
EVP of Engineering & Corporate Strategy

16+ years of oil & gas industry experience

Multi-disciplined experience including VP A&D, VP Engineering, Director Strategy, multiple engineering & operational roles

Marinos Baghdati
EVP of Operations

19+ years of oil & gas industry experience

Operational experience in drilling, completions and production including VP Operations, Operations manager, multiple engineering roles

Stephen D. Brooks
EVP of Land, Legal, HR & Marketing

45+ years of oil & gas industry experience

Extensive career as landman including VP Land & Legal, VP HR VP Land and Land Manager

Travis Thomas
EVP & Chief Financial Officer

18+ years of oil & gas industry experience & accounting experience

High level financial experience including CAO, VP Finance, Controller, Treasurer

Hollie Lamb
VP of Compliance & GM of Midland Office

20+ years of oil & gas industry experience

Previously Partner of HeLMS Oil & Gas, VP Engineering, Reservoir & Geologic Engineer

RING ENERGY

Refreshed Board of Directors

Accomplished and Diversified Experience

Paul D. McKinney
Chairman & Chief Executive Officer

35+ years of domestic & international oil & gas industry experience

Executive & board roles include CEO, President, COO, Region VP and public & private board directorships

Anadarko Petroleum Corporation, Apache, SandRidge, Y, Tristone Capital

Anthony D. Petrelli
Lead Independent Director

43+ years of banking, capital markets, governance & financial experience

Executive and Board positions include CEO, President, multiple board chairs & directorships

NTB Financial Corporation, Sensus Healthcare, Finra

Roy I. Ben-Dor
Director

14+ years of finance & capital markets experience

Extensive financial and capital markets acumen and experience including Managing Director and numerous Board Director positions

Warburg Pincus, McKinsey & Company

John A. Crum
Independent Director

45+ years of domestic & international oil & gas industry experience

Extensive executive roles including CEO, President & COO, and multiple public & private board chairs & directorships

Apache, Midstates Petroleum, Conoco

David S. Habachy
Independent Director

24+ years of oil & gas industry, finance & capital markets experience

Wide range of operations, engineering, financial and capital markets roles and experience including Managing Director and numerous Board Director positions

Warburg Pincus, Kayne Anderson Capital Advisors, L.P., NSAI, ARCO

Richard E. Harris
Independent Director

40+ years of experience across multiple industries

Executive positions in oil & gas, industrial equipment, and technology including CIO, Treasurer, Finance and Business Development

Cummins, Compaq, bp, Sohio

Thomas L. Mitchell
Independent Director

35+ years of domestic & international oil & gas industry experience

Executive & board roles include CFO, VP Accounting, Controller and public & private board directorships

devon, Midstates Petroleum, Noble, Apache, Arthur Andersen

Regina Roesener
Independent Director

35+ years of banking, capital markets, governance & financial experience

Executive and Board positions including COO, director and Board Director positions

NTB Financial Corporation, Finra

Clayton E. Woodrum
Independent Director

50+ years of accounting, tax & finance experience

Wide range of financial acumen including positions as CFO, Partner in Charge and Board Director positions

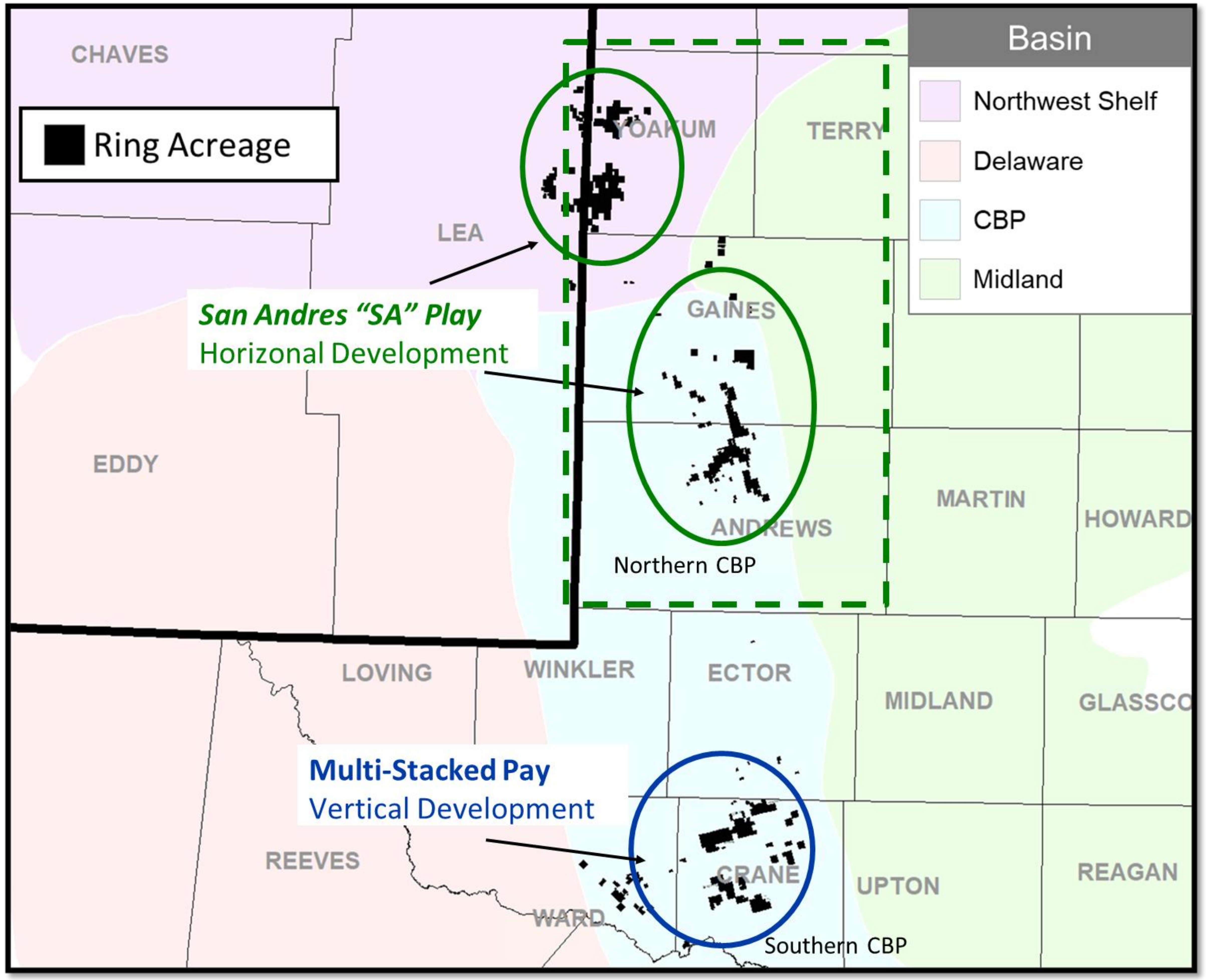
WTA Woodrum, Tate & Associates, KPMG, Bank of Oklahoma

Asset Overview

Company Overview
Core Assets

Operating Statistics

	Q4 2022
Net Production (MBoe/d)	**17.9**
Oil (Bo/d) ~ 68% Gas (Mcf/d) ~ 17% NGLs (Bbls/d) ~ 15%	12.2 18.3 2.6
LOE ($ per Boe)	**$10.6**
YE22 PD Reserves[1] PV10 ($MM)	**$1,907**
YE22 PD Reserves[1] (MMBoe)	**90**
Net Acreage (thousand)	**~102**
Capex ($MM)	**$42.6**
Shares Outstanding[2] (MM)	**175.5**

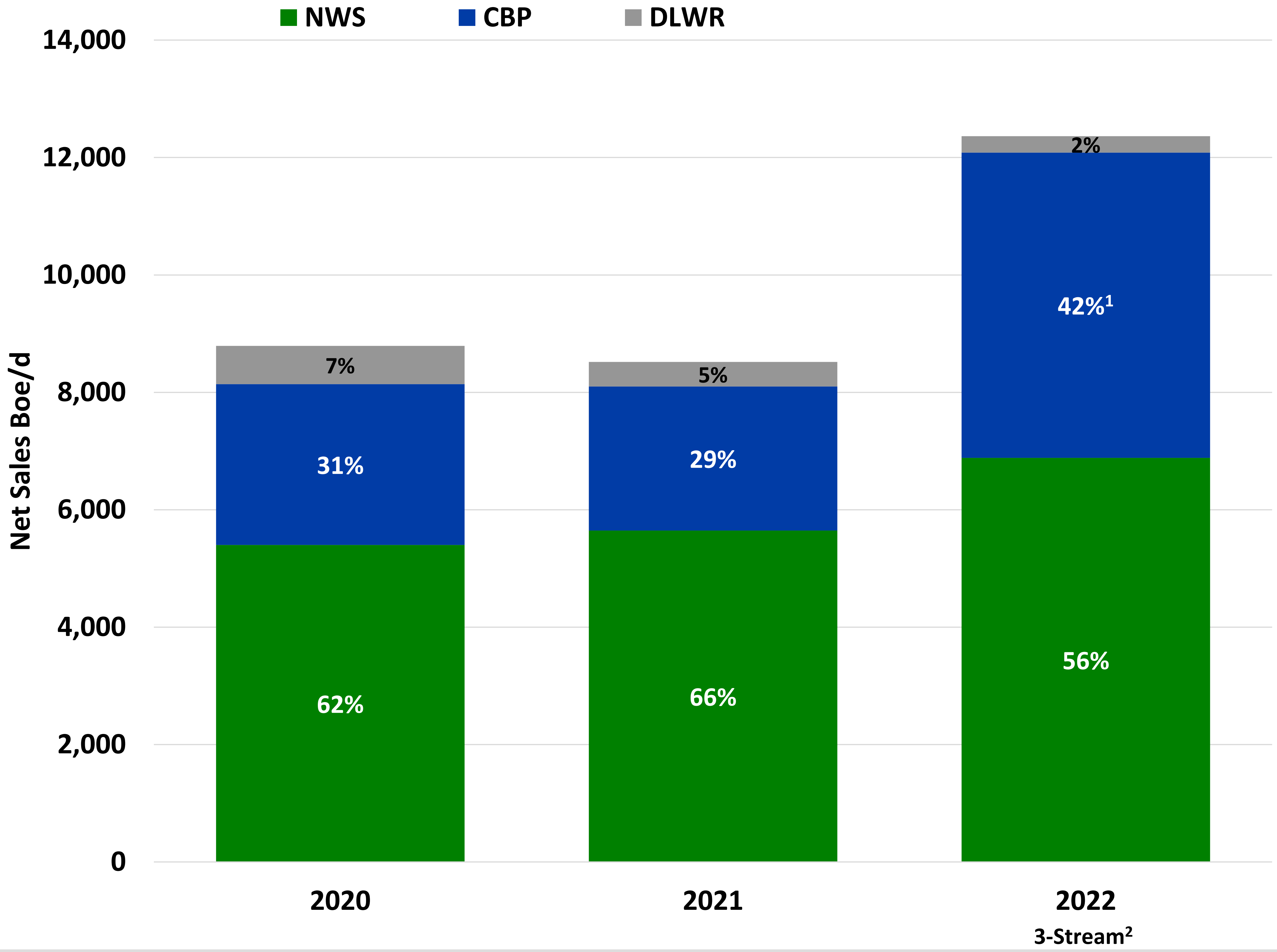


1. Reserves as of 1/1/23 utilizing SEC prices, YE 2022 SEC Pricing Oil $90.15 per bbl Gas $6.358 per Mcf, PV-10 is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure
2. Shares of common stock outstanding as of 12/31/2022

Core Assets in NWS and CBP

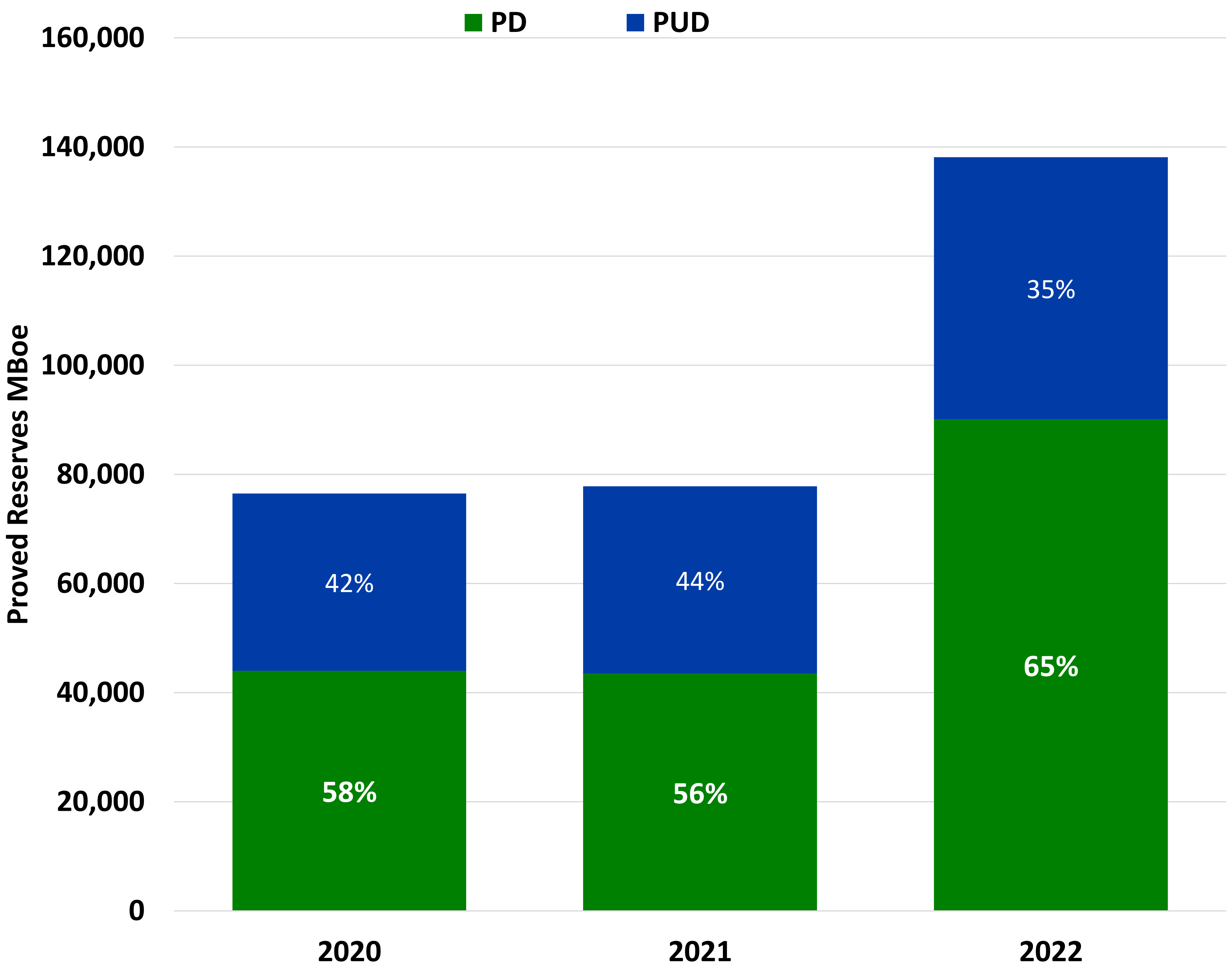
Record Sales

Focus investments on growing core asset areas in NWS & CBP



Significant Increase in "PD" Reserves[1]

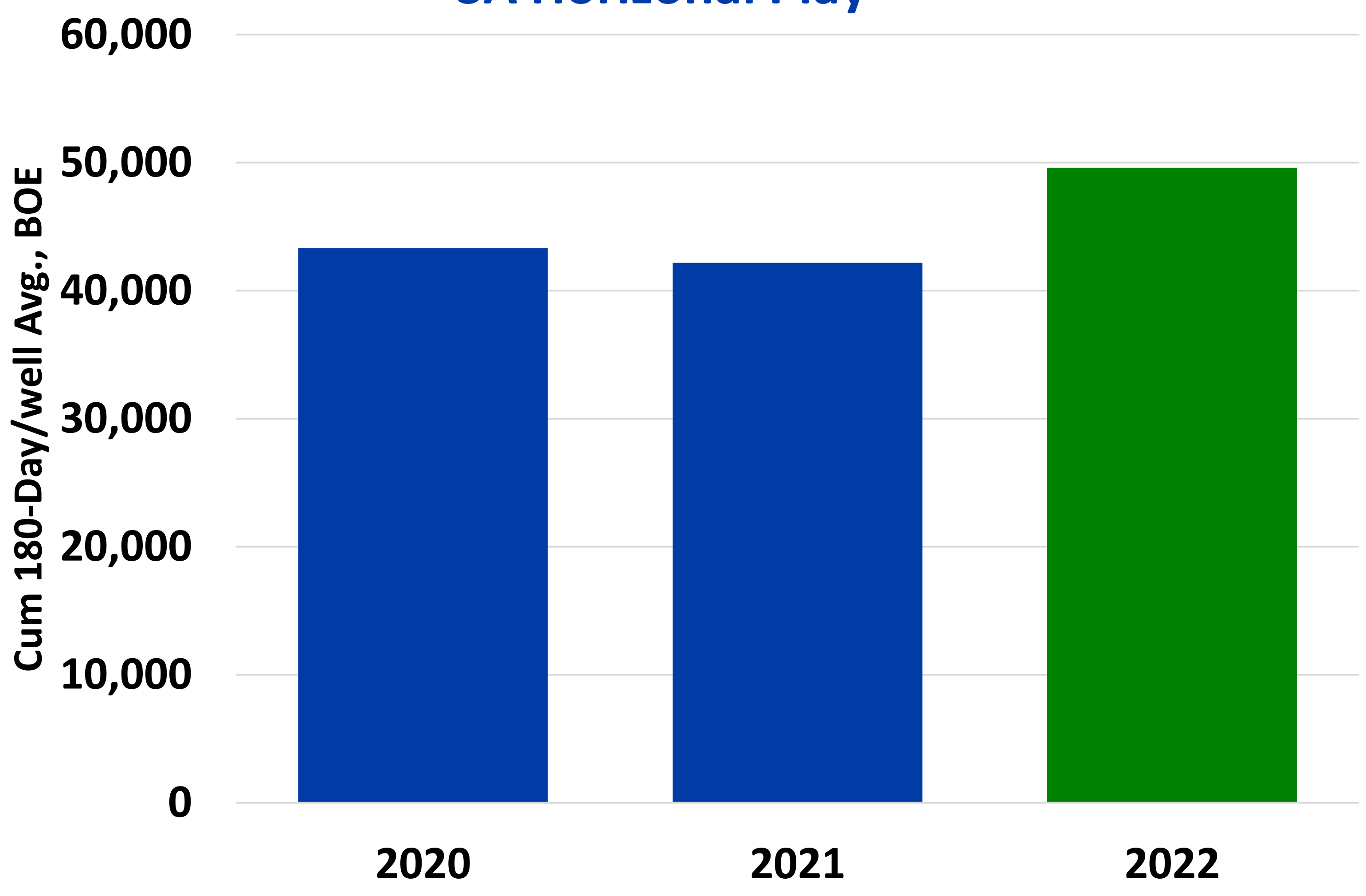
107% Increase YOY



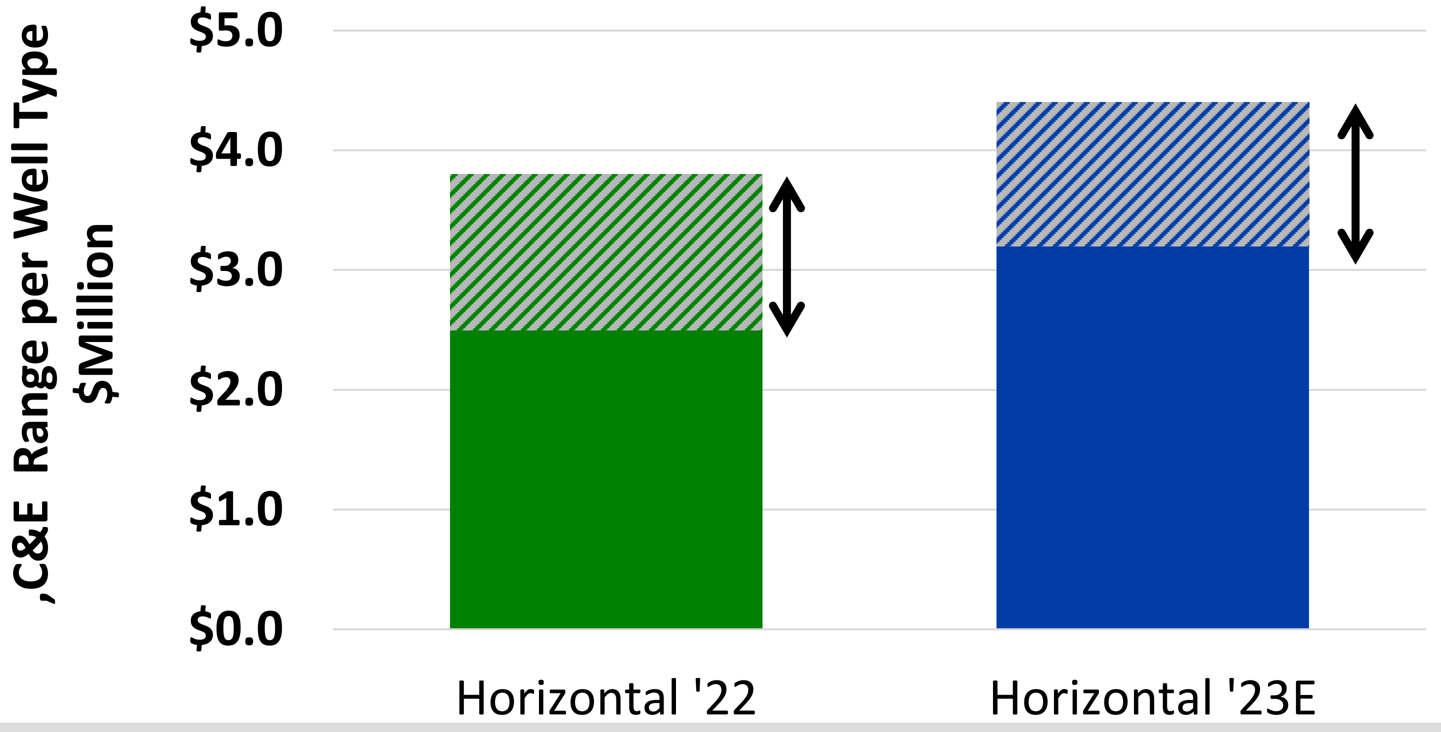
1. Reserves as of 1/1/23 utilizing SEC prices, YE 2022 SEC Pricing Oil $90.15 per bbl Gas $6.358 per Mcf
2. Company conversion from 2-stream to 3-stream financial reporting of oil, natural gas and NGL production beginning July 1, 2022

Assets Overview
New Drill Inventory Performance

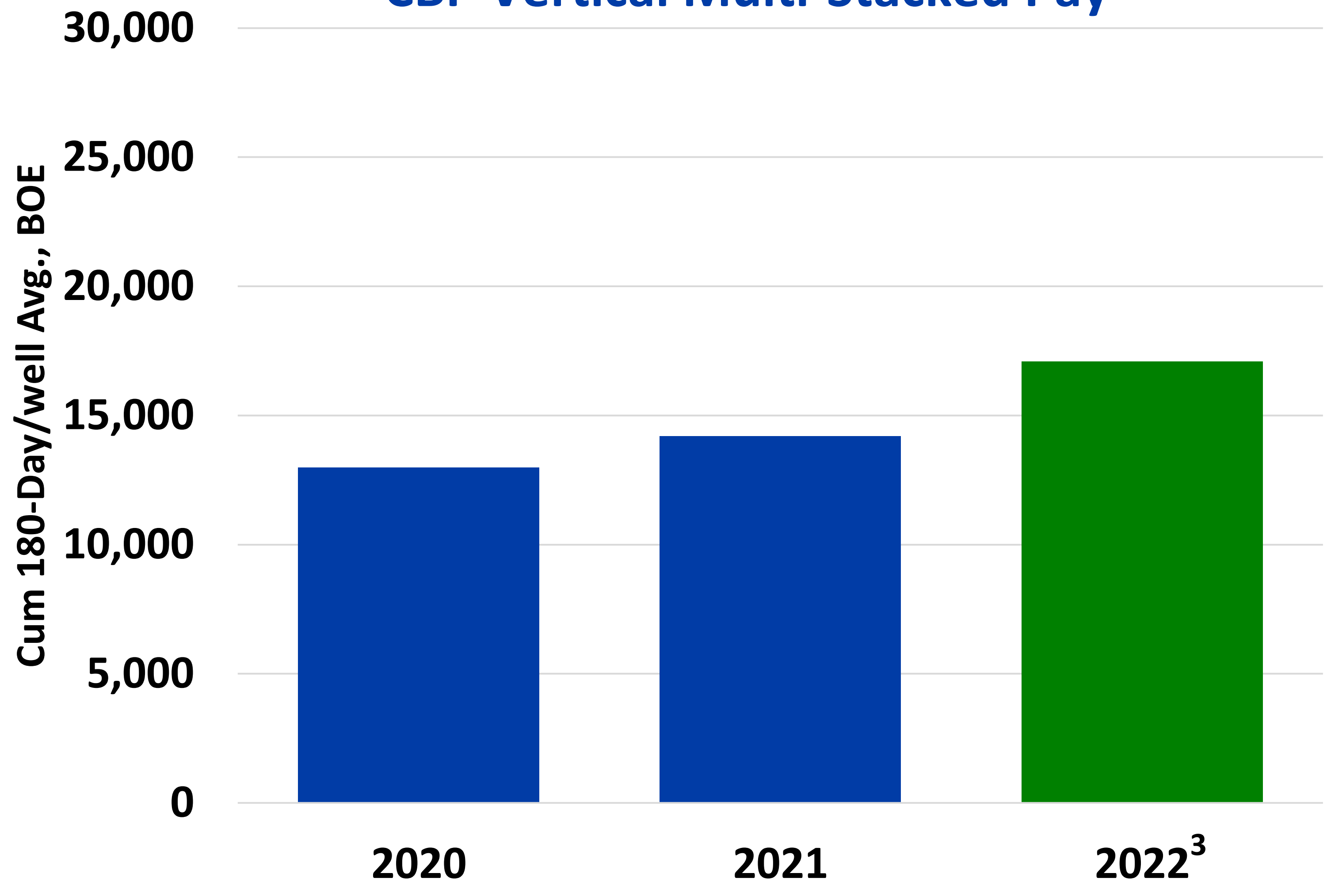
Consistent Hz Well Performance
SA Horizonal Play[1]



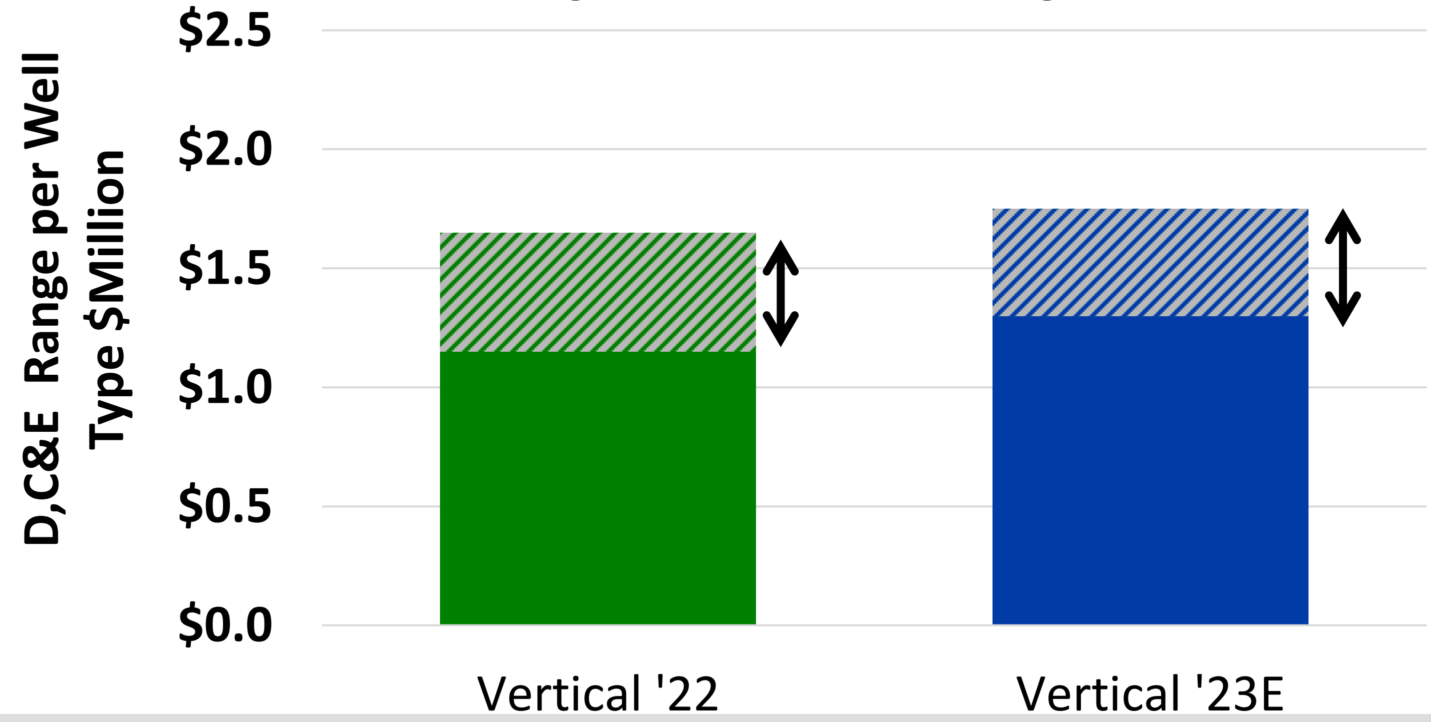
Avg Hz Well Capex Range
Contingent on lateral length 1.0 to 1.5 miles



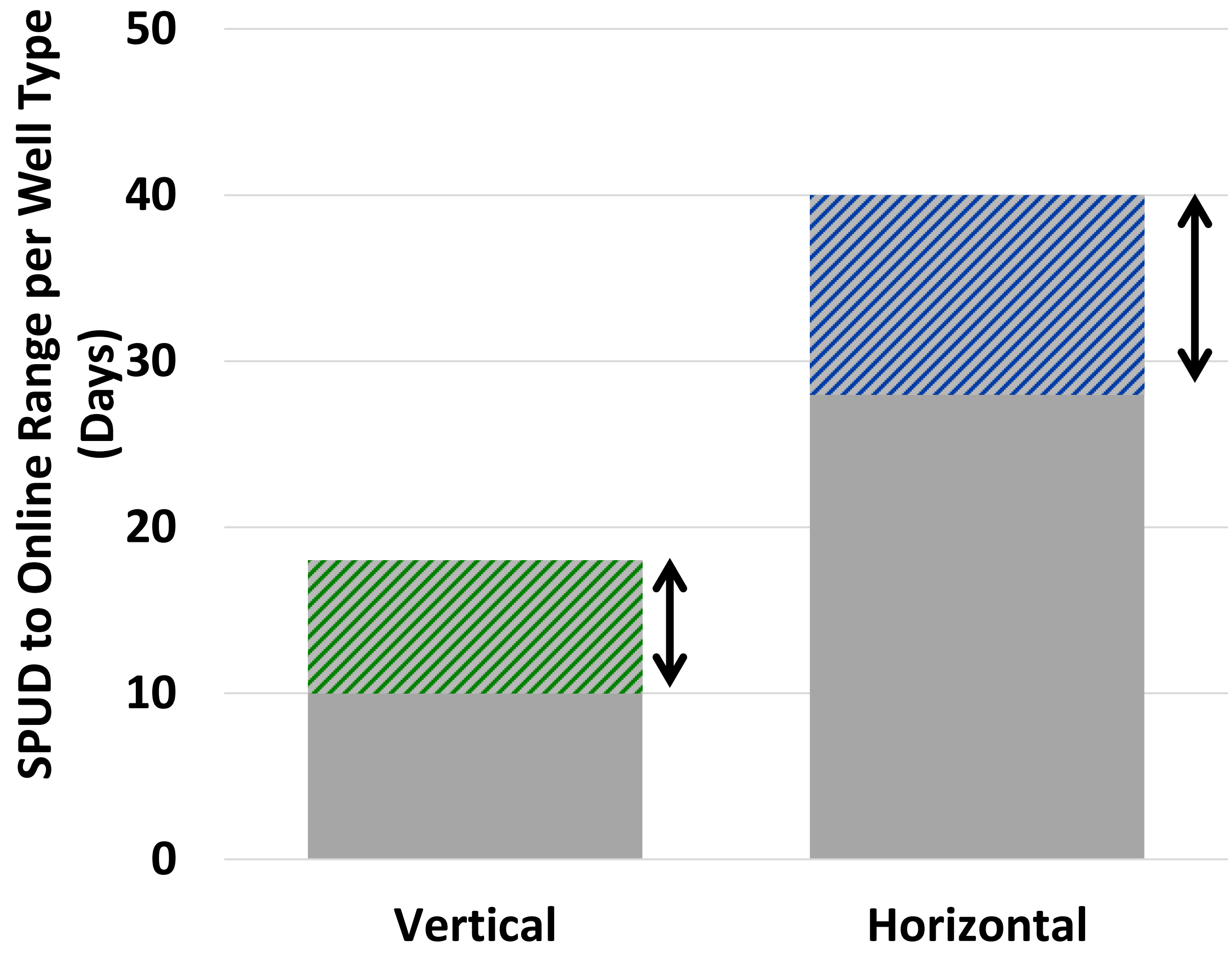
Consistent Vertical Well Performance
CBP Vertical Multi-Stacked Pay[2]



Avg Vertical Well Capex Range
Contingent on number of frac stages



Shorter Cycles Times & Lower Capex Drive Capital Efficiency



Capital Efficient Inventory Provides Development Flexibility

1. San Andres Hz wells include the average well performance for first 180 days (Gross BOE) for development wells in both CBP & NWS area each year. Included 2020 (4 Hz), 2021 (13 Hz) and 2022 (24 Hz) Excludes step out wells.
2. CBP Vertical multi-stacked pay wells includes only the average well performance for first 180 days (Gross BOE) of new drills each year in McKnight and PJ Lea fields in the CBP South area. Included all previously drilled Stronghold verticals 2020 (3), 2021 (7) and 2022 (19) Excludes Ring verticals drilled in December due to lack of 180 day performance.
3. Stronghold Acquisition closed Aug. 31, 2022

Asset Overview

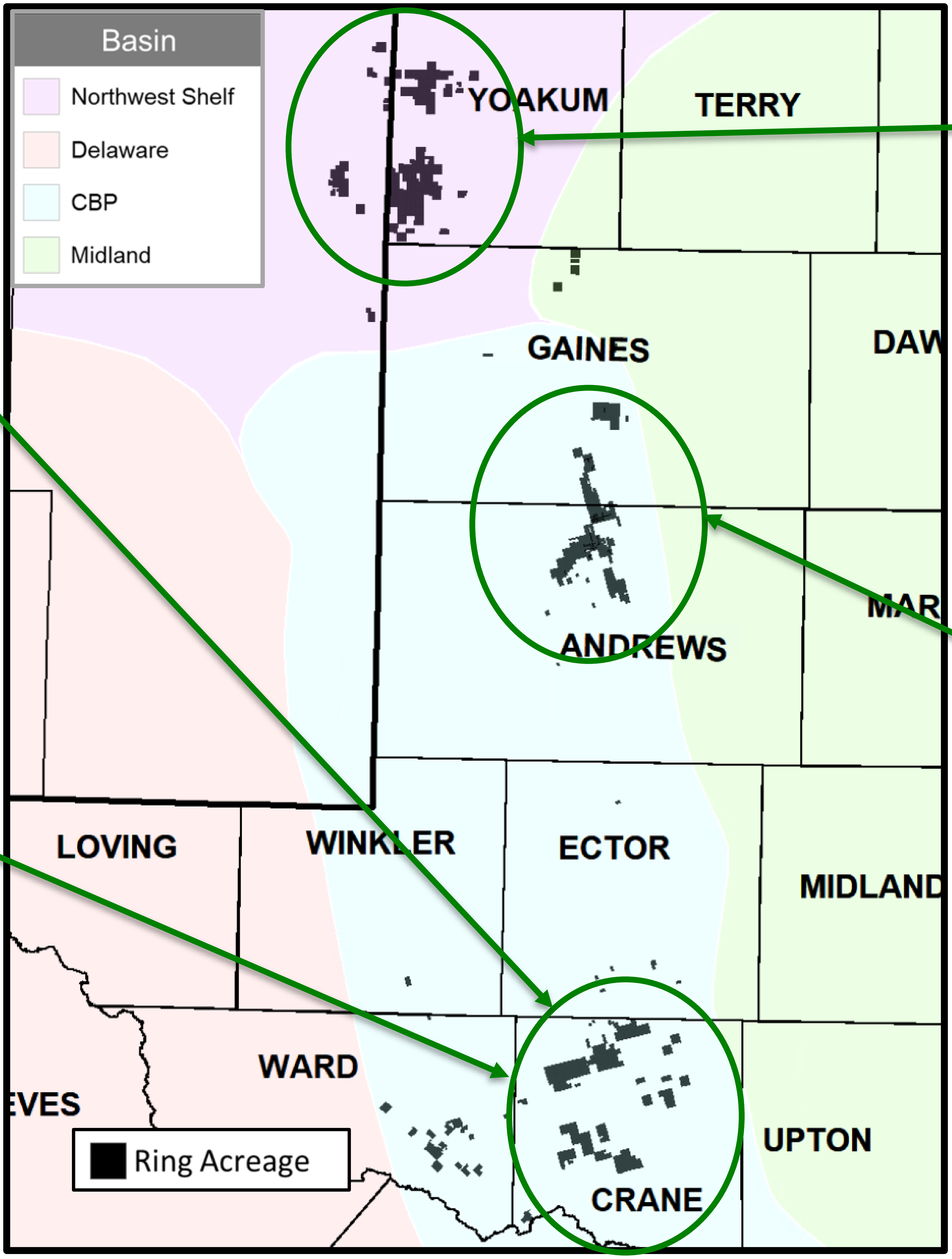
Inventory of High Quality, High-Return, Short Cycle Opportunities

Recent Vertical Well Results – CBP South

Geological Region	Area	Well Name	Peak IP 60 (Boepd)	Oil (%)	WI (%)
CBP	PJ Lea	Lea, P J Etal #3904M[1]	171	71%	100%
CBP	PJ Lea	Lea, P J Etal A #3800M[1]	273	83%	100%
CBP	PJ Lea	Lea, P J Etal #3902M[1]	273	88%	100%
CBP	PJ Lea	Lea, P J Etal #3903M[1]	257	94%	100%
CBP	McKnight	McKnight, M B #0207G[1]	119	63%	100%
CBP	McKnight	McKnight, M B #0201G[1]	166	65%	100%
CBP	McKnight	McKnight, M B #0202G[1]	129	66%	100%
CBP	McKnight	McKnight, M B #0203G[1]	128	74%	100%
CBP	CBPS	UL 35 1401S[1]	151	71%	100%

Recent Recompletion Results – CBP South

Geological Region	Area	Well Name	Peak IP 60 (Boepd)	Oil (%)	WI (%)
CBP	McKnight	McKnight, M B #510H[1]	120	50%	100%
CBP	McKnight	McKnight, M B #157[1]	84	91%	100%
CBP	McKnight	McKnight, M B #201[1]	132	65%	100%
CBP	McKnight	McKnight, M B #213[1]	142	65%	100%
CBP	McKnight	McKnight, M B #232[1]	99	76%	100%
CBP	McKnight	McKnight, M B #0101S[1]	74	59%	100%



Recent Hz Well Results – NWS

Geological Region	Area	Well Name	Peak IP 60 (Boepd)	Oil (%)	Lateral Length (ft)	WI (%)
NWS	Platang	Boomer 727 #3H	350	96%	5058	100%
NWS	Platang	Bucky 711 C #3H	336	92%	5038	91%
NWS	Platang	Wishbone Farms 710 #6H	369	93%	4277	75%
NWS	Platang	Razorback 663 #1H	518	90%	5058	87%
NWS	Platang	Sooner 662 C #2H	592	93%	4860	100%
NWS	Sable	Horned Frog 400 C #2XH	263	84%	7499	99%

Recent Hz Well Results – CBP North

Geological Region	Area	Well Name	Peak IP 60 (Boepd)	Oil (%)	Lateral Length (ft)	WI (%)
CBP	UL lands	University Block 14 Cons. #2001XH	527	95%	7562	100%
CBP	UL lands	University Block 14 Cons. #2503XH	250	95%	7386	100%
CBP	UL lands	University Block 14 Cons. #2006XH	327	95%	7702	100%
CBP	UL lands	University Block 14 Cons. #1903H	576	95%	5050	100%

1. Vertical completion no lateral length noted
2. Peak IP 60 (Boepd) based on rolling 60-day average

San Andres Reservoir
Proven, Conventional, Top Tier Returns

	San Andres Hz	Delaware Hz	Midland Hz
High ROR Oil Play	✓	✓	✓
Low D&C Costs	✓		
Lower 1st Year Decline	✓		
Low Lease Acquisition Cost	✓		
Long life wells	✓		
Oil IPs >750 Bbl/d		✓	✓
Multiple Benches		✓	✓
> 85% Oil	✓		
$25-30/Bbl D&C Break-even[2]	✓		

- Permian Basin has produced >30 BBbl
  - San Andres accounts for 40%
- Low D&C costs[1] $3.2 - $4.4 MM per well
- Vertical depth of ~5,000’
- Typical oil column of 200’ - 300’
- Life >35+ years
- Initial peak oil rates of 300 - 700 Bbl/d
- Higher primary recovery than shales
- Potential for waterflood and CO_2 flood

1. *D&C capex range is for both 1.0 & 1.5 mile laterals and includes inflation adjustments*
2. *Break-even costs range depends on lateral length, asset area and inflation adjustments*

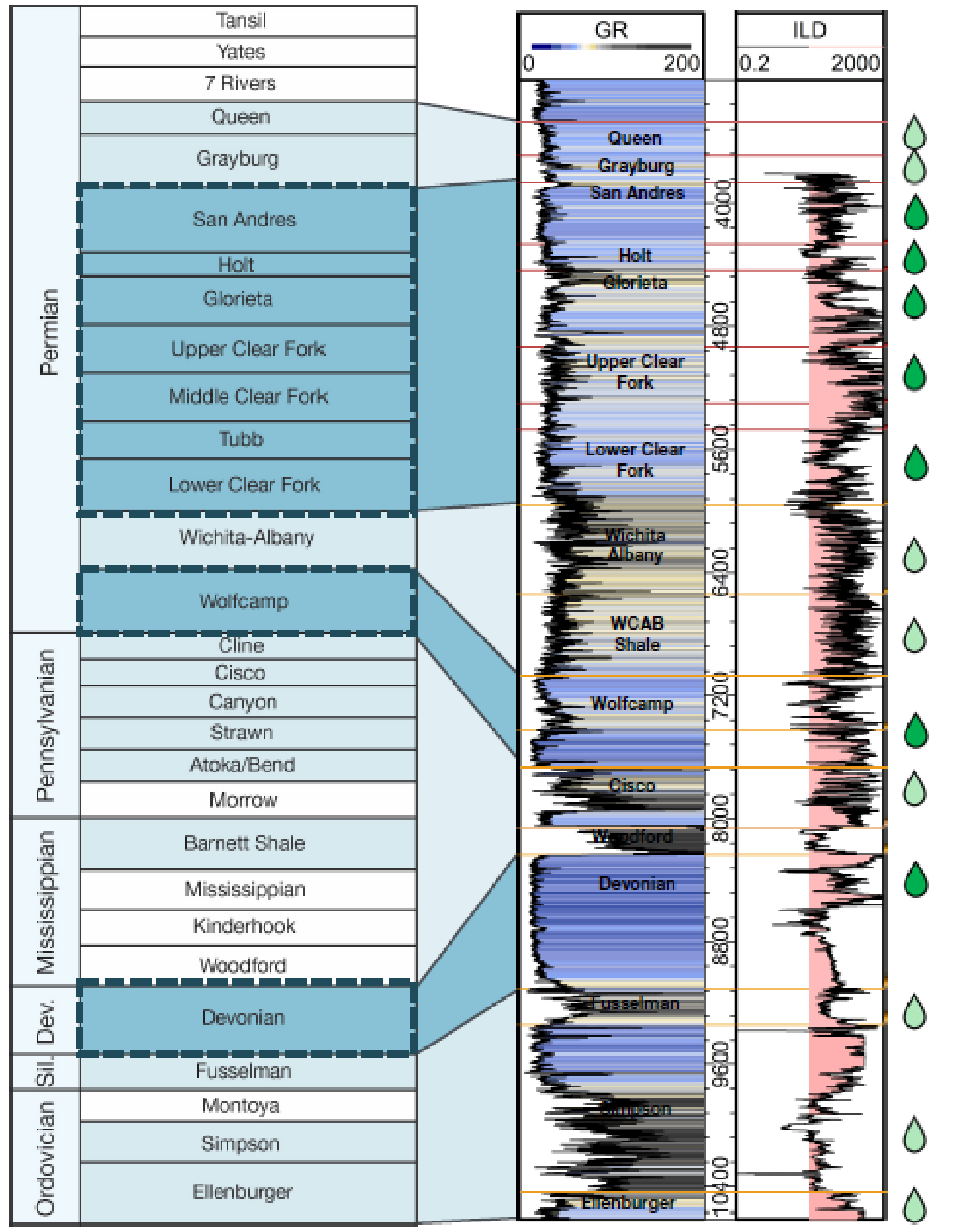
Source: US Department of Energy & DrillingInfo (Enverus)

Southern Central Basin Platform

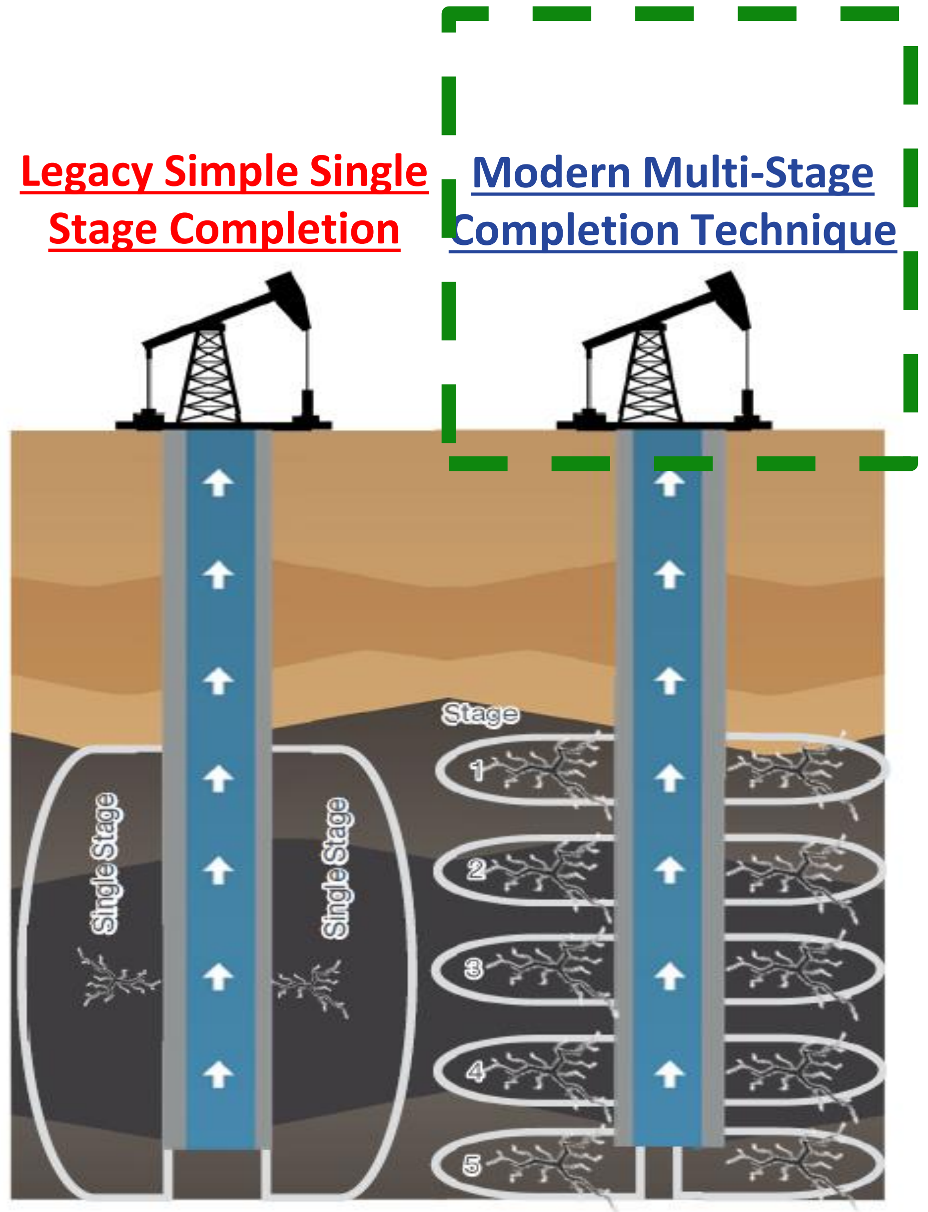
Vertical Well Performance & Costs

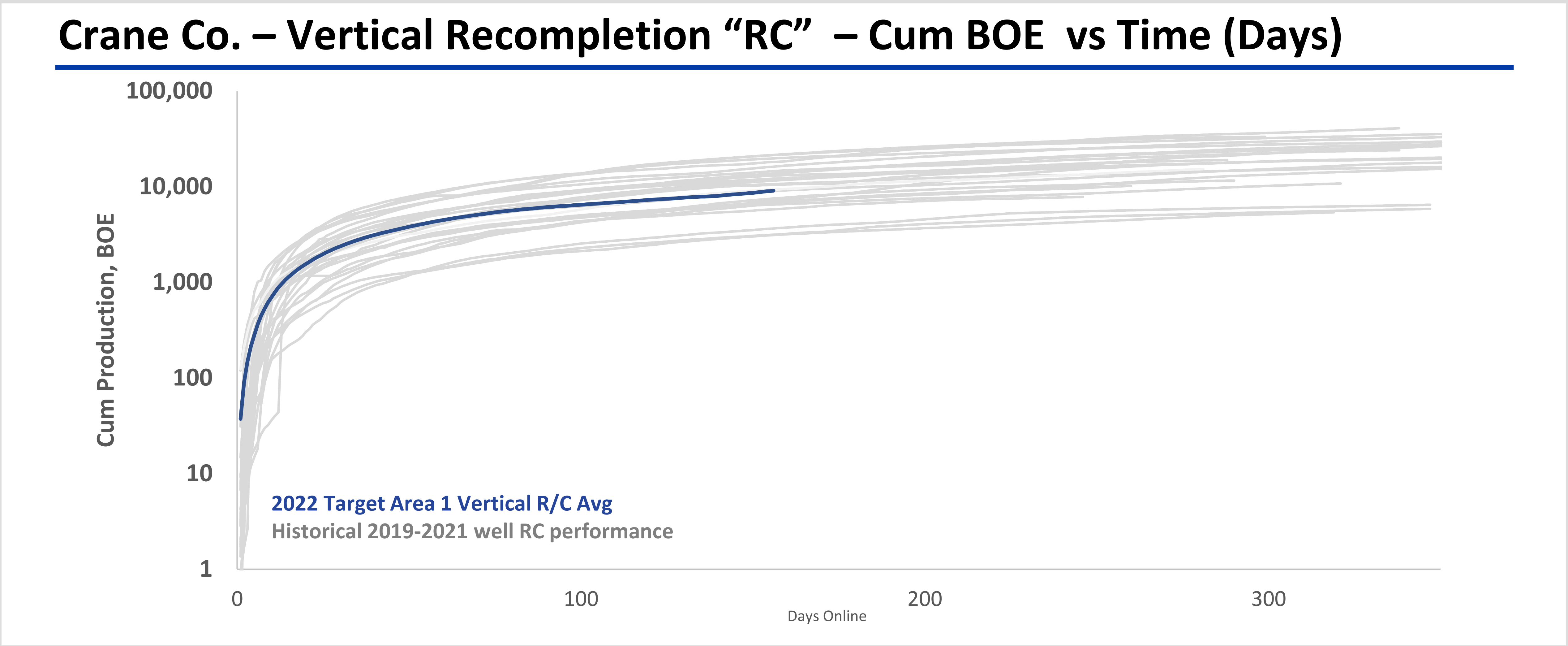
Stacked Pay Zones

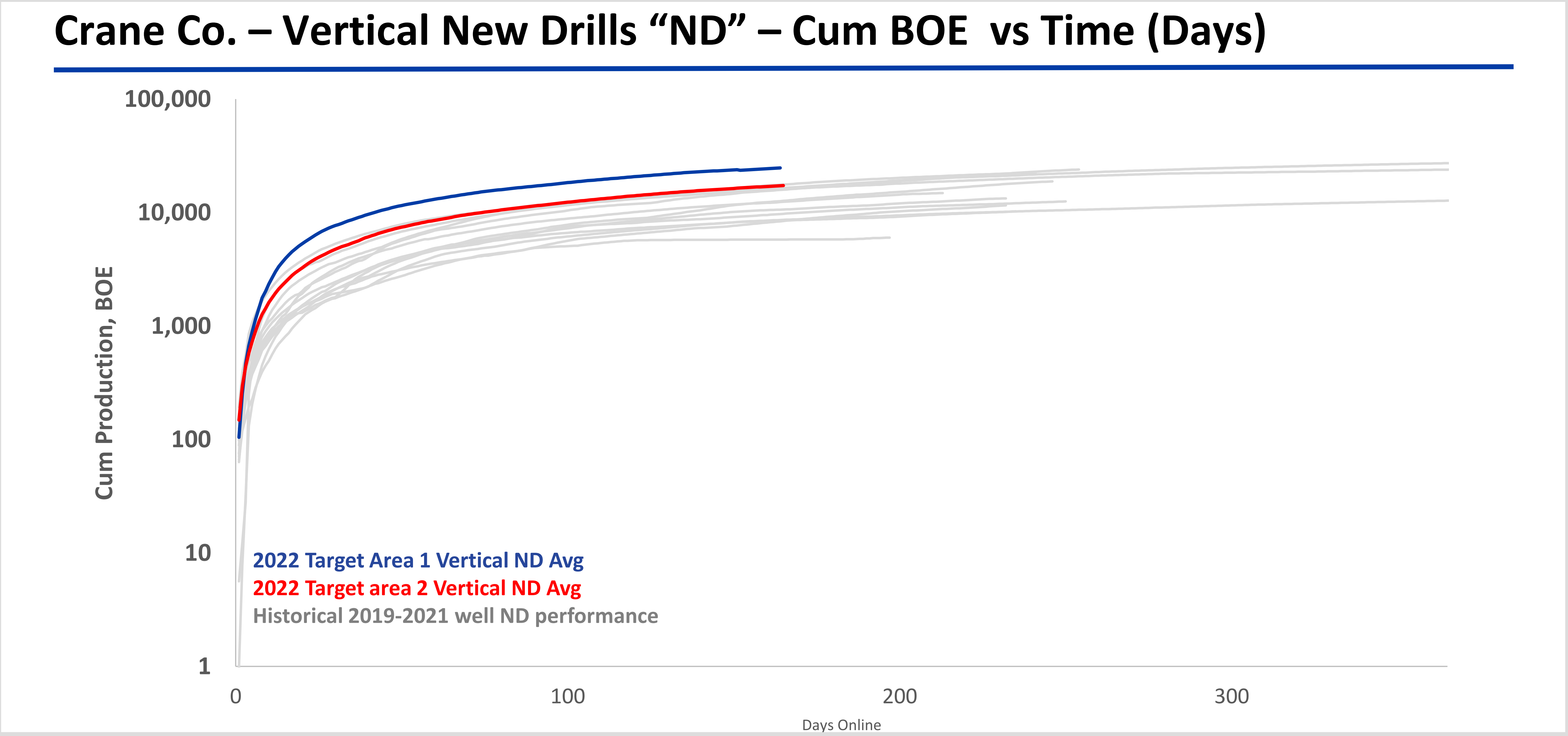
CBP South Type Log



Modern Completion Methods







- ✓ Conventional "high quality rock" stacked pay formations targeted with today's modern multi-stage completion methods
- ✓ Significant remaining upside with high RORs – high return/low-cost opportunities

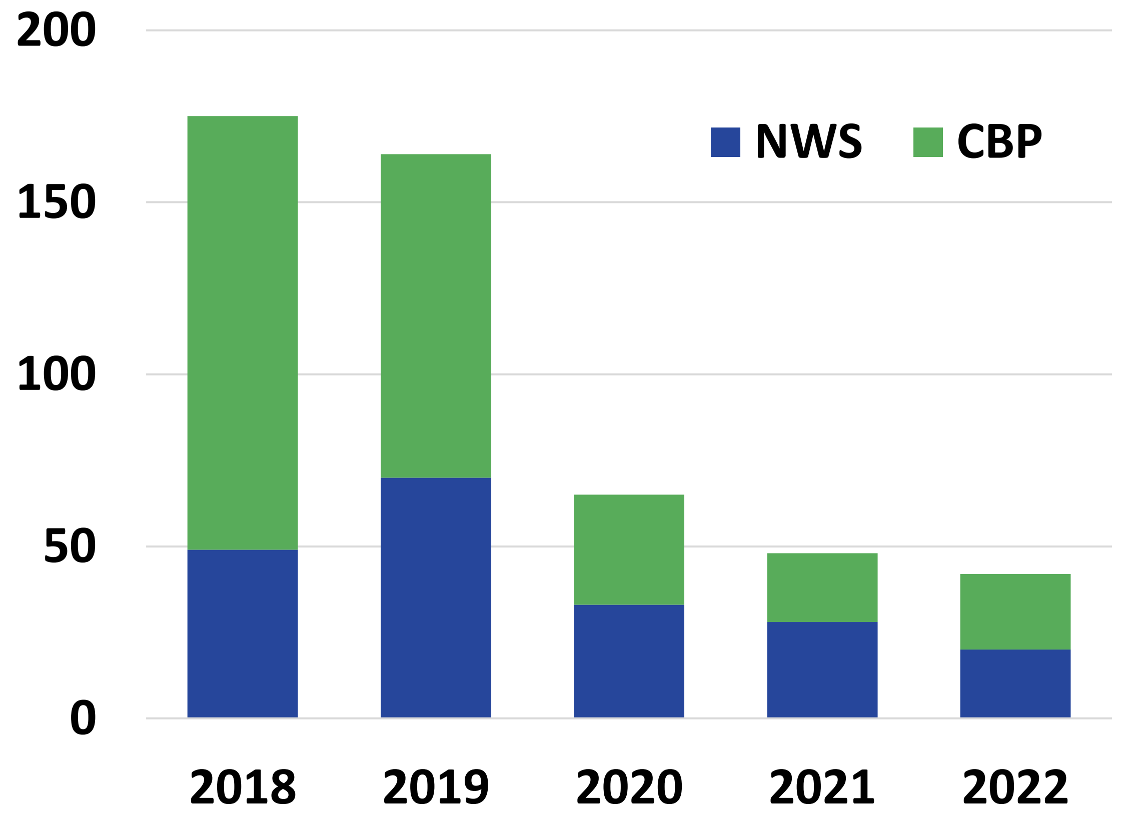
CTRs in NWS & CBP HZ Reduce Operating Costs

Maintains Solid PDP Reserve Base that Generates Consistent FCF

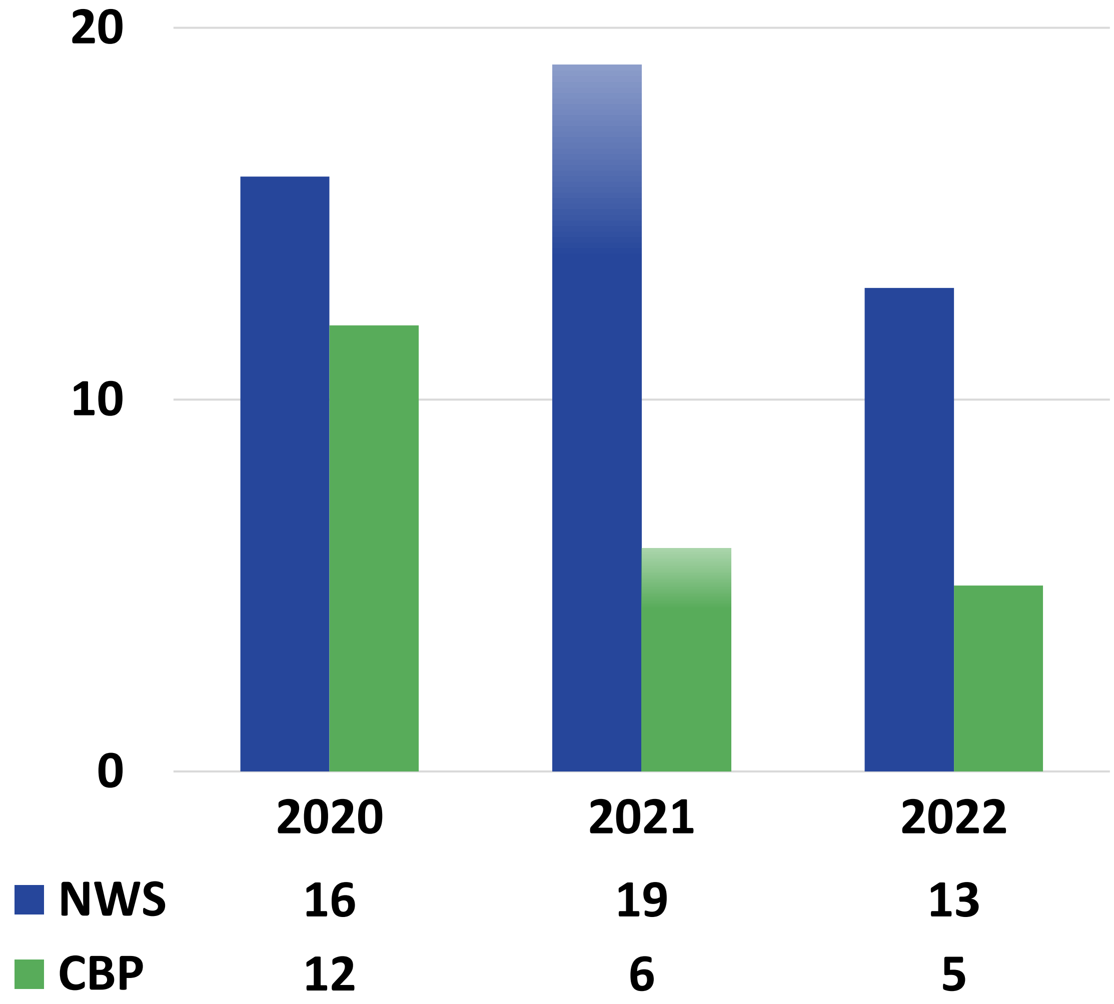
Increases reserves by reducing operating & well repair costs and extending well life

- ~50% long-term reduction in LOE
- Up to 75% reduction in future pulling costs
- Extends economic life & increases EUR

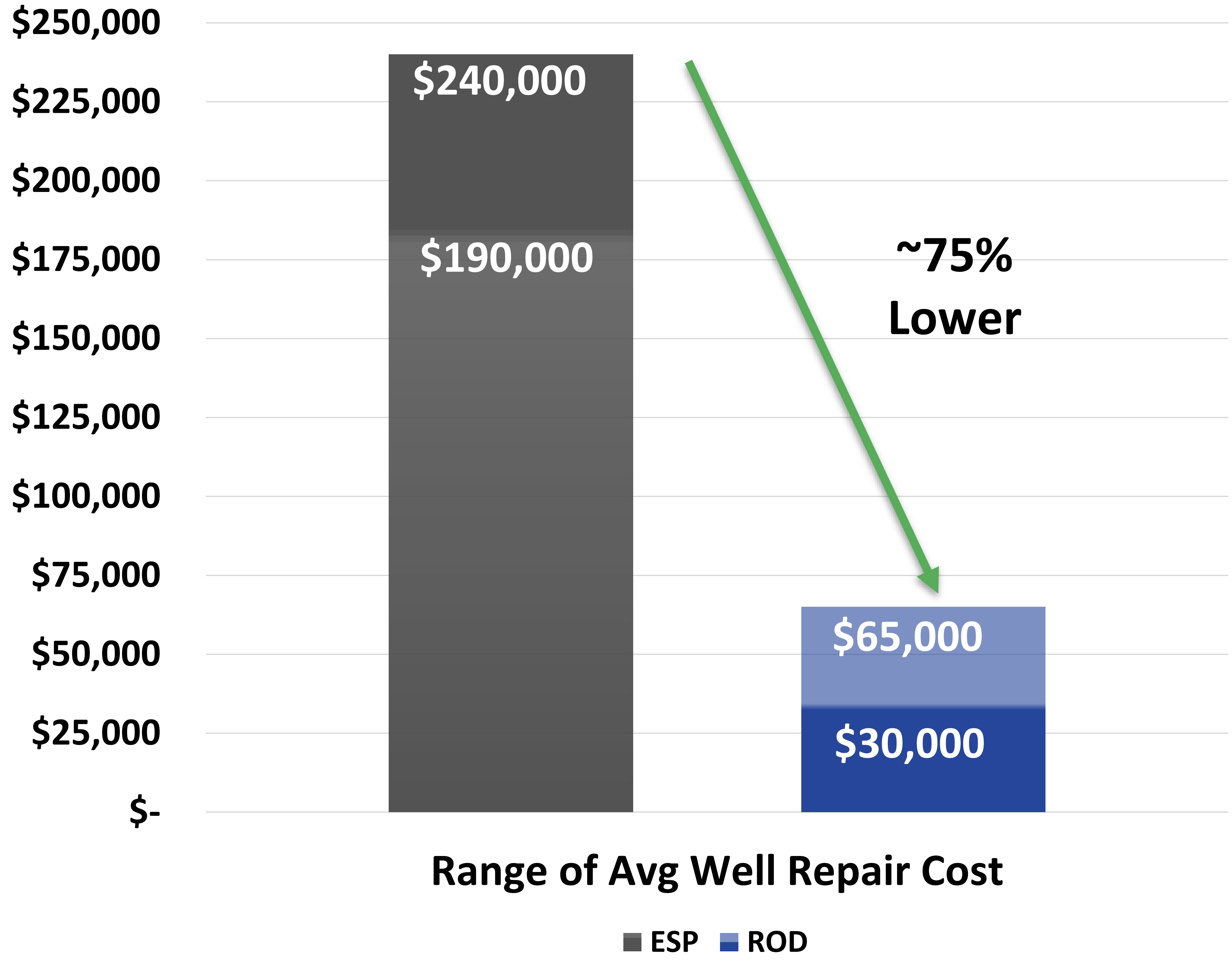
ESP Failures[1] 2018 – 2022



CTR Projects 2020 - 2022



Cost Savings ESP vs ROD



Maintaining Operational Margin is Predicated on Being a Leading LOW-COST OPERATOR

1. *ESP failures are any time a service rig is necessary to repair ESP downhole equipment in order to bring a well back on production*

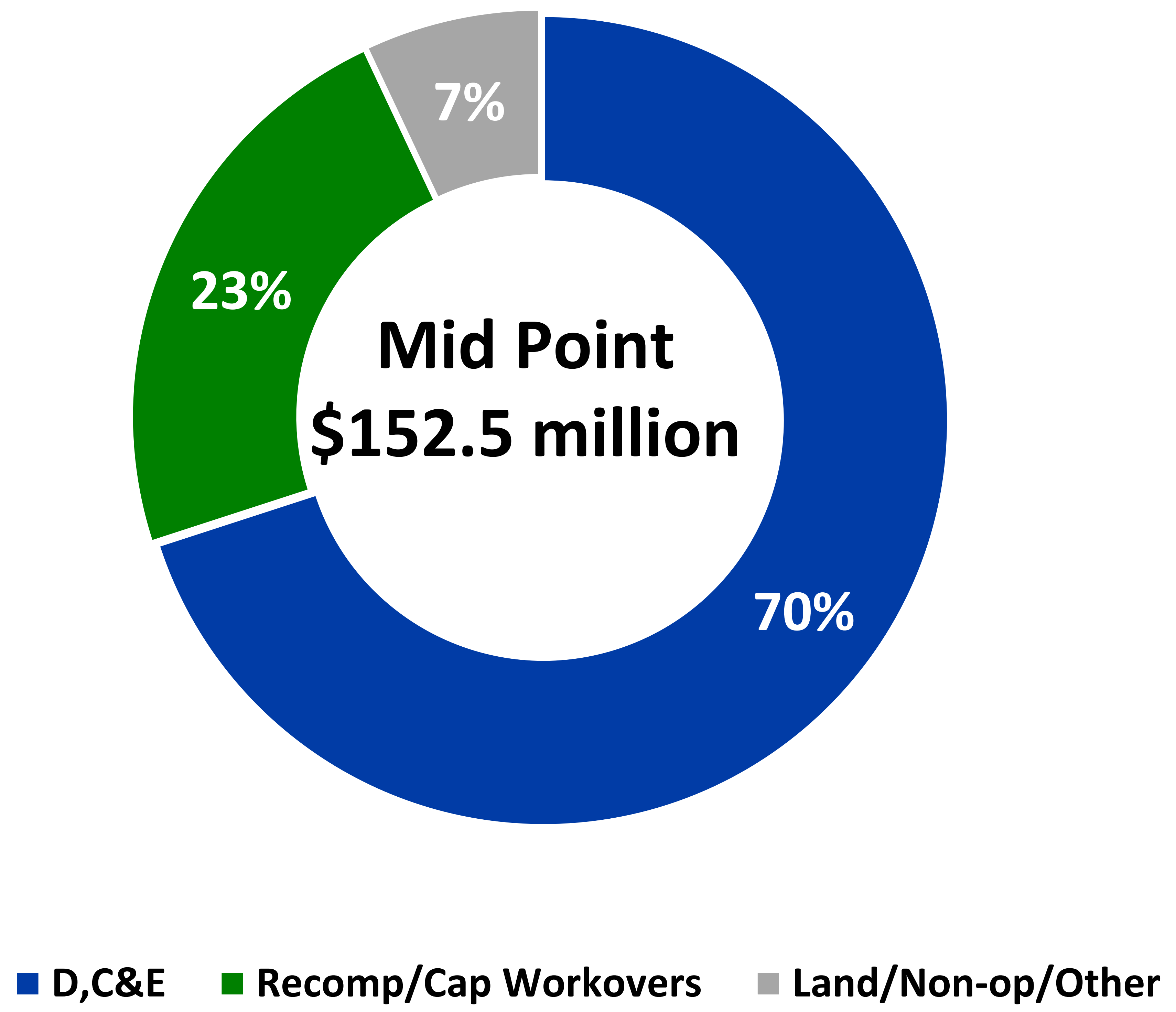
Financial Overview

2023 Guidance

Grow Production, Generate FCF, Pay Down Debt

Sales Volumes	Q1 2023	FY 2023
Total (Boe/d)	17,800 – 18,300	17,800 – 18,800
Oil (%)	68%	66-70%
Gas (%)	17%	16-18%
NGLs (%)	15%	14-16%
Capital Spending		
Capital spending[1] (millions)	\$36 – \$40	\$135 – \$170
New Horizontal (Hz) wells drilled	4	12 – 15
New Vertical wells drilled	3	12 – 25
Wells completed and online	5-7	24 - 40
Operating Expenses		
LOE (per Boe)	\$11.00 – \$11.50	\$11.00 – \$11.60

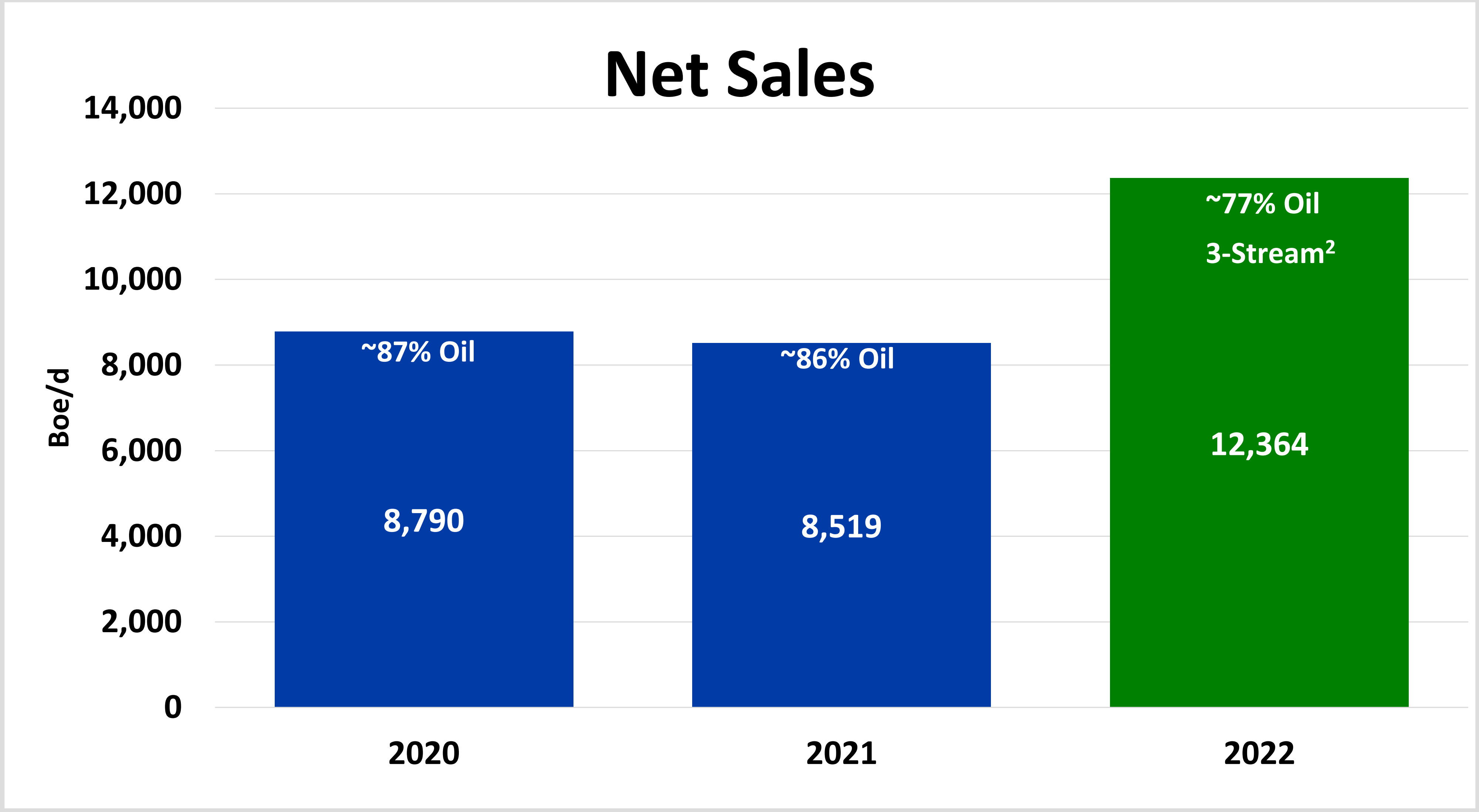
CAPEX Allocation

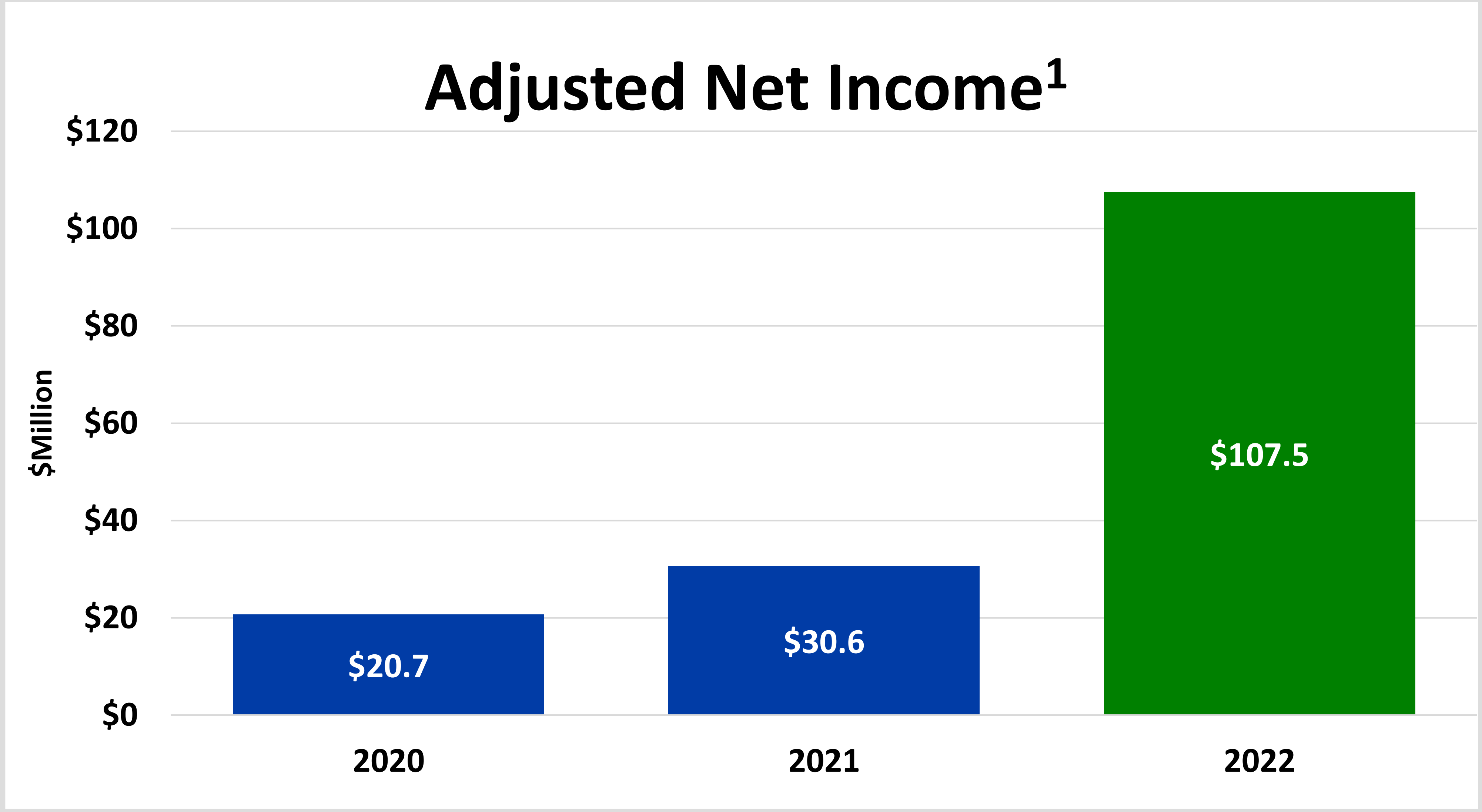


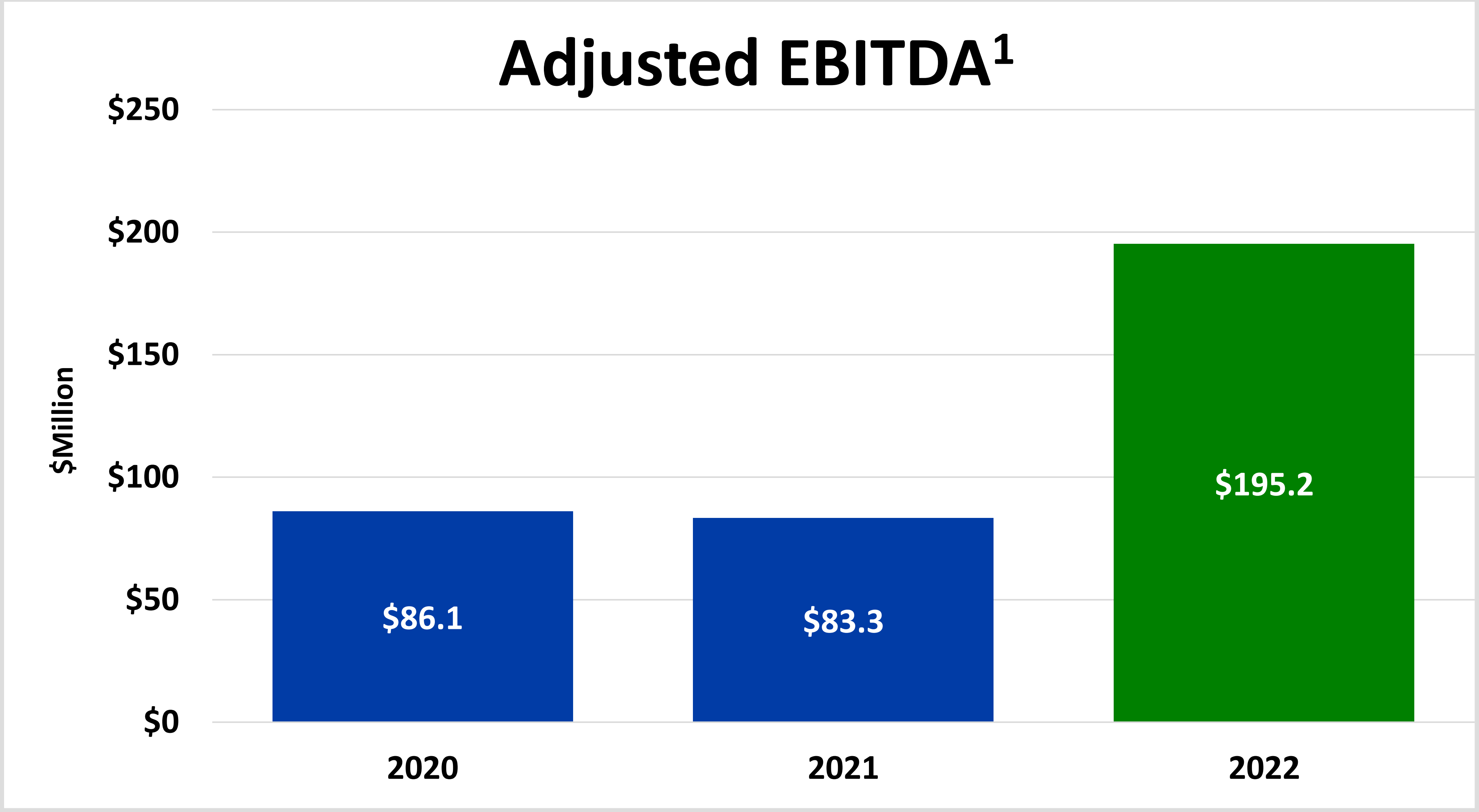
1. In addition to Company-directed drilling and completion activities, the capital spending outlook includes funds for targeted well reactivations, recompletions, workovers, infrastructure upgrades, and continuing the Company's successful CTR program in its NWS and CBP areas. Also included is anticipated spending for lease costs, contractual drilling obligations and non-operated drilling, completion and capital workovers.

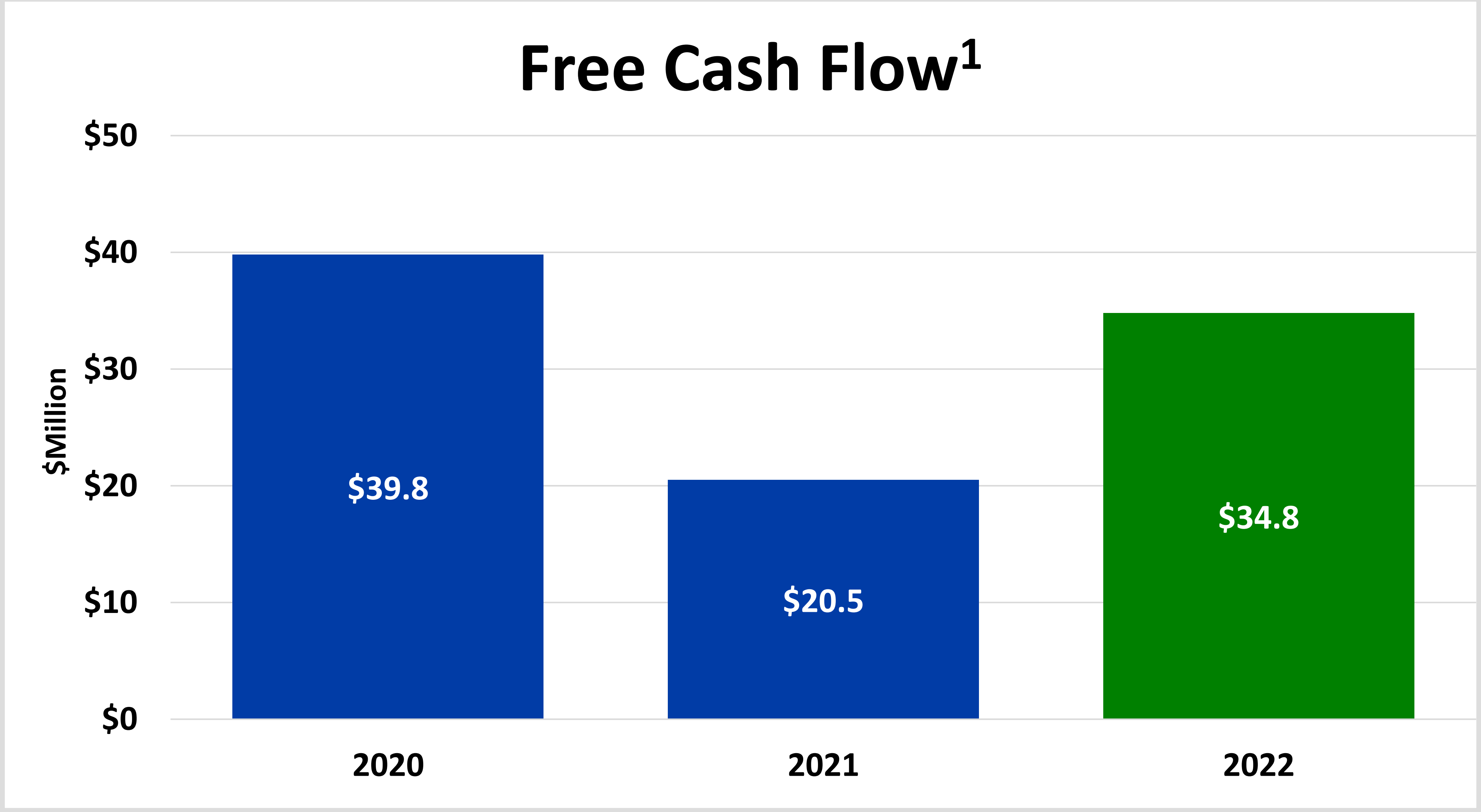
Sustainable Value Focused Results

Executing Disciplined Strategy





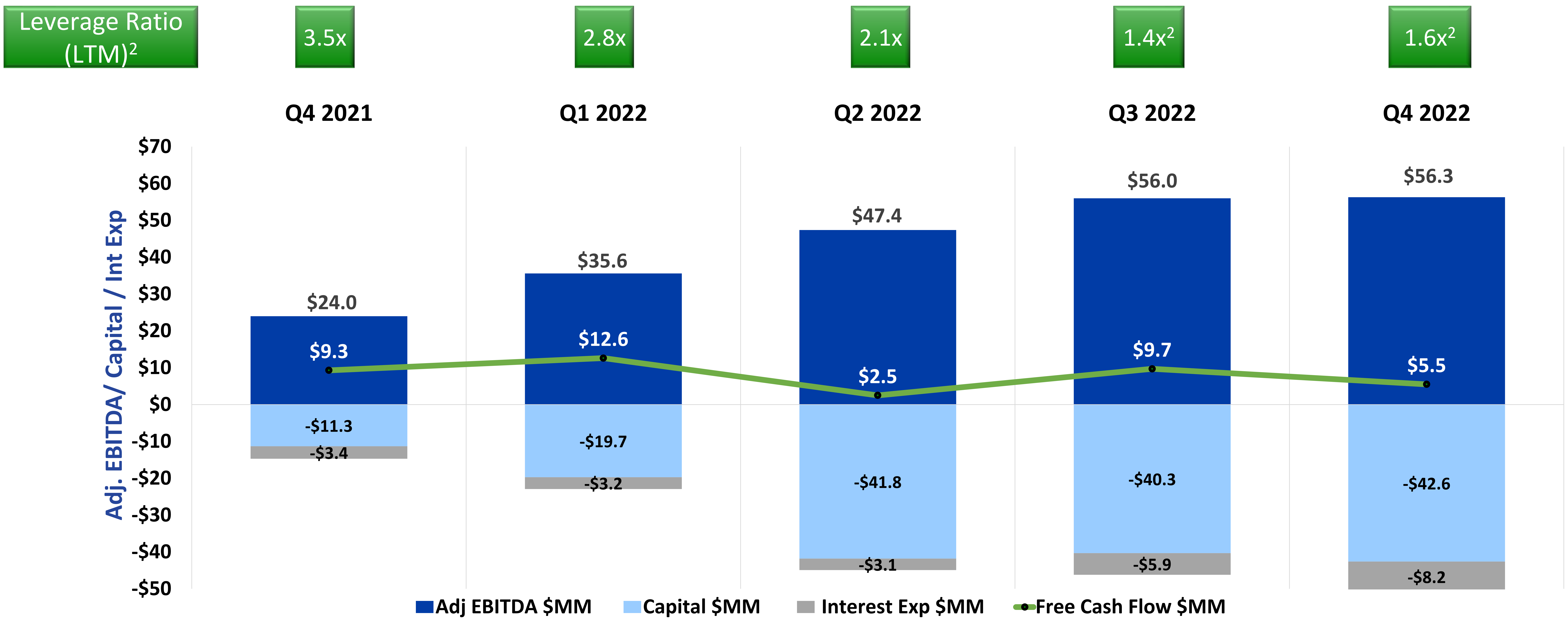




1. *Adjusted Net Income, Adjusted EBITDA and Free Cash Flow are Non-GAAP financial measures.* See Appendix for reconciliation to GAAP measures
2. Company conversion from 2-stream to 3-stream financial reporting of oil, natural gas and NGL production beginning July 1, 2022

Historical Metrics

Quarterly Analysis of FCF[1]

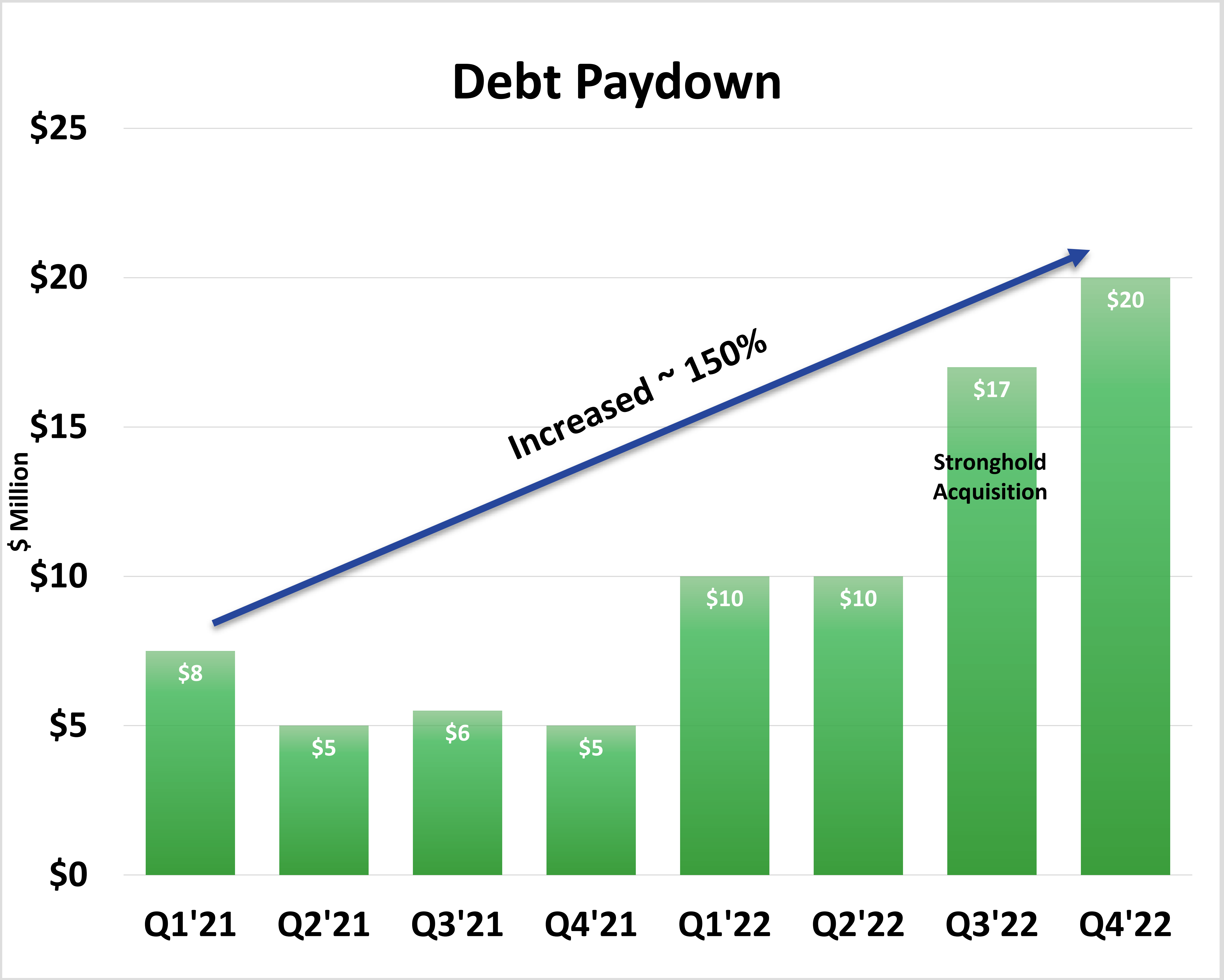


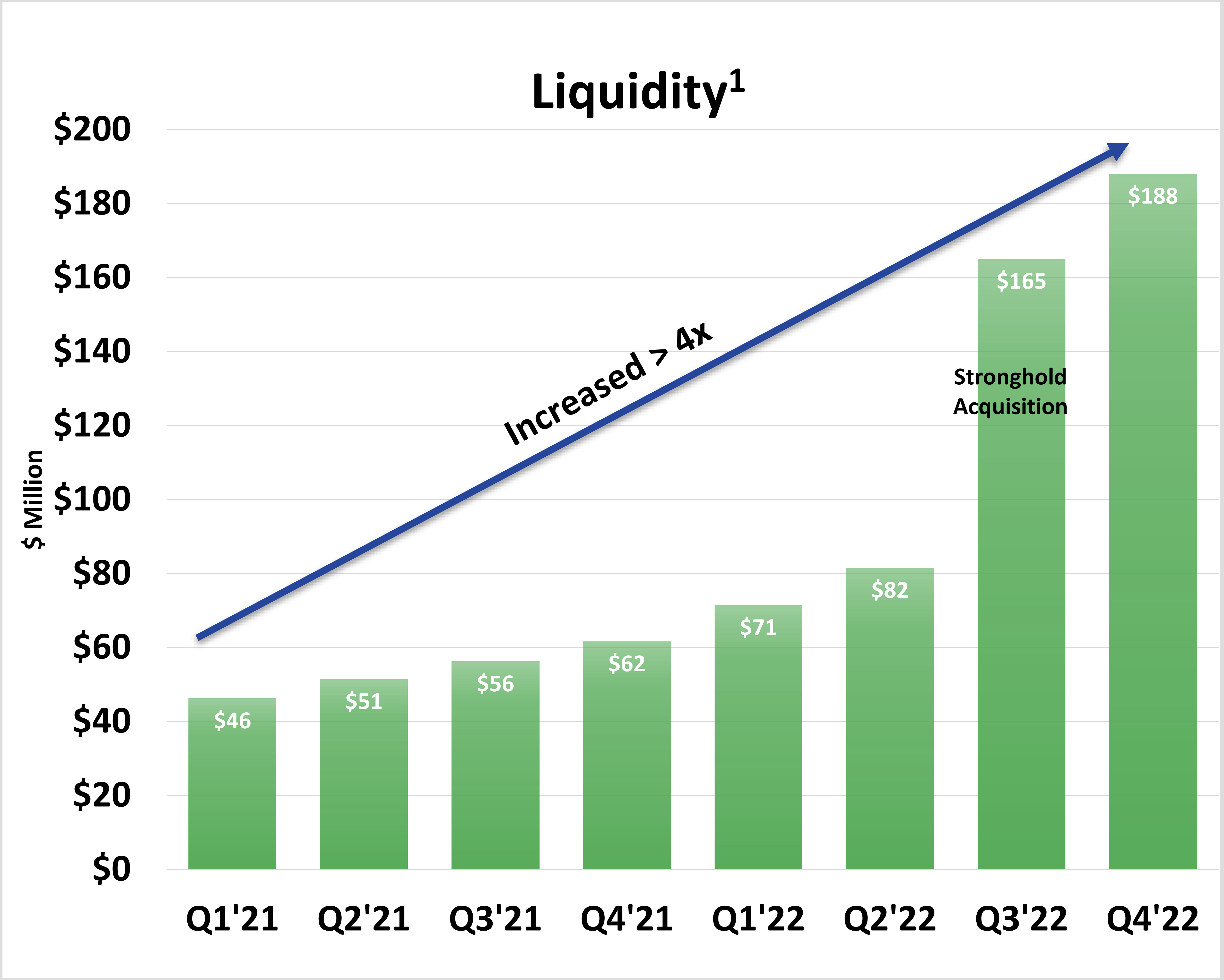
Disciplined and Efficient Capital Spending Focused on Sustainably Generating FCF Enhances Our Unrelenting Goal to Strengthen the Balance Sheet

1. *Adjusted EBITDA, Free Cash Flow and Cash Flow from Operations are Non-GAAP financial measures. See Appendix for reconciliation to GAAP measures*
2. Leverage ratio based on annualized third & fourth quarter Adjusted EBITDA adjusted for the pro-forma effects of the Stronghold acquisition from the beginning of the quarters as per credit agreement. Adjusted EBITDDA is a Non-GAAP financial measure. See Appendix for reconciliation to GAAP measure

Reducing Debt & Increasing Liquidity

Disciplined Capital Spending & Sustainably Generating FCF is the Key





1. Liquidity is defined as cash on hand and available borrowings under the Company's RBL

Financial Overview
Derivative Summary

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Annual 2023	Annual 2024
			Oil Hedges (WTI)			
Swaps:						
Hedged volume (BBL)	45,000	68,250	138,000	138,000	389,250	894,000
Weighted average swap price	$ 84.64	$ 81.73	$ 76.19	$ 74.52	$ 77.55	$ 66.94
Deferred premium puts:						
Hedged volume (BBL)	270,000	227,500	138,000	138,000	773,500	91,000
Weighted average strike price	$ 92.74	$ 90.65	$ 89.70	$ 87.43	$ 90.64	$ 83.75
Weighted average deferred premium price	$ 14.02	$ 15.32	$ 16.15	$ 16.66	$ 15.25	$ 17.32
Two-way collars:						
Hedged volume (BBL)	130,724	124,450	119,163	113,285	487,622	475,350
Weighted average put price	$ 52.25	$ 52.18	$ 52.12	$ 52.07	$ 62.16	$ 67.88
Weighted average call price	$ 63.28	$ 63.01	$ 62.80	$ 62.60	$ 62.94	$ 83.32
Three-way collars:						
Hedged volume (BBL)	17,421	16,800	16,242	15,598	66,061	-
Weighted average first put price	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ 45.00	$ -
Weighted average second put p	$ 55.00	$ 55.00	$ 55.00	$ 55.00	$ 55.00	$ -
Weighted average call price	$ 80.05	$ 80.05	$ 80.05	$ 80.05	$ 80.05	$ -

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Annual 2023	Annual 2024
		Gas Hedges (Henry Hub)				
NYMEX Swaps:						
Hedged volume (mmBtu)	29,098	44,232	43,537	43,023	159,890	552,000
Weighted average swap price	$ 2.40	$ 2.40	$ 2.40	$ 2.40	$ 2.40	$ 4.61
Two-way collars:						
Put Hedged volume (mmBtu)	431,522	635,479	611,318	579,998	2,258,317	1,712,250
Weighted average put price	$ 3.21	$ 3.19	$ 3.17	$ 3.15	$ 3.18	$ 4.00
Call Hedged volume (mmBtu)	313,522	635,479	611,318	579,998	2,140,317	1,712,250
Weighted average call price	$ 6.89	$ 4.58	$ 4.54	$ 4.50	$ 4.89	$ 6.29

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Annual 2023	Annual 2024
		Gas Hedges (basis differential)				
Waha basis swaps:						
Hedged volume (mmBtu)	344,348	338,461	332,855	324,021	1,339,685	-
Weighted average swap price	(2)	(2)	(2)	(2)	(2)	-
Weighted average swap price	$ 0.55	$ 0.55	$ 0.55	$ 0.55	$ 0.55	$ -

(1) The two-way collars for February and March of 2023 include 2x1 collars where the put volumes of 236,000 are two times the call volumes of 118,000.
(2) The WAHA basis swaps in place for the calendar year of 2023 consist of two derivative contracts, each with a fixed price of the Henry Hub natural gas price less a fixed amount (weighted average of $0.55 per MMBtu).

Income Statement and Operational Stats

Income Statement

	(Unaudited) Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Oil, Natural Gas, and Natural Gas Liquids Revenues	$ 99,697,682	$ 94,408,948	$ 59,667,156	$ 347,249,537	$ 196,305,966
Costs and Operating Expenses					
Lease operating expenses	17,411,645	13,029,098	7,678,140	47,695,351	30,312,399
Gathering, transportation and processing costs	(16,223)	—	1,449,884	1,830,024	4,333,232
Ad valorem taxes	1,570,039	1,199,385	131,663	4,670,617	2,276,463
Oil and natural gas production taxes	5,186,644	4,563,519	2,831,560	17,125,982	9,123,420
Depreciation, depletion and amortization	20,885,774	14,324,502	10,474,159	55,740,767	37,167,967
Ceiling test impairment	—	—	—	—	—
Asset retirement obligation accretion	365,747	243,140	183,383	983,432	744,045
Operating lease expense	113,138	83,590	83,591	363,908	523,487
General and administrative expense (including share-based comp.)	8,346,896	7,393,848	4,964,711	27,095,323	16,068,105
Total Costs and Operating Expenses	53,863,660	40,837,082	27,797,091	155,505,404	100,549,118
Income (Loss) from Operations	45,834,022	53,571,866	31,870,065	191,744,133	95,756,848
Other Income (Expense)					
Interest income	—	4	—	4	1
Interest (expense)	(9,468,684)	(7,021,385)	(3,542,514)	(23,167,729)	(14,490,474)
Gain (loss) on derivative contracts	(19,330,689)	32,851,189	(4,266,942)	(21,532,659)	(77,853,141)
Net Other Income (Expense)	(28,799,373)	25,829,808	(7,809,456)	(44,700,384)	(92,343,614)
Income (Loss) Before Provision for Income Taxes	17,034,649	79,401,674	24,060,609	147,043,749	3,413,234
Benefit from (Provision for) Income Taxes	(2,541,980)	(4,315,783)	51,601	(8,408,724)	(90,342)
Net Income (Loss)	$ 14,492,669	$ 75,085,891	$ 24,112,210	$ 138,635,025	$ 3,322,892
Basic Earnings (Loss) per share	$ 0.09	$ 0.65	$ 0.24	$ 1.14	$ 0.03
Diluted Earnings (Loss) per share	$ 0.08	$ 0.49	$ 0.20	$ 0.98	$ 0.03
Basic Weighted-Average Shares Outstanding	162,743,445	115,376,280	99,789,095	121,264,175	99,387,028
Diluted Weighted-Average Shares Outstanding	178,736,799	151,754,998	123,297,240	141,754,668	121,193,175

Operational Stats

	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net sales volumes:					
Oil (Bbls)	1,121,371	932,770	715,163	3,459,840	2,686,939
Natural gas (Mcf)	1,680,401	952,762	761,682	4,088,642	2,535,188
Natural gas liquids (Bbls)(1)	241,277	130,052	—	371,329	—
Total oil, natural gas and natural gas liquids (Boe)(1)(2)	1,642,715	1,221,616	842,110	4,512,610	3,109,470
% Oil	68 %	76 %	85 %	77 %	86 %
% Natural Gas	17 %	13 %	15 %	15 %	14 %
% Natural Gas Liquids	15 %	11 %	— %	8 %	— %
Average daily equivalent sales (Boe/d)	17,856	13,278	9,153	12,364	8,519
Average realized sales prices:					
Oil ($/Bbl)	81.62	92.64	76.35	92.80	67.56
Natural gas ($/Mcf)	2.39	4.89	6.65	4.57	5.83
Natural gas liquids ($/Bbls)	17.21	25.68	0.00	20.18	0.00
Barrel of oil equivalent ($/Boe)	60.69	77.28	70.85	76.95	63.14
Average costs and expenses per Boe ($/Boe):					
Lease operating expenses	10.60	10.67	9.12	10.57	9.75
Gathering, transportation and processing costs	(0.01)	—	1.72	0.41	1.39
Ad valorem taxes	0.96	0.98	0.16	1.04	0.73
Oil and natural gas production taxes	3.16	3.74	3.36	3.80	2.93
Depreciation, depletion and amortization	12.71	11.73	12.44	12.35	11.95
Ceiling test impairment	—	—	—	—	—
Asset retirement obligation accretion	0.22	0.20	0.22	0.22	0.24
Operating lease expense	0.07	0.07	0.10	0.08	0.17
General and administrative expense (including share-based compensation)	5.08	6.05	5.90	6.00	5.17
General and administrative (excluding share-based compensation)	3.74	4.79	4.79	4.42	4.39
General and administrative (excluding SBC and transaction costs)	3.14	3.85	4.79	3.94	4.39

(1) Beginning July 1, 2022, revenues were reported on a three-stream basis, separately reporting crude oil, natural gas, and natural gas liquids volumes and sales. For periods prior to July 1, 2022, volumes and sales for natural gas liquids were presented with natural gas.

(2) Boe is determined using the ratio of six Mcf of natural gas to one Bbl of oil (totals may not compute due to rounding). The conversion ratio does not assume price equivalency and the price on an equivalent basis for oil, natural gas, and natural gas liquids may differ significantly.

Balance Sheet and Cash Flow Statement

Balance Sheet

	(Unaudited) December 31, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,712,526	$ 2,408,316
Accounts receivable	42,448,719	24,026,807
Joint interest billing receivable	983,802	2,433,811
Derivative assets	4,669,162	—
Inventory	9,250,717	—
Prepaid expenses and other assets	2,101,538	938,029
Total Current Assets	63,166,464	29,806,963
Properties and Equipment		
Oil and natural gas properties, full cost method	1,463,838,595	883,844,745
Financing lease asset subject to depreciation	3,019,476	1,422,487
Fixed assets subject to depreciation	3,147,125	2,089,722
Total Properties and Equipment	1,470,005,196	887,356,954
Accumulated depreciation, depletion and amortization	(289,935,259)	(235,997,307)
Net Properties and Equipment	1,180,069,937	651,359,647
Operating lease asset	1,735,013	1,277,253
Derivative assets	6,129,410	—
Deferred financing costs	17,898,973	1,713,466
Total Assets	$ 1,268,999,797	$ 684,157,329
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 111,398,268	$ 46,233,452
Income tax liability	—	—
Financing lease liability	709,653	316,514
Operating lease liability	398,362	290,766
Derivative liabilities	13,345,619	29,241,588
Notes payable	499,880	586,410
Deferred cash payment	14,807,276	—
Total Current Liabilities	141,159,058	76,668,730
Non-current Liabilities		
Deferred income taxes	8,499,016	90,292
Revolving line of credit	415,000,000	290,000,000
Financing lease liability, less current portion	1,052,479	343,727
Operating lease liability, less current portion	1,473,897	1,138,319
Derivative liabilities	10,485,650	—
Asset retirement obligations	30,226,306	15,292,054
Total Liabilities	607,896,406	383,533,122
Stockholders' Equity		
Preferred stock - $0.001 par value; 50,000,000 shares authorized; no shares issued or outstanding	—	—
Common stock - $0.001 par value; 225,000,000 shares authorized; 175,530,212 shares and 100,192,562 shares issued and outstanding, respectively	175,530	100,193
Additional paid-in capital	775,241,114	553,472,292
Accumulated deficit	(114,313,253)	(252,948,278)
Total Stockholders' Equity	661,103,391	300,624,207
Total Liabilities and Stockholders' Equity	$ 1,268,999,797	$ 684,157,329

Cash Flow

	(Unaudited) Three Months Ended December 31, 2022	September 30, 2022	December 31, 2021	Twelve Months Ended December 31, 2022	December 31, 2021
Cash Flows From Operating Activities					
Net income (loss)	$ 14,492,669	$ 75,085,891	$ 24,112,210	$138,635,025	$ 3,322,892
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, depletion and amortization	20,885,774	14,324,503	10,474,159	55,740,767	37,167,967
Ceiling test impairment	—	—	—	—	—
Asset retirement obligation accretion	365,747	243,140	183,383	983,432	744,045
Amortization of deferred financing costs	1,222,400	1,095,073	169,349	2,706,021	665,882
Share-based compensation	2,198,043	1,543,033	933,593	7,162,231	2,418,323
Bad debt expense	242,247	—	—	242,247	—
Shares issued for services	—	—	—	—	—
Deferred income tax expense (benefit)	2,890,984	4,279,047	123,536	8,720,992	265,479
Excess tax expense (benefit) related to share-based compensation	(312,268)	—	(175,187)	(312,268)	(175,187)
(Gain) loss on derivative contracts	19,330,689	(32,851,189)	4,266,942	21,532,659	77,853,141
Cash received (paid) for derivative settlements, net	(13,932,072)	(14,861,116)	(19,490,022)	(62,525,954)	(52,768,154)
Changes in assets and liabilities:	—		—		
Accounts receivable	4,086,757	(6,907,079)	(4,466,561)	(17,214,150)	(9,483,639)
Inventory	(5,597,845)	—	—	(5,597,845)	—
Prepaid expenses and other assets	1,145,031	(40,823)	360,772	(1,163,509)	(541,920)
Accounts payable	16,816,386	27,144,096	7,119,652	50,808,461	15,449,215
Settlement of asset retirement obligation	(193,036)	(881,768)	(404,053)	(2,741,380)	(2,186,832)
Net Cash Provided by Operating Activities	63,641,506	68,172,808	23,207,773	196,976,729	72,731,212
Cash Flows From Investing Activities					
Payments for the Stronghold Acquisition	5,535,839	(183,359,626)	—	(177,823,787)	—
Payments to purchase oil and natural gas properties	(352,012)	(467,840)	(789,281)	(1,563,703)	(1,368,437)
Payments to develop oil and natural gas properties	(45,556,105)	(34,121,878)	(16,621,196)	(129,332,155)	(51,302,131)
Payments to acquire or improve fixed assets subject to depreciation	(161,347)	(66,838)	40,801	(319,945)	(568,832)
Sale of fixed assets subject to depreciation	—	—	—	134,600	—
Proceeds from divestiture of oil and natural gas properties	(1,366)	—	—	23,700	2,000,000
Net Cash (Used in) Investing Activities	(40,534,991)	(218,016,182)	(17,369,676)	(308,881,290)	(51,239,400)
Cash Flows From Financing Activities					
Proceeds from revolving line of credit	44,000,000	541,500,000	25,750,000	636,000,000	60,150,000
Payments on revolving line of credit	(64,000,000)	(376,500,000)	(30,750,000)	(511,000,000)	(83,150,000)
Proceeds from issuance of common stock and warrants	640,000	2,400,000	126,240	8,203,126	367,509
Proceeds from option exercise	—	—	200,000	—	200,000
Payments for taxes withheld on vested restricted shares	(256,715)	(6,790)	(385,330)	(521,199)	(385,330)
Proceeds from notes payable	78,051	316,677	64,580	1,323,354	1,297,718
Payments on notes payable	(455,802)	(333,341)	(335,321)	(1,409,884)	(711,308)
Payment of deferred financing costs	(129,026)	(18,762,502)	(27,931)	(18,891,528)	(104,818)
Reduction of financing lease liabilities	(161,064)	(103,392)	(118,965)	(495,098)	(325,901)
Net Cash (Used in) Financing Activities	(20,284,556)	148,510,652	(5,476,727)	113,208,771	(22,662,130)
Net Increase (Decrease) in Cash	2,821,959	(1,332,722)	361,370	1,304,210	(1,170,318)
Cash at Beginning of Period	890,567	2,223,289	2,046,946	2,408,316	3,578,634
Cash at End of Period	$ 3,712,526	$ 890,567	$ 2,408,316	$ 3,712,526	$ 2,408,316

Non-GAAP Disclosure

Certain financial information included in this Presentation are not measures of financial performance recognized by accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures are "Adjusted Net Income," "Adjusted EBITDA," "Free Cash Flow," "Cash Flow from Operations," "Return on Capital Employed" or "ROCE," and "Leverage." Management uses these non-GAAP financial measures in its analysis of performance. In addition, Adjusted EBITDA is a key metric used to determine the Company's incentive compensation awards. These disclosures may not be viewed as a substitute for results determined in accordance with GAAP and are not necessarily comparable to non-GAAP performance measures which may be reported by other companies.

Adjusted Net Income is calculated as net income minus the estimated after-tax impact of share-based compensation, ceiling test impairment, and unrealized loss (gain) on change in fair value of derivatives, plus the full valuation of the Company's deferred tax assets during the fourth quarter of 2020. Adjusted Net Income is presented because the timing and amount of these items cannot be reasonably estimated and affect the comparability of operating results from period to period, and current periods to prior periods.

The Company defines Adjusted EBITDA as net (loss) income plus net interest expense, unrealized loss on change in fair value of derivatives, ceiling test impairment, income tax (benefit) expense, depreciation, depletion and amortization and accretion, asset retirement obligation accretion and share-based compensation. Company management believes this Presentation is relevant and useful because it helps investors understand Ring's operating performance and makes it easier to compare its results with those of other companies that have different financing, capital and tax structures. Adjusted EBITDA should not be considered in isolation from or as a substitute for net income, as an indication of operating performance or cash flows from operating activities or as a measure of liquidity. Adjusted EBITDA, as Ring calculates it, may not be comparable to Adjusted EBITDA measures reported by other companies. In addition, Adjusted EBITDA does not represent funds available for discretionary use.

The Company defines Free Cash Flow as Adjusted EBITDA (defined above) less net interest expense (excluding amortization of deferred financing cost) and capital expenditures. For this purpose, the Company's definition of capital expenditures includes costs incurred related to oil and natural gas properties (such as drilling and infrastructure costs and the lease maintenance costs) and equipment, furniture and fixtures, but excludes acquisition costs of oil and gas properties from third parties that are not included in the Company's capital expenditures guidance provided to investors. Company management believes that Free Cash Flow is an important financial performance measure for use in evaluating the performance and efficiency of its current operating activities after the impact of accrued capital expenditures and net interest expense and without being impacted by items such as changes associated with working capital, which can vary substantially from one period to another. There is no commonly accepted definition for Free Cash Flow within the industry. Accordingly, Free Cash Flow, as defined and calculated by the Company, may not be comparable to Free Cash Flow or other similarly named non-GAAP measures reported by other companies. While the Company includes net interest expense in the calculation of Free Cash Flow, other mandatory debt service requirements of future payments of principal at maturity (if such debt is not refinanced) are excluded from the calculation of Free Cash Flow. These and other non-discretionary expenditures that are not deducted from Free Cash Flow would reduce cash available for other uses.

PV-10 is a financial measure not prepared in accordance with GAAP that differs from a measure under GAAP known as "standardized measure of discounted future net cash flows" in that PV-10 is calculated without including future income taxes. Management believes that the presentation of the PV-10 value of its oil and natural gas properties is relevant and useful to investors because it presents the estimated discounted future net cash flows attributable to its estimated proved reserves independent of its income tax attributes, thereby isolating the intrinsic value of the estimated future cash flows attributable to its reserves. Management believes the use of a pre-tax measure provides greater comparability of assets when evaluating companies because the timing and quantification of future income taxes is dependent on company-specific factors, many of which are difficult to determine. For these reasons, management uses and believes that the industry generally uses the PV-10 measure in evaluating and comparing acquisition candidates and assessing the potential rate of return on investments in oil and natural gas properties. PV-10 does not necessarily represent the fair market value of oil and natural gas properties. PV-10 is not a measure of financial or operational performance under GAAP, nor should it be considered in isolation or as a substitute for the standardized measure of discounted future net cash flows as defined under GAAP.

The Company also presents the non-GAAP financial measure Cash Flow from Operations. The Company defines Cash Flow from Operations as net cash provided by operating activities plus changes in operating assets and liabilities.

The Company defines Return on Capital Employed or ROCE as cash flow from operations adjusted for working capital divided by average debt and shareholder equity for the period.

The Company defines Leverage or the Leverage Ratio as [total debt or other debt amount] divided by the annualized third and fourth quarter Adjusted EBITDA as adjusted for the pro forma effects of the Stronghold Acquisition from the beginning of such quarters consistent with the Company's credit agreement.

The table below provides a reconciliation of PV-10 to the standardized measure of discounted future net cash flows as of December 31, 2022.

Oil (Bbl)	Natural Gas (Mcf)	Natural Gas Liquids (Bbl)	Total (Boe) (1)	Pre-Tax PV-10 Value (2)	Standardized Measure of Discounted Future Net Cash Flows
88,704,743	157,870,449	23,105,658	138,122,143	$ 2,773,656,500	$ 2,272,113,518

RING ENERGY

Non-GAAP Reconciliations

Adjusted Net Income	(Unaudited)				
	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Income (Loss)	$ 14,492,669	$ 75,085,891	$ 24,112,210	$ 138,635,025	$ 3,322,892
Share-based compensation	2,198,043	1,543,033	933,593	7,162,231	2,418,323
Ceiling test impairment	—	—	—	—	—
Unrealized loss (gain) on change in fair value of derivatives	5,398,617	(47,712,305)	(15,223,080)	(40,993,295)	25,084,987
Transaction costs - Stronghold Acquisition	993,027	1,142,963	—	2,135,990	—
Tax impact on adjusted items	(1,281,788)	2,447,351	30,646	536,088	(225,432)
Adjusted Net Income	$ 21,800,568	$ 32,506,933	$ 9,853,369	$ 107,476,039	$ 30,600,770
Weighted-Average Shares Outstanding	162,743,445	115,376,280	99,789,095	121,264,175	99,387,028
Adjusted Net Income per Share	$ 0.13	$ 0.28	$ 0.10	$ 0.89	$ 0.31

Adjusted EBITDA	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Income (Loss)	$ 14,492,669	$ 75,085,891	$ 24,112,210	$ 138,635,025	$ 3,322,892
Interest expense, net	9,468,684	7,021,385	3,542,514	23,167,729	14,490,473
Unrealized loss (gain) on change in fair value of derivatives	5,398,617	(47,712,305)	(15,223,080)	(40,993,295)	25,084,987
Ceiling test impairment	—	—	—	—	—
Income tax (benefit) expense	2,541,980	4,315,783	(51,601)	8,408,724	90,342
Depreciation, depletion and amortization	20,885,774	14,324,502	10,474,159	55,740,767	37,167,967
Asset retirement obligation accretion	365,747	243,140	183,383	983,432	744,045
Transaction costs - Stronghold Acquisition	993,027	1,142,963	—	2,135,990	—
Share-based compensation	2,198,043	1,543,033	933,593	7,162,231	2,418,323
Adjusted EBITDA	$ 56,344,541	$ 55,964,392	$ 23,971,178	$ 195,240,603	$ 83,319,029
Adjusted EBITDA Margin	57 %	59 %	40 %	56 %	42 %
Weighted-Average Shares Outstanding	162,743,445	115,376,280	99,789,095	121,264,175	99,387,028
Adjusted EBITDA per Boe	$ 34.30	$ 45.81	$ 28.47	$ 43.27	$ 26.80
Adjusted EBITDA per Share	$ 0.35	$ 0.49	$ 0.24	$ 1.61	$ 0.84

Free Cash Flow	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Adjusted EBITDA	$ 56,344,541	$ 55,964,392	$ 23,971,178	$ 195,240,603	$ 83,319,029
Net interest expense (excluding amortization of deferred financing costs)	(8,246,284)	(5,926,308)	(3,373,165)	(20,461,708)	(13,824,591)
Capital expenditures	(42,618,754)	(40,295,388)	(11,292,707)	(140,051,159)	(50,994,541)
Proceeds from divestiture of oil and natural gas properties	(1,366)	—	—	23,700	2,000,000
Free Cash Flow	$ 5,478,137	$ 9,742,696	$ 9,305,306	$ 34,751,436	$ 20,499,897

Cash Flow from Operations	Three Months Ended			Twelve Months Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net Cash Provided by Operating Activities	$ 63,641,506	$ 68,172,808	$ 23,207,773	$ 196,976,729	$ 72,731,212
Changes in operating assets and liabilities	(16,257,293)	(19,314,426)	(2,609,810)	(24,091,577)	(3,236,824)
Cash Flow from Operations	$ 47,384,213	$ 48,858,382	$ 20,597,963	$ 172,885,152	$ 69,494,388

ROCE	(Unaudited)		
	12/31/2022	12/31/2021	12/31/2020
Average Debt	$ 352,500,000	$ 301,500,000	$ 339,750,000
Average Equity	480,988,237	297,695,010	409,137,873
Average debt and shareholder equity	833,488,237	599,195,010	748,887,873
CFFO (Cash Flow From Operations) Calculation			
Total CFFO	$ 196,976,729	$ 72,731,212	$ 72,159,255
Less change in WC (Working Capital)	(24,091,577)	(3,236,824)	(2,418,446)
Total CFFO without WC	$ 172,885,152	$ 69,494,388	$ 69,740,809
CROCE (CFFO Adj for WC)/(Average D+E)	**20.7%**	**11.6%**	**9.3%**

COMPANY CONTACT

Al Petrie	(281) 975-2146 apetrie@ringenergy.com
Chris Delange	(281) 975-2146 cdelange@ringenergy.com

ANALYST COVERAGE

Alliance Global Partners (A.G.P.)	Jeff Grampp (713) 349-1067 jgrampp@allianceg.com
ROTH Capital Partners	John M. White (949) 720-7115 jwhite@roth.com
Truist Financial	Neal Dingmann (713) 247-9000 neal.dingmann@truist.com
Tuohy Brothers Investment	Noel Parks (215) 913-7320 nparks@tuohybrothers.com
Water Tower Research	Jeff Robertson (469) 343-9962 jeff@watertowerresearch.com

RING
ENERGY