



**VALUE FOCUSED**  
*PROVEN STRATEGY*

March 17, 2022



# 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 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: 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 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. Some of the factors that could cause actual results to differ materially from expected results are described under "Risk Factors" in our 2021 annual report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 16, 2021, and in our subsequent quarterly reports on Form 10-Q and current reports on Form 8-K. 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 (estimated ultimate recovery) of natural gas and oil 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," and "Cash Flow from Operations." 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.



# Ring Energy – Independent Oil & Gas Company

Currently Focused on Conventional Permian Assets in Texas & New Mexico

*Deliver competitive and sustainable returns by developing, acquiring, exploring for, and commercializing oil and natural gas resources VITAL TO THE WORLD'S HEALTH AND WELFARE*



**Consistently Generating Positive Cash Flow for 9 Qtrs.**



**Market Cap**  
~\$368 million<sup>3</sup>



**2021 Net Sales**  
8,519 Boe/d (86% Oil)



**Enterprise Value**  
~\$658 million<sup>3</sup>



**2021 SEC Proved Reserves<sup>1,2</sup>**  
77.8 MMBoe/PV10 \$1,332MM  
85% Oil



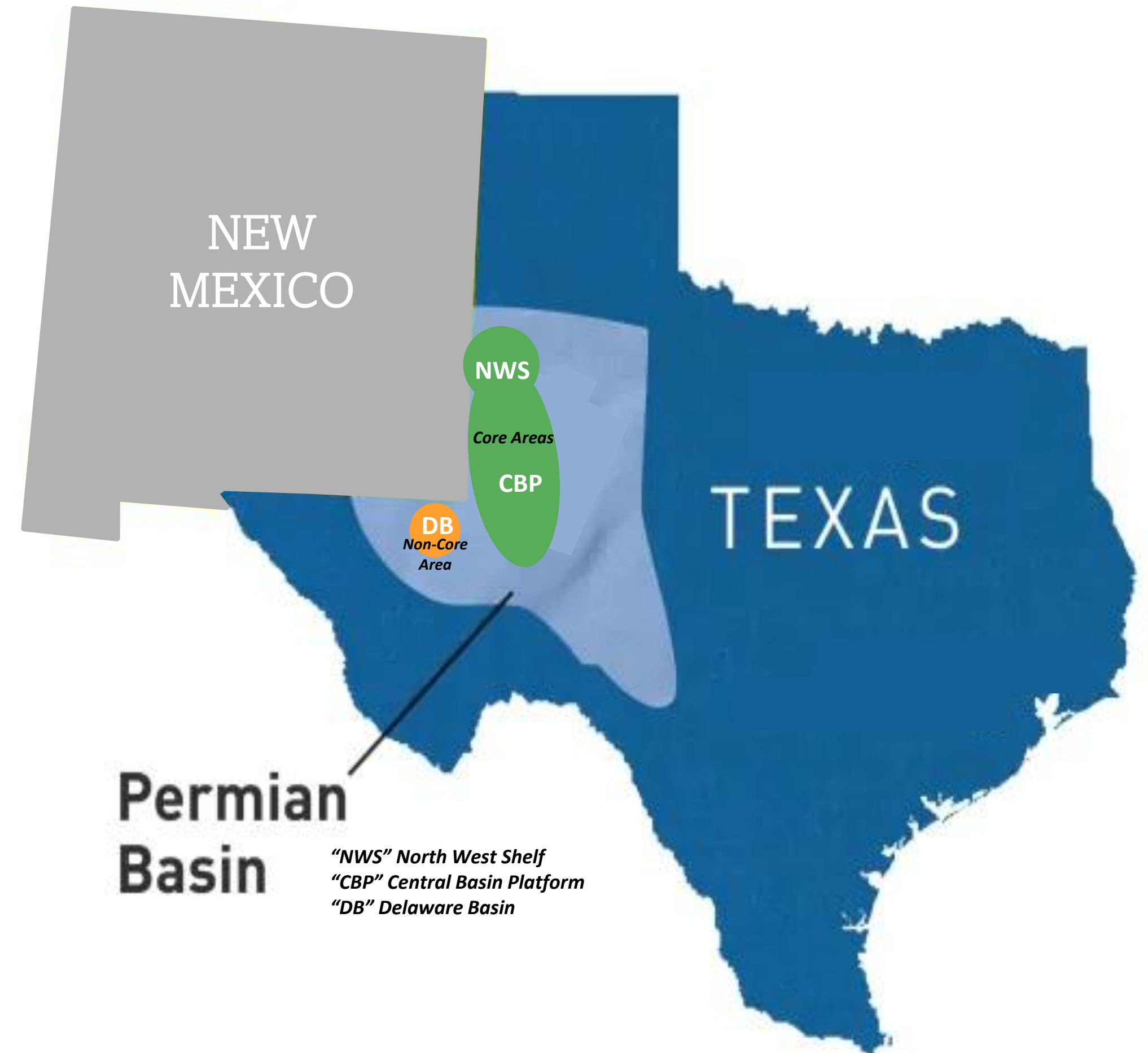
**REI**  
Closing Price \$3.21<sup>3</sup>  
52-week range \$1.81 - \$4.16



**Gross / Net Acres<sup>1</sup>**  
83,604 / 64,380



**REI**  
Avg. Daily Share  
Volume ~2.4 million<sup>3</sup>



**Permian Basin**

"NWS" North West Shelf  
"CBP" Central Basin Platform  
"DB" Delaware Basin



# Q4 2021 Highlights

## Executing our Strategy

- Grew net sales by 11% compared to Q3
- Adjusted EBITDA grew 21% over Q3
- Paid down debt by \$5.0 million utilizing a portion of Free Cash Flow
- Completed and placed on production 2 Phase IV wells (1 NWS & 1 CBP) on time and within budget
- Delivered net cash provided by operating activities of \$23.2 million

**Nearly 60% of the low-priced hedges rolled off December 31, 2021**

### Q4 2021 Highlights

**\$24.1 MM**  
*Net Income*

**\$9.3<sup>1</sup> MM**  
*Free Cash Flow*

**\$24.0<sup>1</sup> MM**  
*Adjusted EBITDA*

**\$5.0 MM**  
*Debt Repayment*

**9,153 Boe/d**  
(85% oil)  
*Net Sales per day*

**\$9.12<sup>2</sup>**  
*Lifting cost per Boe*



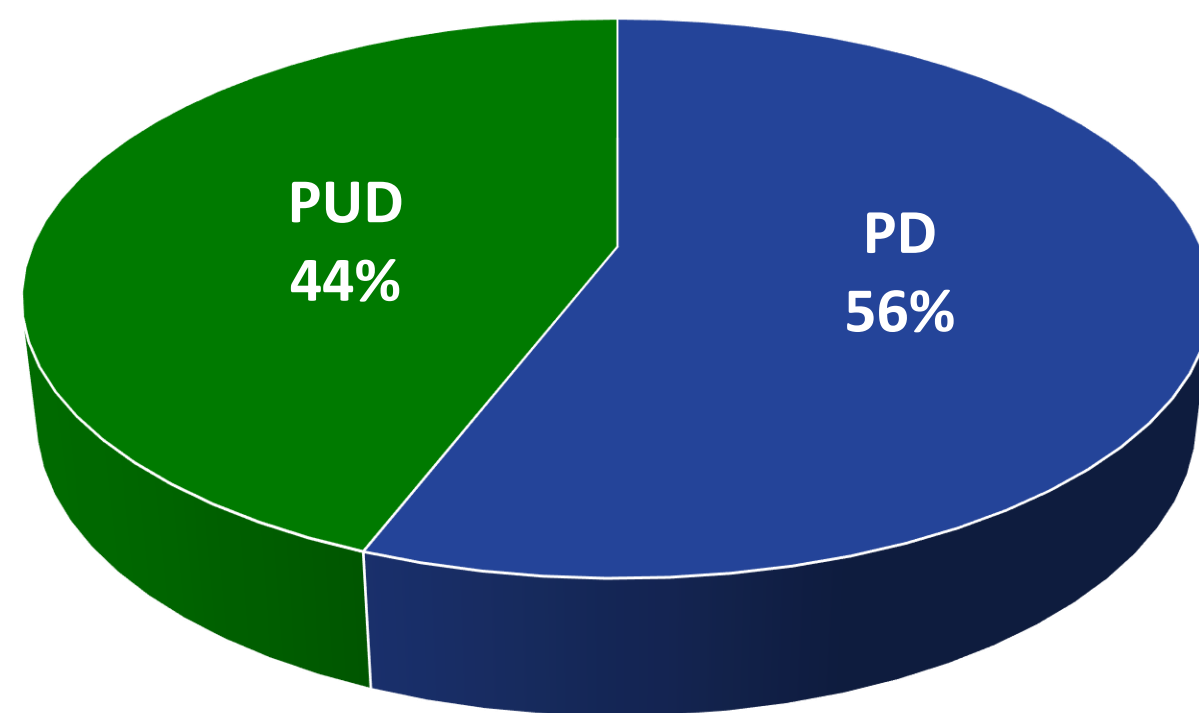
# SEC Proved Reserves<sup>1</sup>

## Year-End 2021

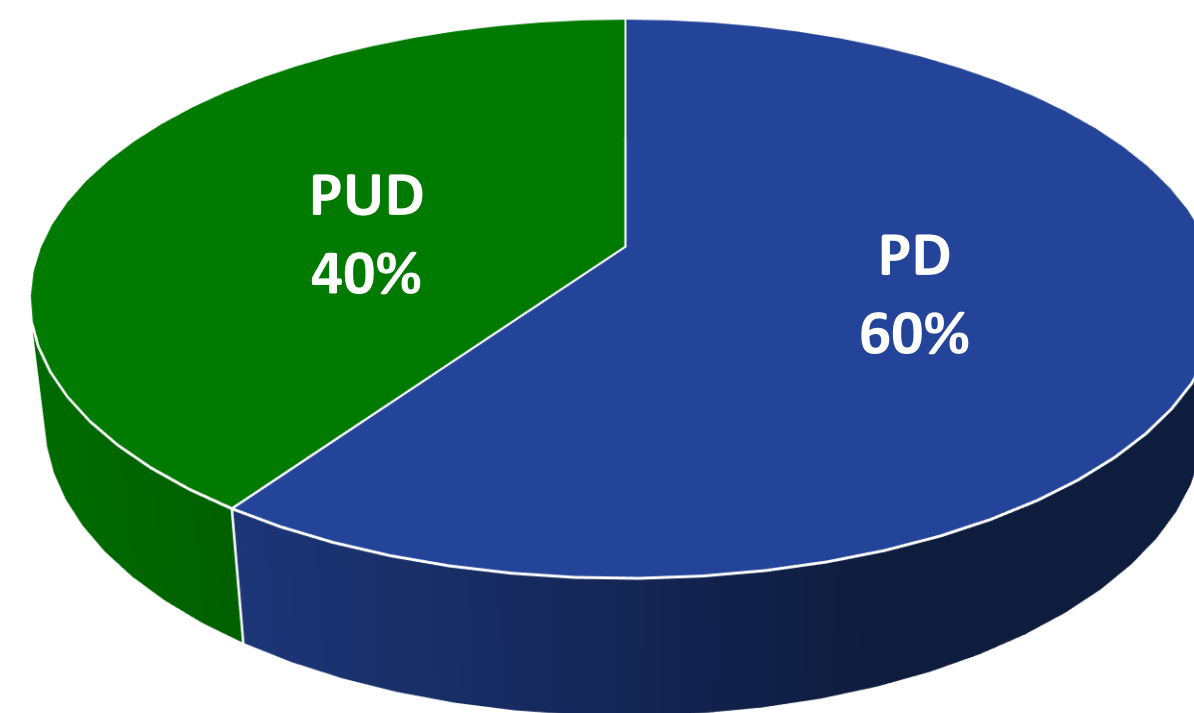
1P Summary	Reserve Category	Net Oil, MBbl	Net Gas, MMcf	Net MBOE	Net Capex, \$MM	PV-10 <sup>2</sup> , \$MM
	PD	36,821	39,749	43,446	\$31	\$795
	PUD	29,018	32,025	34,355	\$288	\$538
	<b>TOTAL</b>	<b>65,839</b>	<b>71,774</b>	<b>77,801</b>	<b>\$320</b>	<b>\$1,332</b>

2021 SEC Pricing	
Oil/\$Bbl	Gas \$/Mmbtu
<b>\$63.04</b>	<b>\$3.598</b>

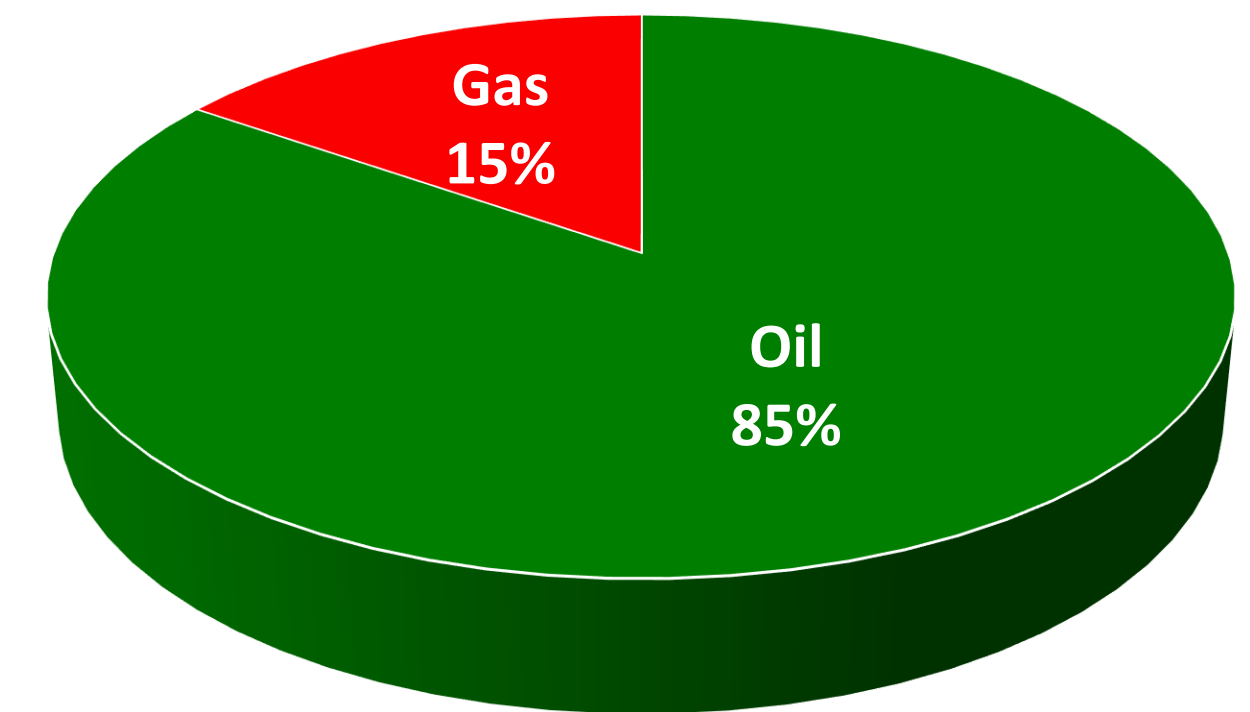
Reserves by Category (%)



Reserves by PV10 (\$MM)



Reserves by Product

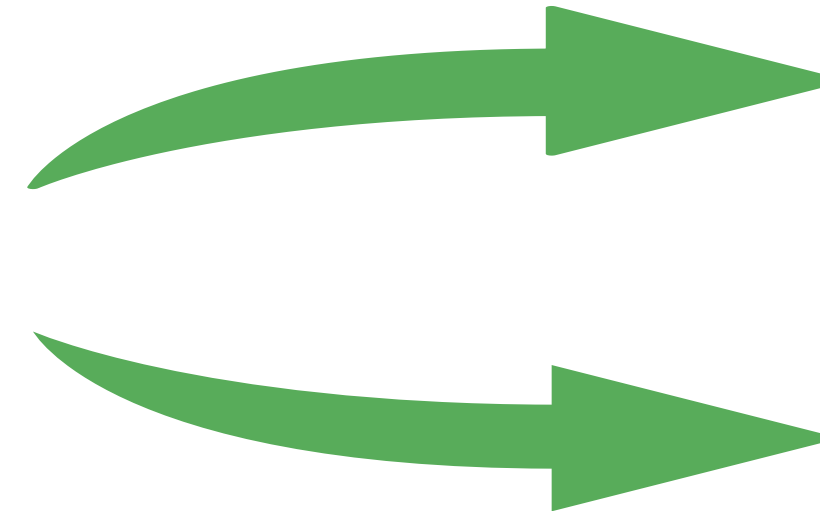




# 2021 Value-Focused Initiatives<sup>1</sup>

## Successfully Executed Proven Strategy

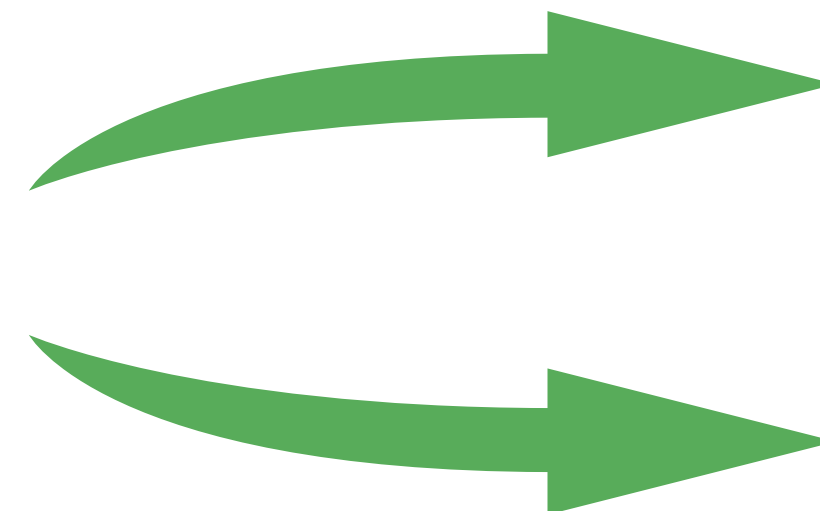
**Pursue Operational Excellence**



**Generated \$83.3MM in Adj. EBITDA**  
*(included burdensome ~ \$45/Bbl hedges)*

**Low Lifting Cost<sup>2</sup> at \$9.75/Boe**  
*Safe, Efficient, & Disciplined Execution*

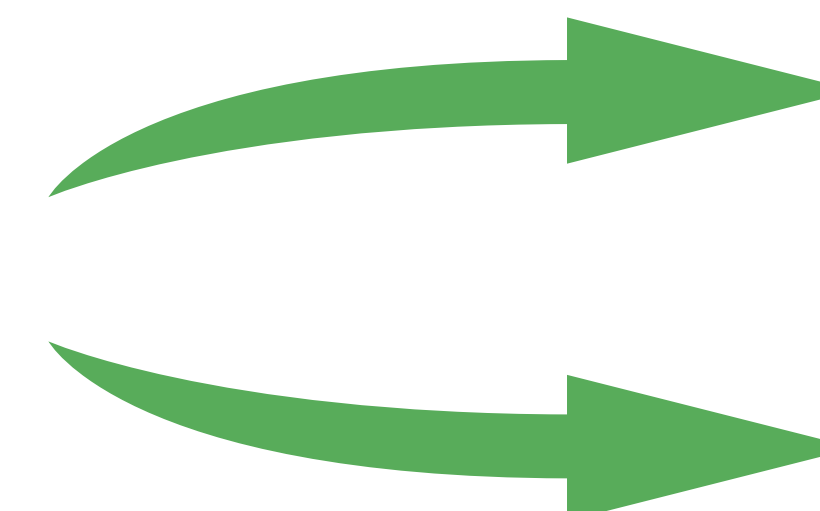
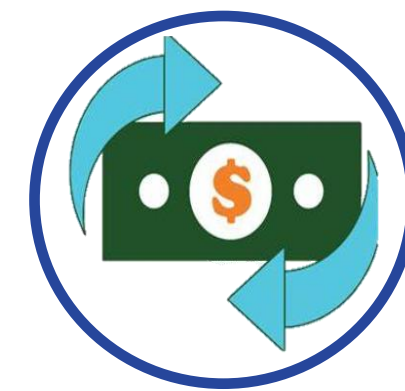
**Invest in High ROR Projects**



**Drilled 13 Successful Wells<sup>3</sup>**  
**Completed 15 Successful Wells<sup>3</sup>**

**Performed 25 Effective CTRs<sup>4</sup>**  
*Reducing long-term operating costs*

**Focus on FCF and Strengthening the Balance Sheet**



**Generated FCF \$20.5 MM FY'21**  
*Marking over 2 years of FCF*

**Reduced Debt by \$23 MM FY'21**  
*And \$85 MM since 2<sup>nd</sup> Qtr. 2020*

1. Source Ring FY 2021 Earnings press release  
 2. Lifting Cost ties to financials FY 2021 and does not include gathering, processing and transportation "GP&T" costs (\$11.14/Boe with GP&T)  
 3. Drilled 13 (10 HZ NWS & 3 HZ CBP) wells, completed 15 (12 HZ NWS & 3 HZ CBP) wells, participated in 2 Non-operated NWS HZ wells  
 4. CTR is convert to rod pump from ESP



# Committed to ESG

Issued Inaugural ESG Report in Q4 2021

## ENVIRONMENTAL



- Reducing our environmental impact, including GHG emissions, flaring and water management
- Sustainably extracting value by evaluating the economic and environmental aspects of each development opportunity

## SOCIAL



- Providing a safe work environment and corporate culture that promotes the health and well-being of all employees
- Investing in our workforce, the communities in which we operate, and future generations through social responsibility

## GOVERNANCE



- Committed to practicing sound corporate governance
- We recognize the importance of providing transparency of ESG-related matters
- Refreshed all charters, guidelines and bylaws in 2021

Focused on Driving the Long-Term Sustainability of the Business

# Asset Areas





# San Andres Reservoir

Proven, Conventional, Top Tier Returns

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

- Permian Basin has produced >30 BBbl,
  - San Andres accounts for 40%
- Low D&C costs<sup>1</sup> \$2.75 - \$3.8 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<sub>2</sub>

1. D&C capex range is for both 1.0 & 1.5 mile laterals and includes inflationary assumptions



# Northwest Shelf Asset Area

## Providing Significant Organic Growth



**4Q21 Avg Sales**  
6,173 Boe/d (81% Oil)



**Gross / Net Acres<sup>1</sup>**  
35,810 / 26,655

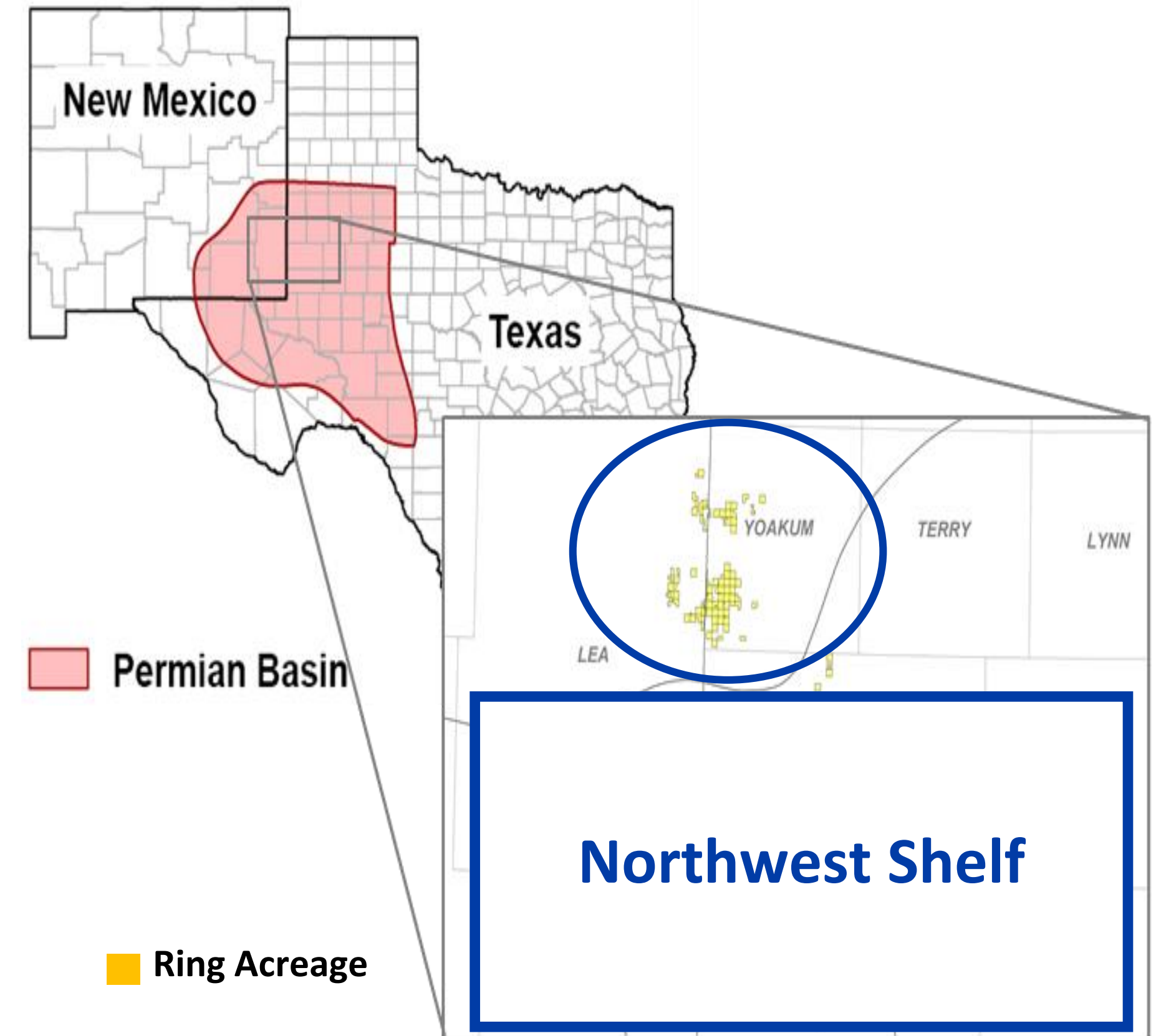


**2021 D&C**  
Completed 4 Phase I wells (~99% WI)  
Completed 3 Phase II wells (~74% WI)  
Completed 2 Phase III wells (~100% WI)  
Completed 1 Phase IV well (~75% WI)



**2021 CTR's**  
19 Conversions

- **Meaningful inventory of horizontal drilling locations**
- **Actively developing asset**
- **Low D&C and LOE costs drive strong economics**
- **Improving Drilling Efficiencies:**
  - 1 mile HZ well drill time spud to rig release and move to next location 7-9 days
  - 1.5 mile HZ well drill time spud to rig release and move to next location 10-12 days
  - Spud to Online in 45-60 days<sup>2</sup>
- **CTR program further reduces costs**

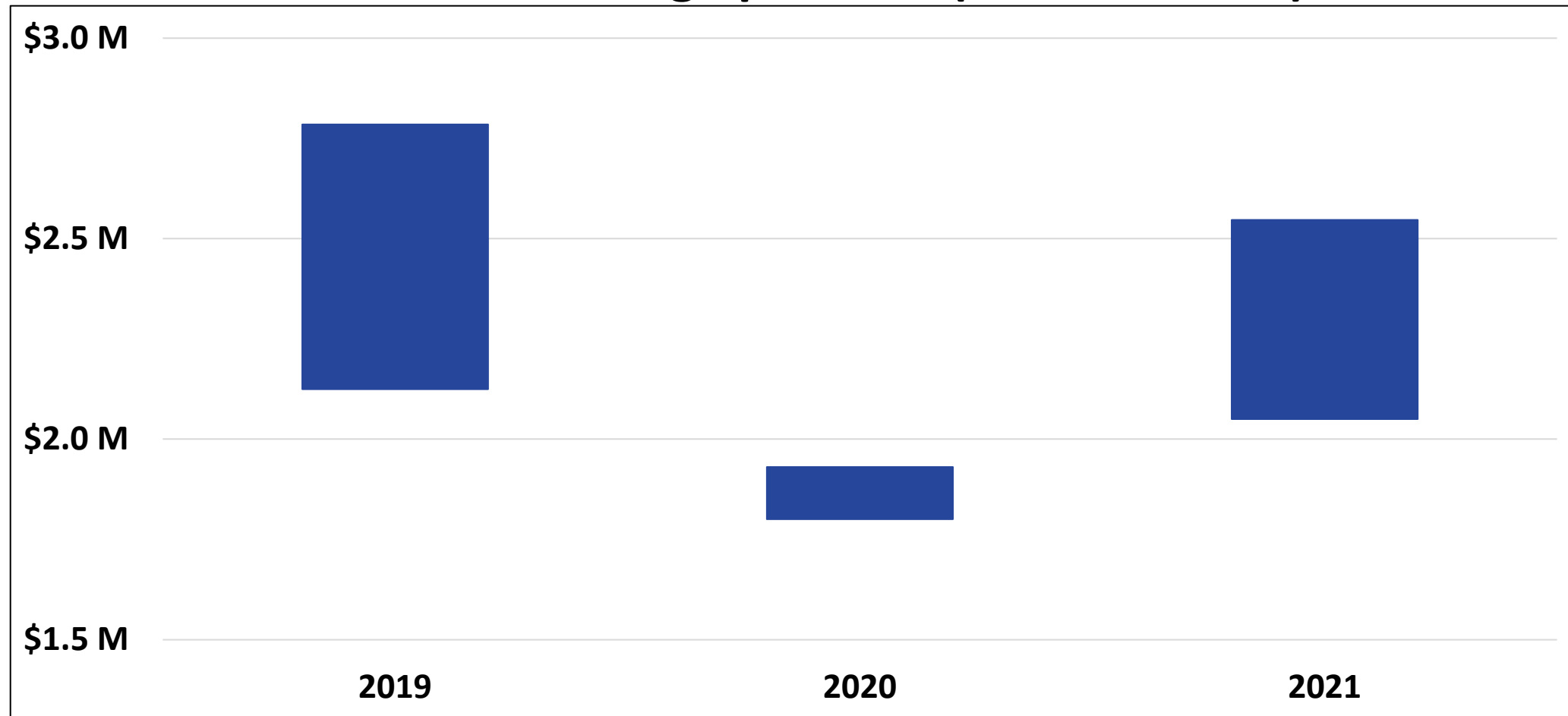




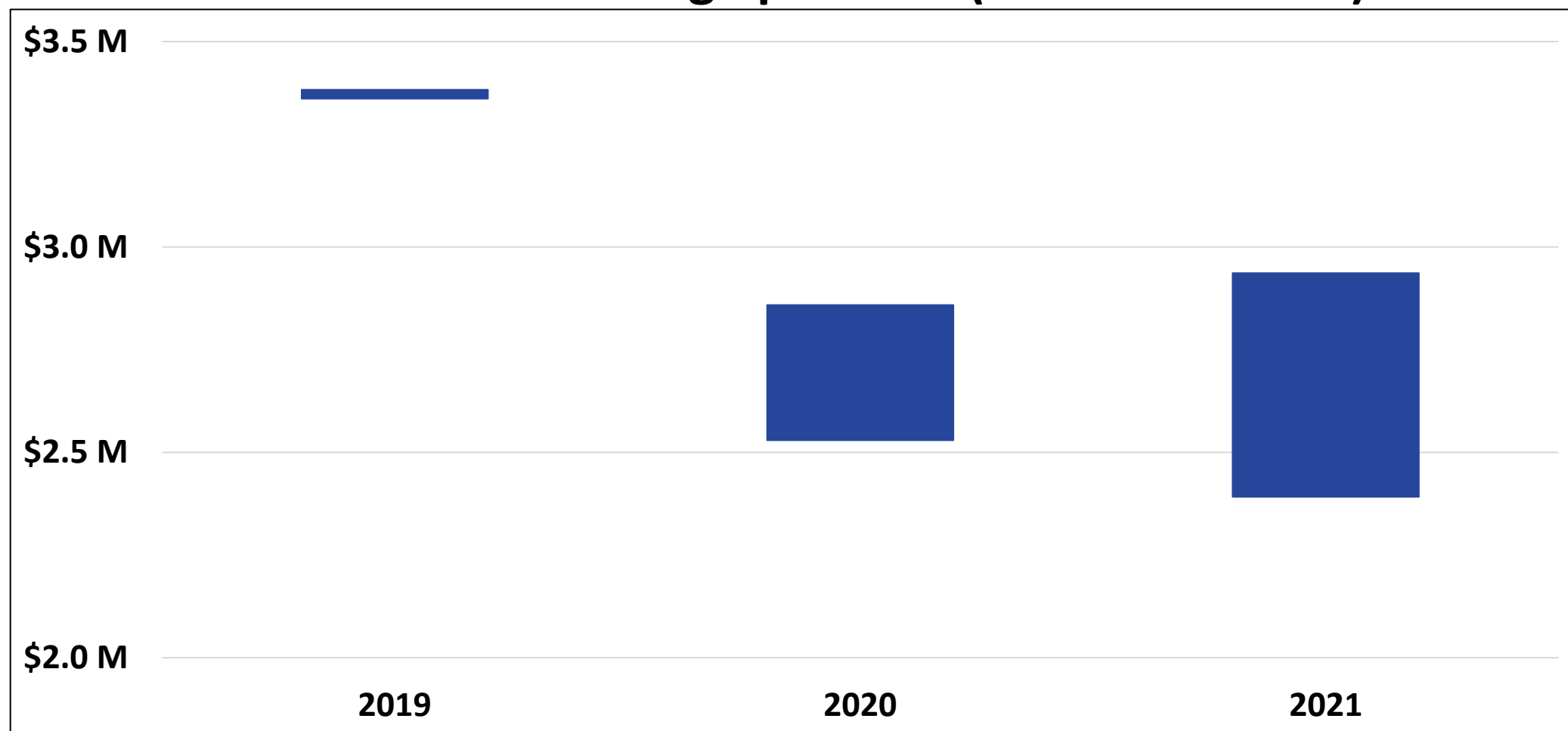
# NWS Well Performance & Costs

## Significant Improvements Driving Top Tier Returns

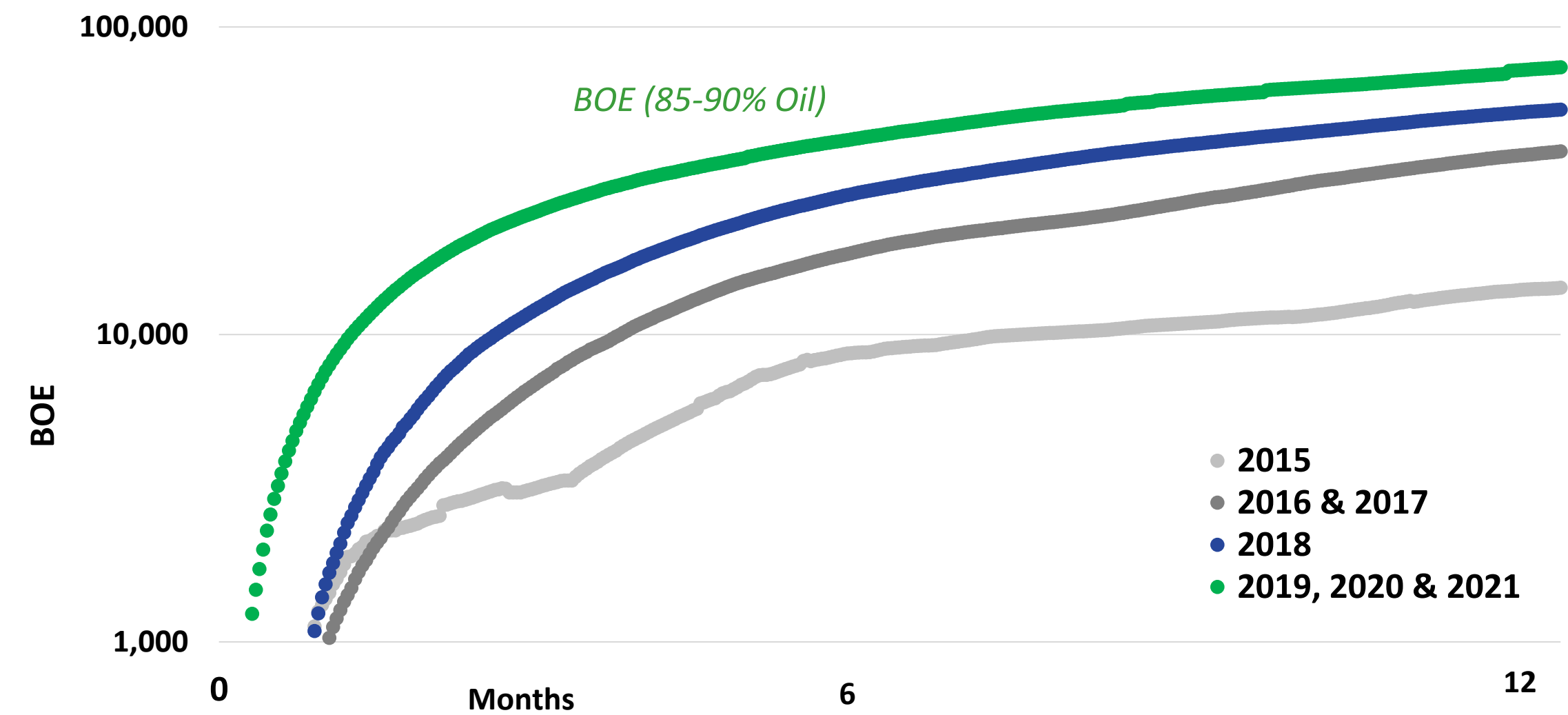
D&C Cost Range per Year (1 Mile Lateral)<sup>1</sup>



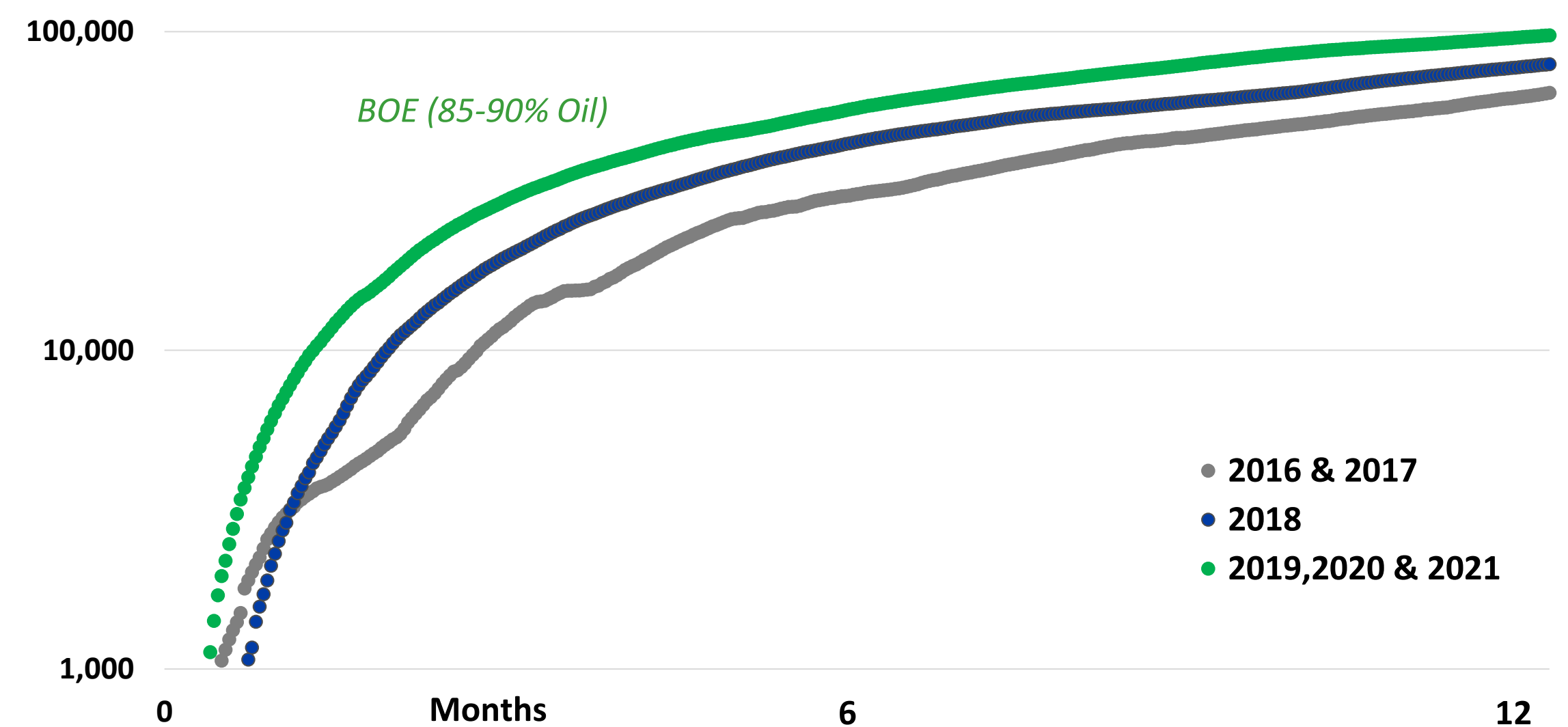
D&C Cost Range per Year (1.5 Mile Lateral)<sup>1</sup>



NWS HZ Performance Average – Cum BOE vs Time (1 Mile Lateral)<sup>2,3</sup>



NWS HZ Performance Average – Cum BOE vs Time (1.5 Mile Lateral)<sup>2,3</sup>





# Central Basin Platform Asset Area

## Technical Focus Reinvigorates Legacy Area



**4Q21 Avg Sales**  
2,574 Boe/d (95% Oil)



**Gross / Net Acres<sup>1</sup>**  
29,065 / 20,288

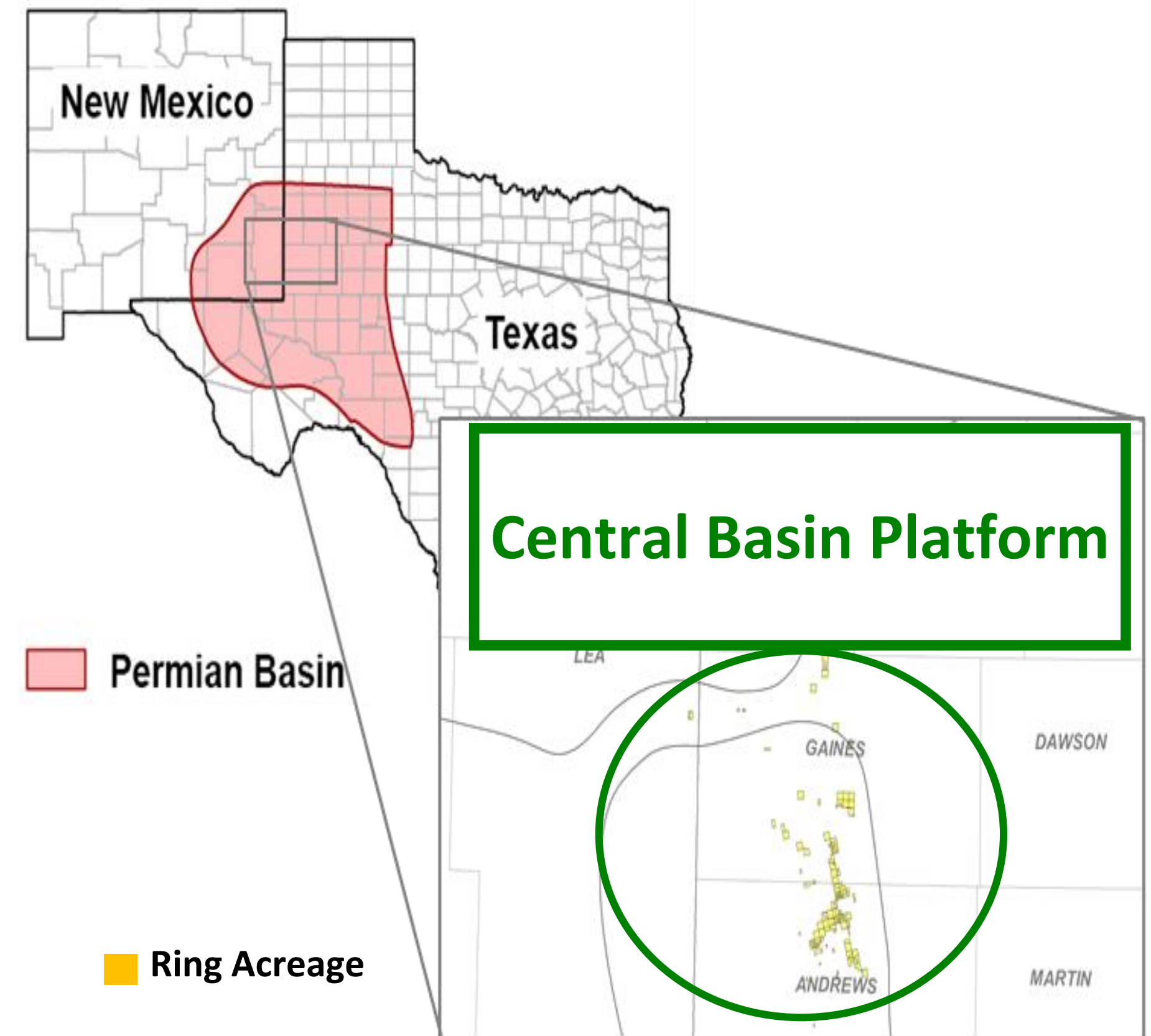


**2021 D&C**  
Completed 2 Phase III wells (~100% WI)  
Completed 1 Phase IV well (~100% WI)



**2021 CTR's**  
6 Conversions

- Strong inventory of horizontal drilling locations
- Actively developing asset
- Low D&C and LOE costs drive strong economics
- Improving Drilling Efficiencies:
  - 1 mile HZ well drill time spud to rig release and move to next location 7-9 days
  - 1.5 mile HZ well drill time spud to rig release and move to next location 10-12 days
  - Spud to Online in 45-60 days<sup>2</sup>
- CTR program further reduces costs

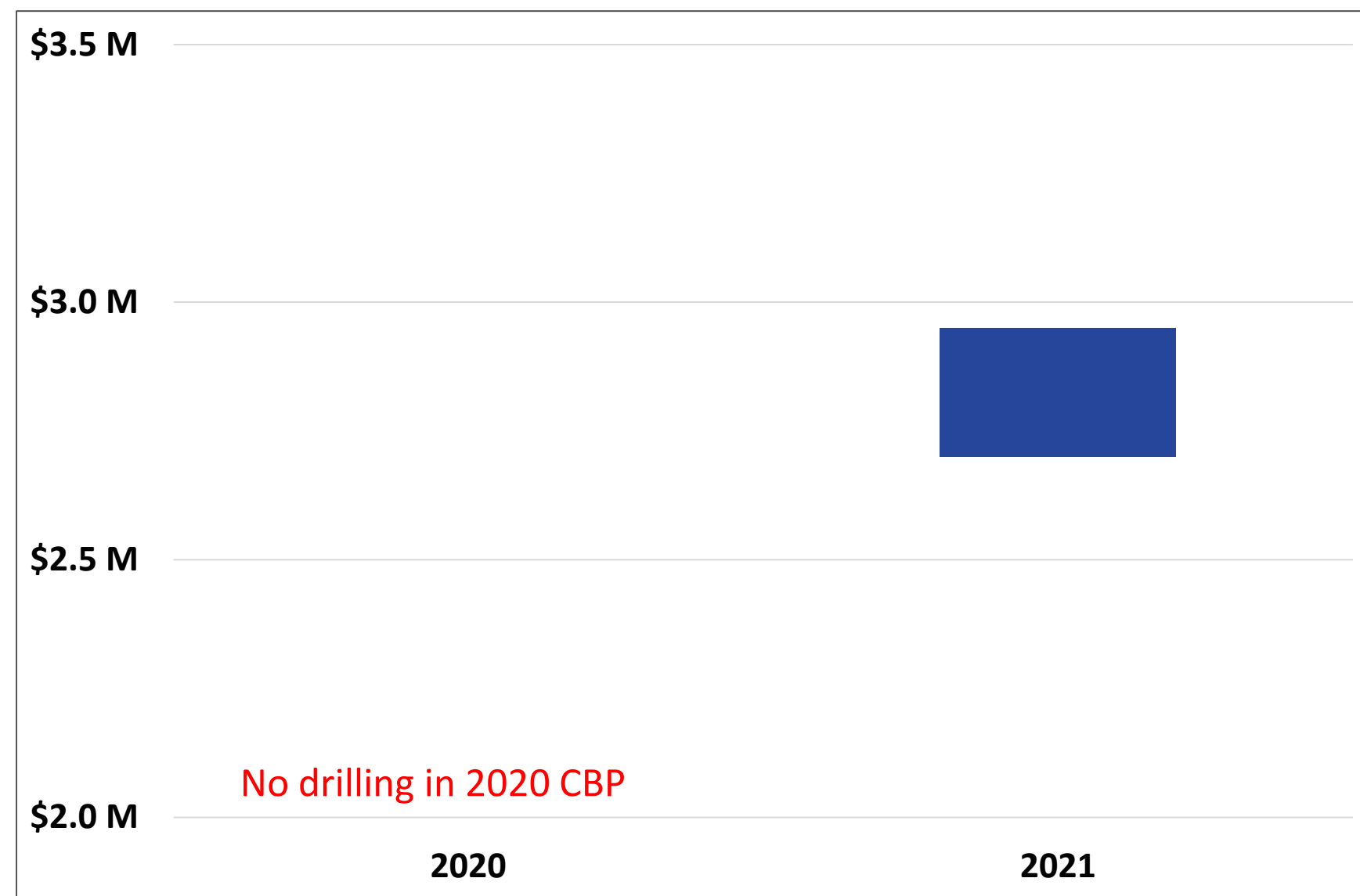




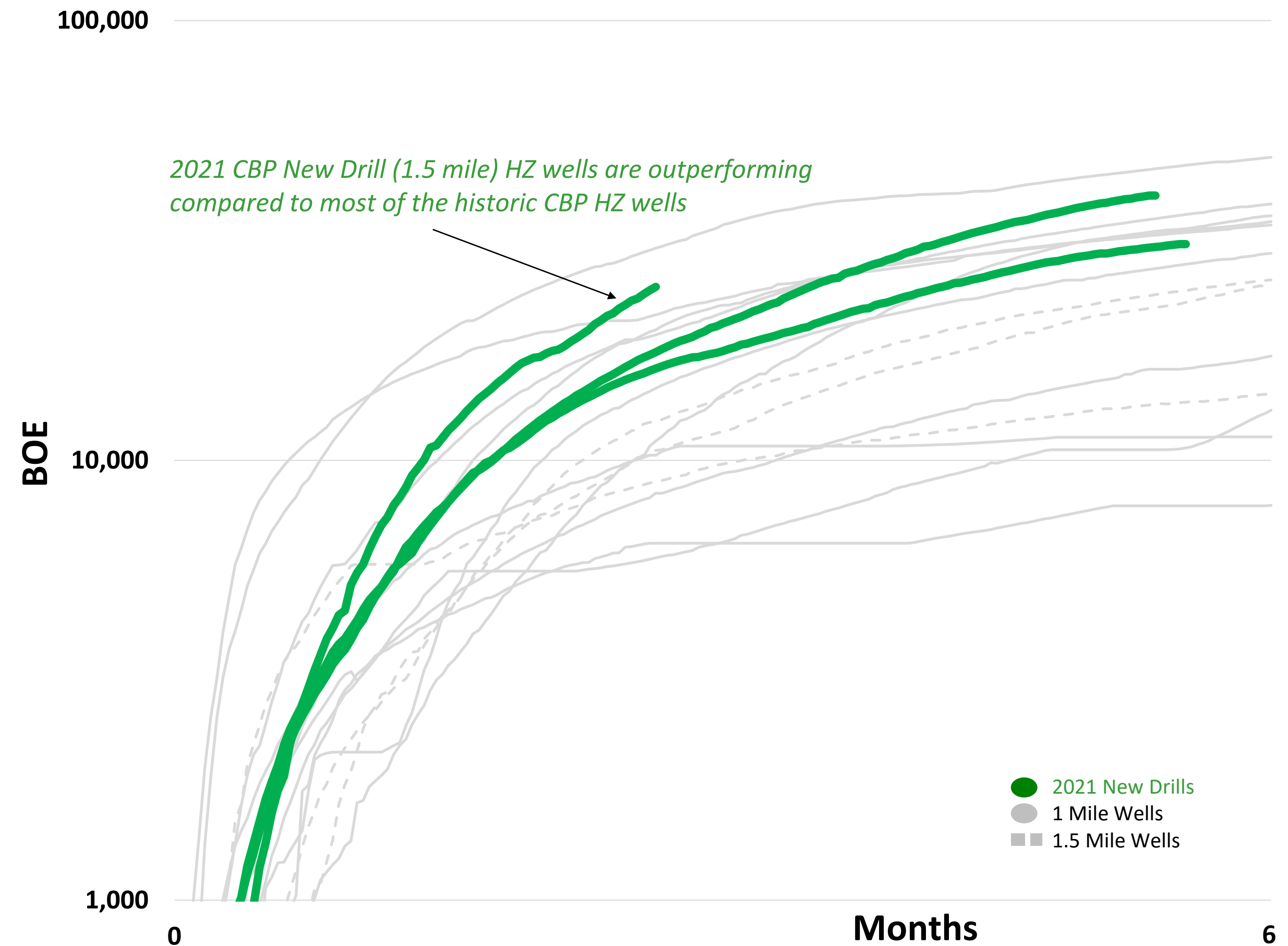
# Unlocking Value in CBP

## Technical Improvements to Completion and Landing Zone

Annual D&C per HZ Cost Range (1.5 Mile)<sup>1</sup>



CBP HZ Performance – Cum BOE vs Time (2021 New Drills vs Historic)<sup>2,4</sup>





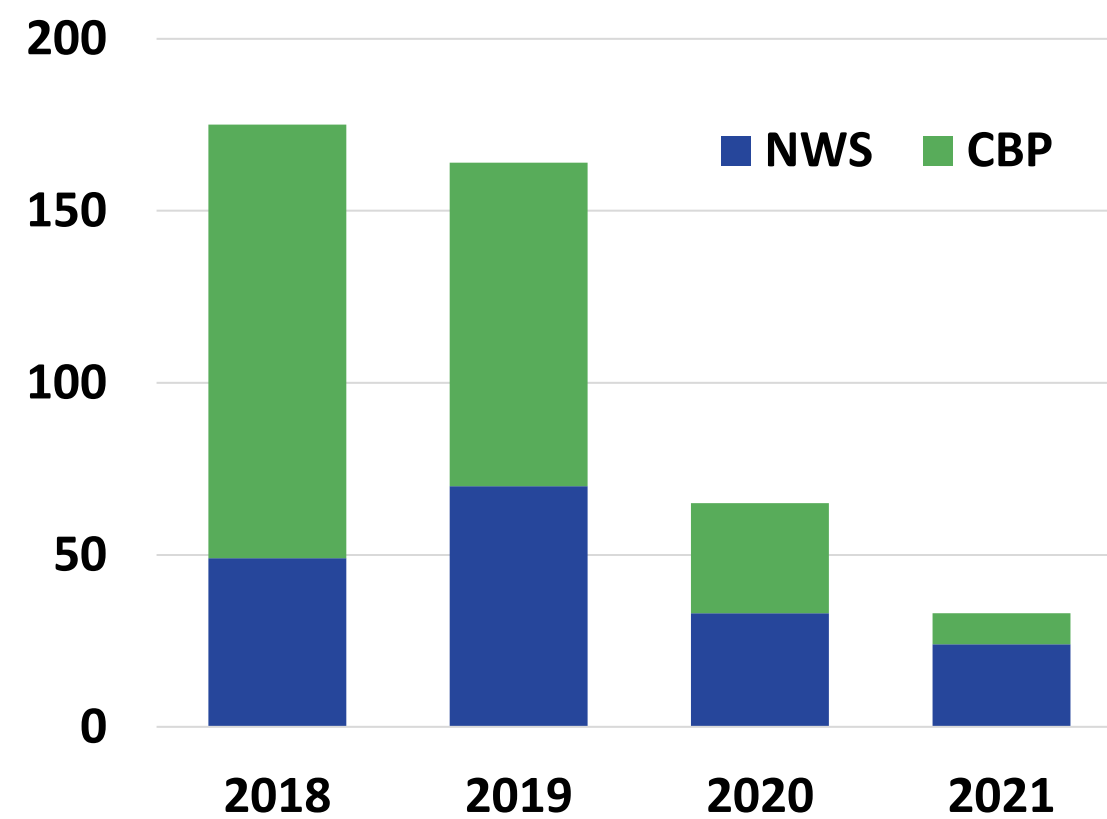
# CTRs Significantly Reduce Operating Costs

## Maintains Solid PDP Reserve Base that Generates Consistent FCF

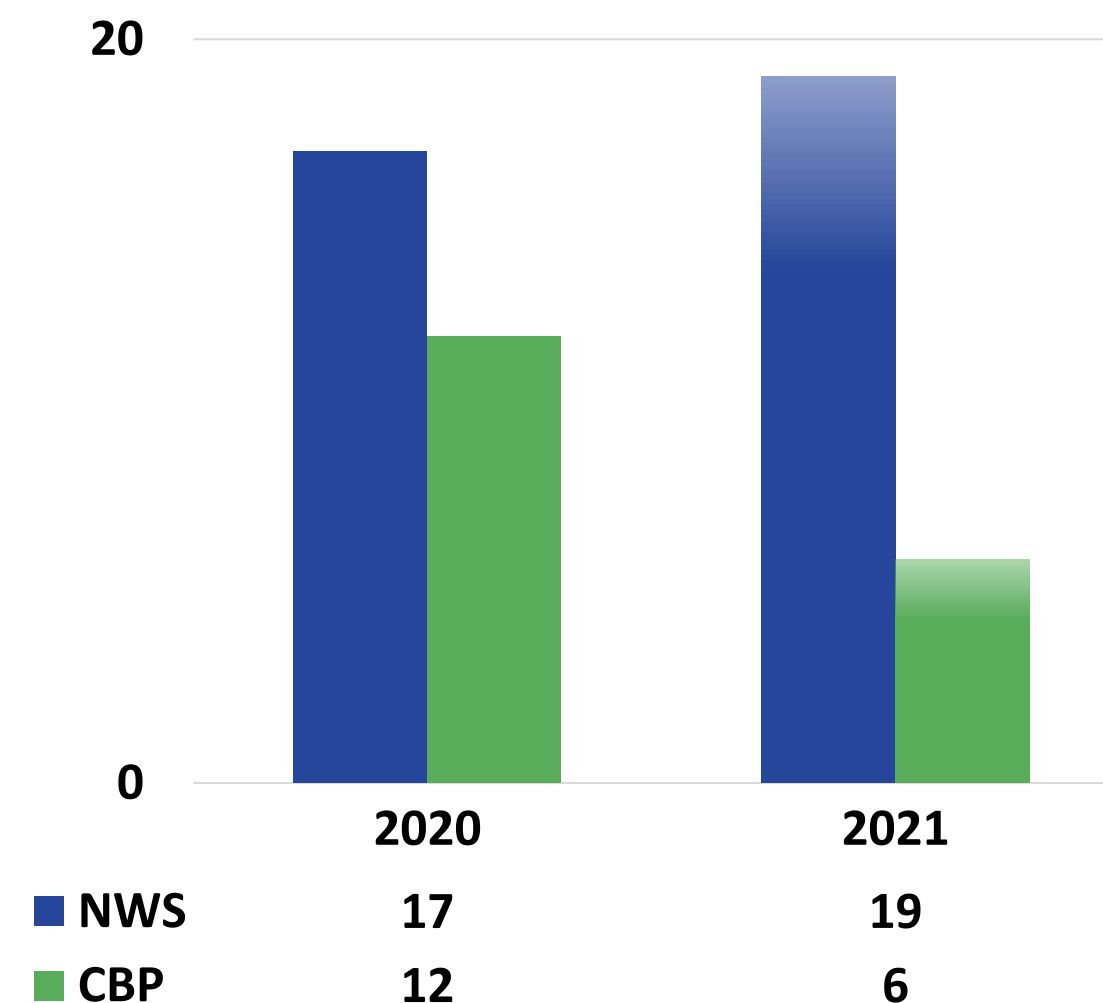
Increases reserves by reducing operating & well repair costs and extending well life

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

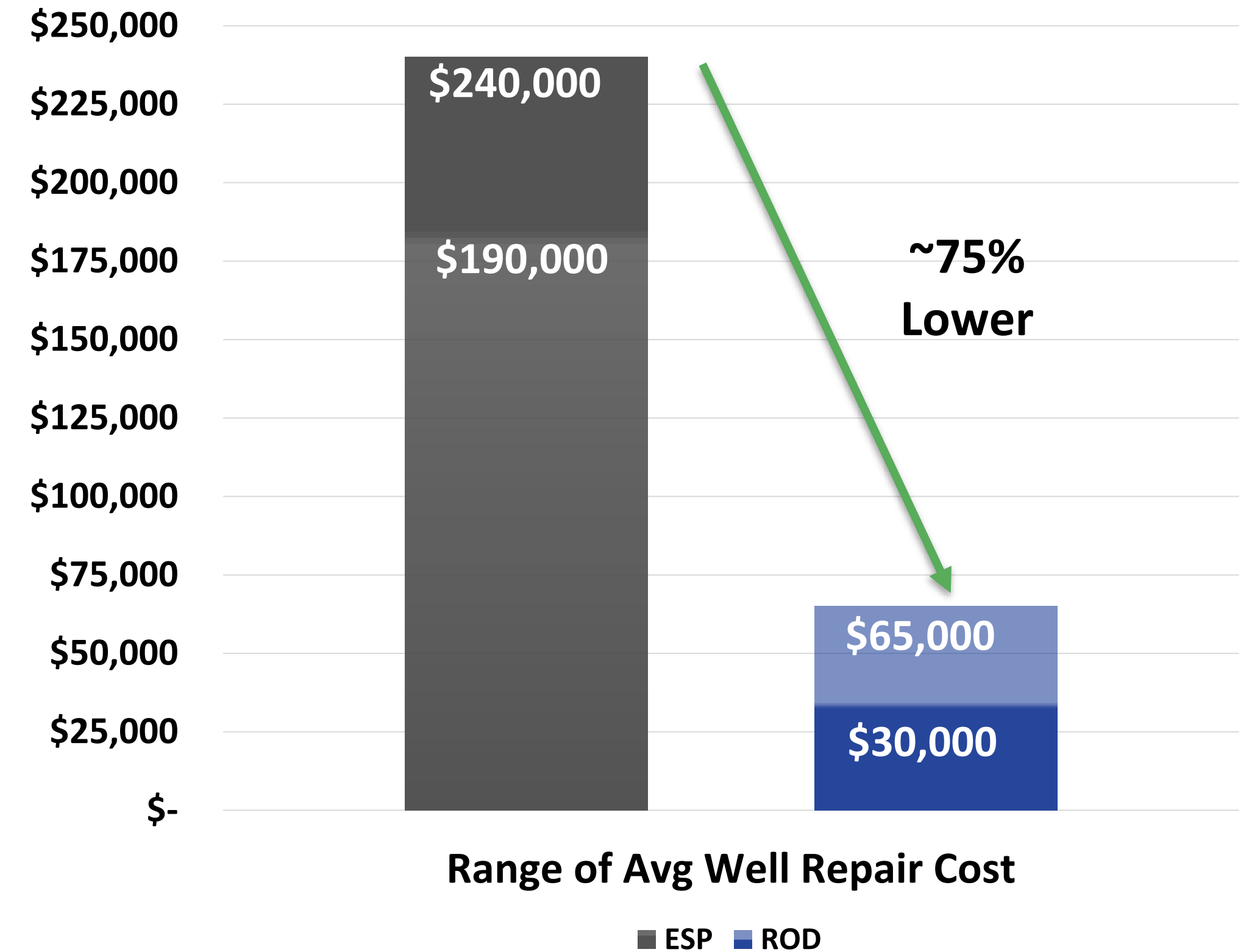
### ESP Failures\* 2018 – 2021



### CTR Projects 2020 - 2021



### Cost Savings ESP vs ROD



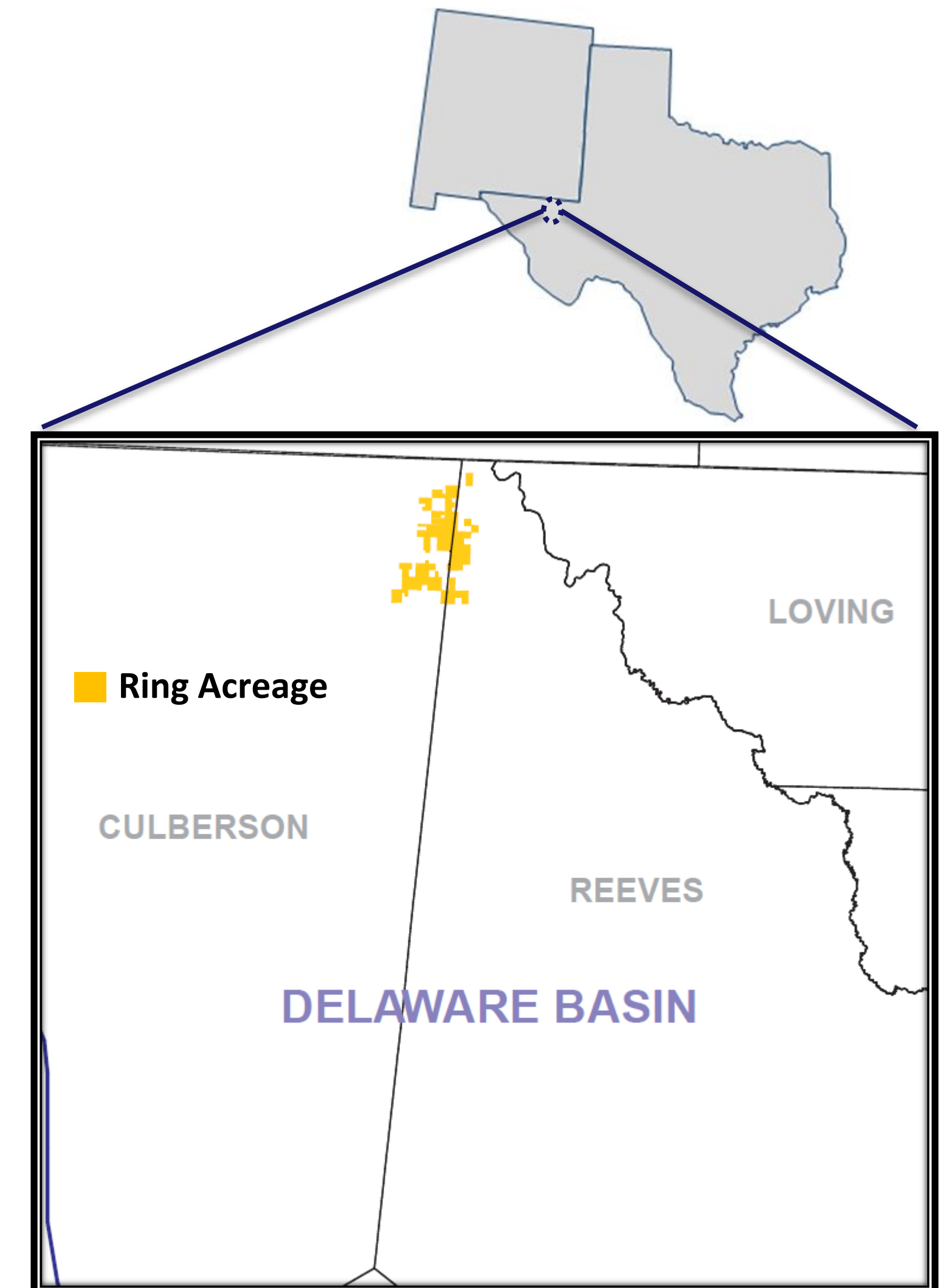
*Maximizing Operational Margin is Predicated on Being a Leading LOW-COST OPERATOR*



# Delaware Basin Asset

Turnkey Asset with Predictable Cash Flow and Upside Potential

- Launched sales process for Delaware Assets in 2021
- Truist Securities running a marketed process
- Asset infrastructure in-place to enable efficient development
  - Produced water, gas gathering and pipeline
- Long life and shallow decline PDP base
- High ownership - working interest ~ 98% (75% NRI)
- Large inventory of re-activations, re-completions, and new drills



# Financials

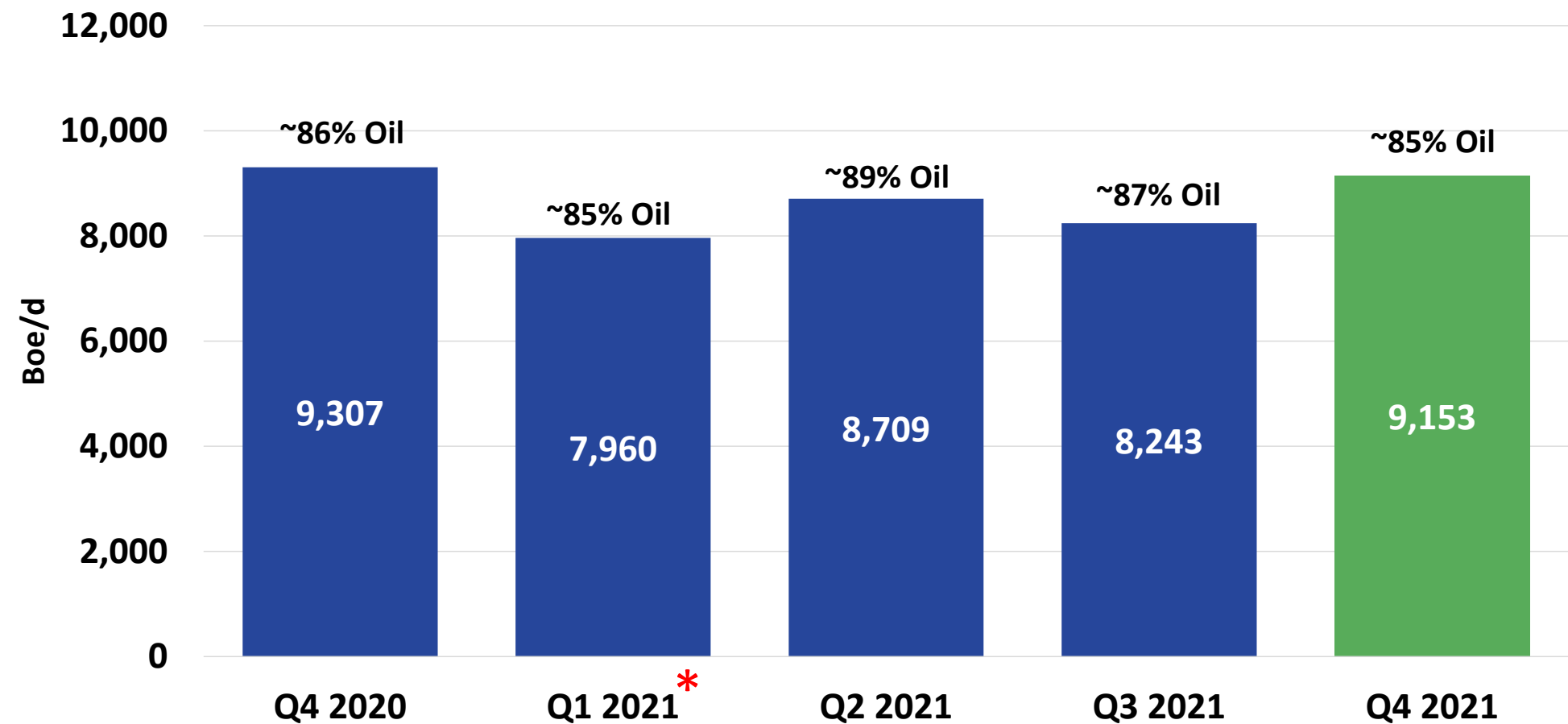




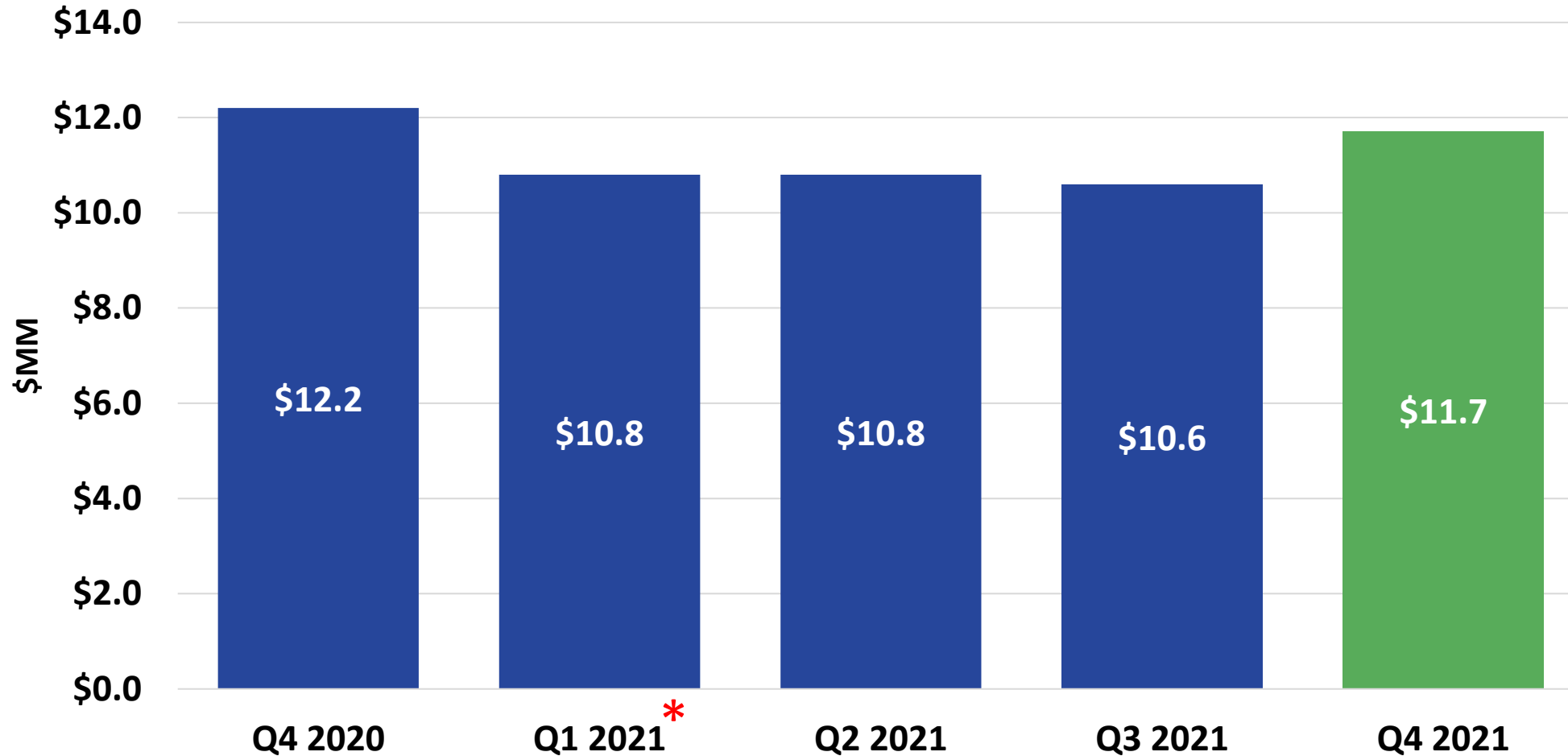
# Sustainable Value Focused Results

## Executing Disciplined Strategy

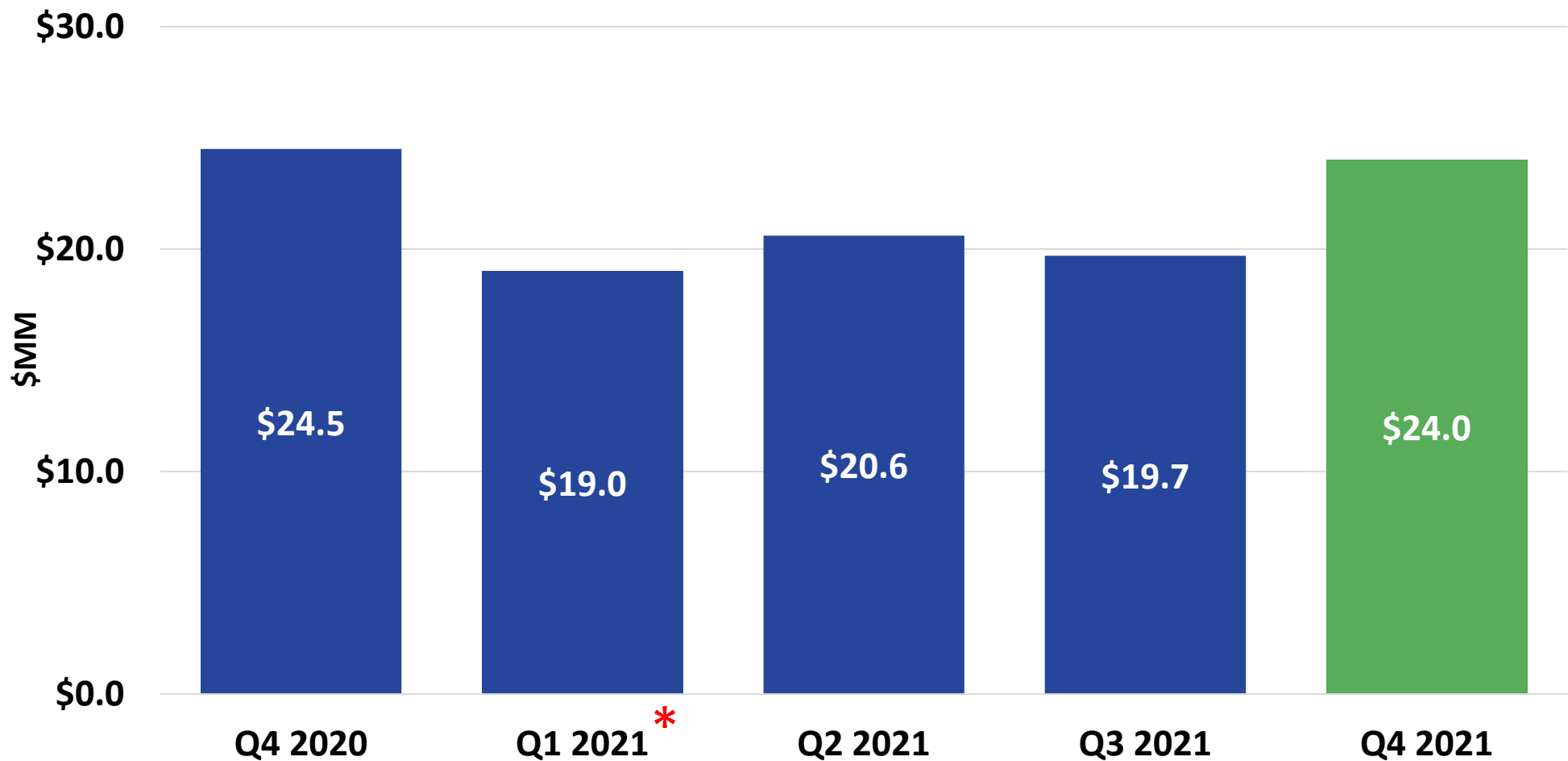
Net Sales



LOE<sup>1</sup> and Cash G&A



Adjusted EBITDA<sup>2</sup>



Free Cash Flow<sup>2</sup>



1) LOE excludes gathering, transportation and processing costs (GP&T)  
 2) Adjusted EBITDA and Free Cash Flow are Non-GAAP financial measures and reconciled in the appendix

\* Q1'21 results impacted by winter storm shut in

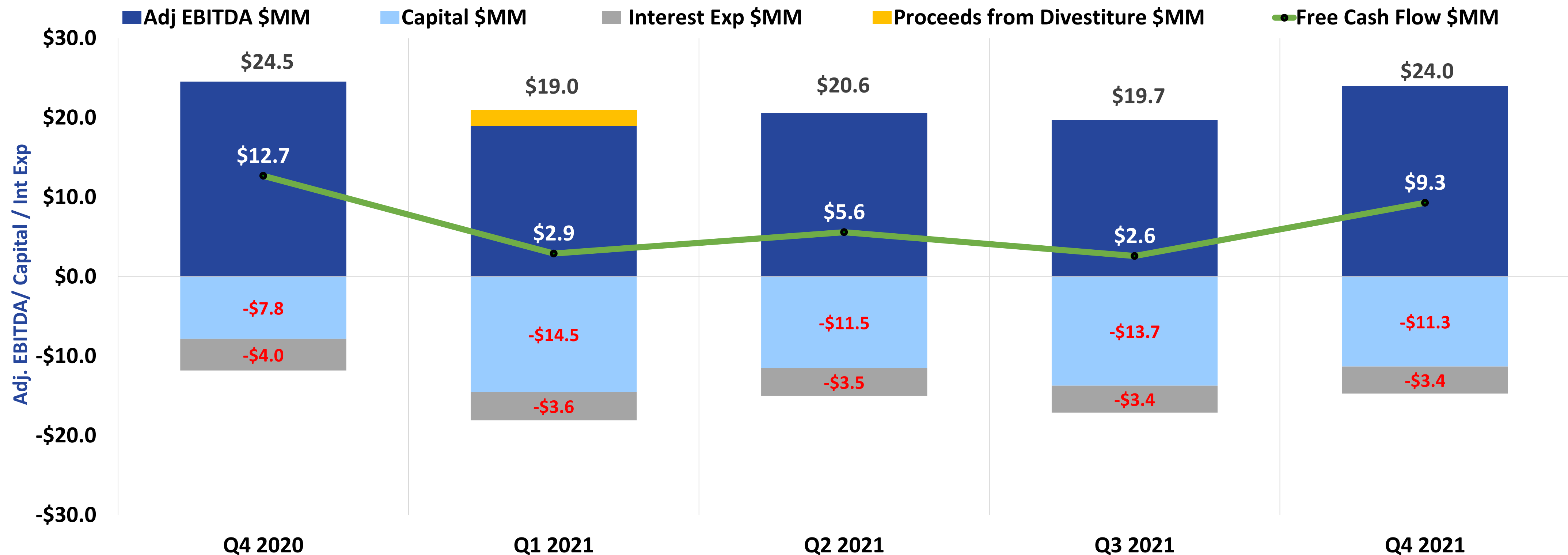


# Historical Metrics

## Quarterly Analysis of FCF<sup>1</sup>

\$MM	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Adj EBITDA <sup>1</sup>	\$24.5	\$19.0	\$20.6	\$19.7	\$24.0
Capital	-\$7.8	-\$14.5	-\$11.5	-\$13.7	-\$11.3
Interest Exp. <sup>2</sup>	-\$4.0	-\$3.6	-\$3.5	-\$3.4	-\$3.4
Proceeds from Divestiture		\$2.0			
<b>Free Cash Flow<sup>1</sup></b>	<b>\$12.7</b>	<b>\$2.9</b>	<b>\$5.6</b>	<b>\$2.6</b>	<b>\$9.3</b>

- Disciplined & efficient capital spending
- Focused on sustainably generating FCF
- Unrelenting goal to strengthen the balance sheet

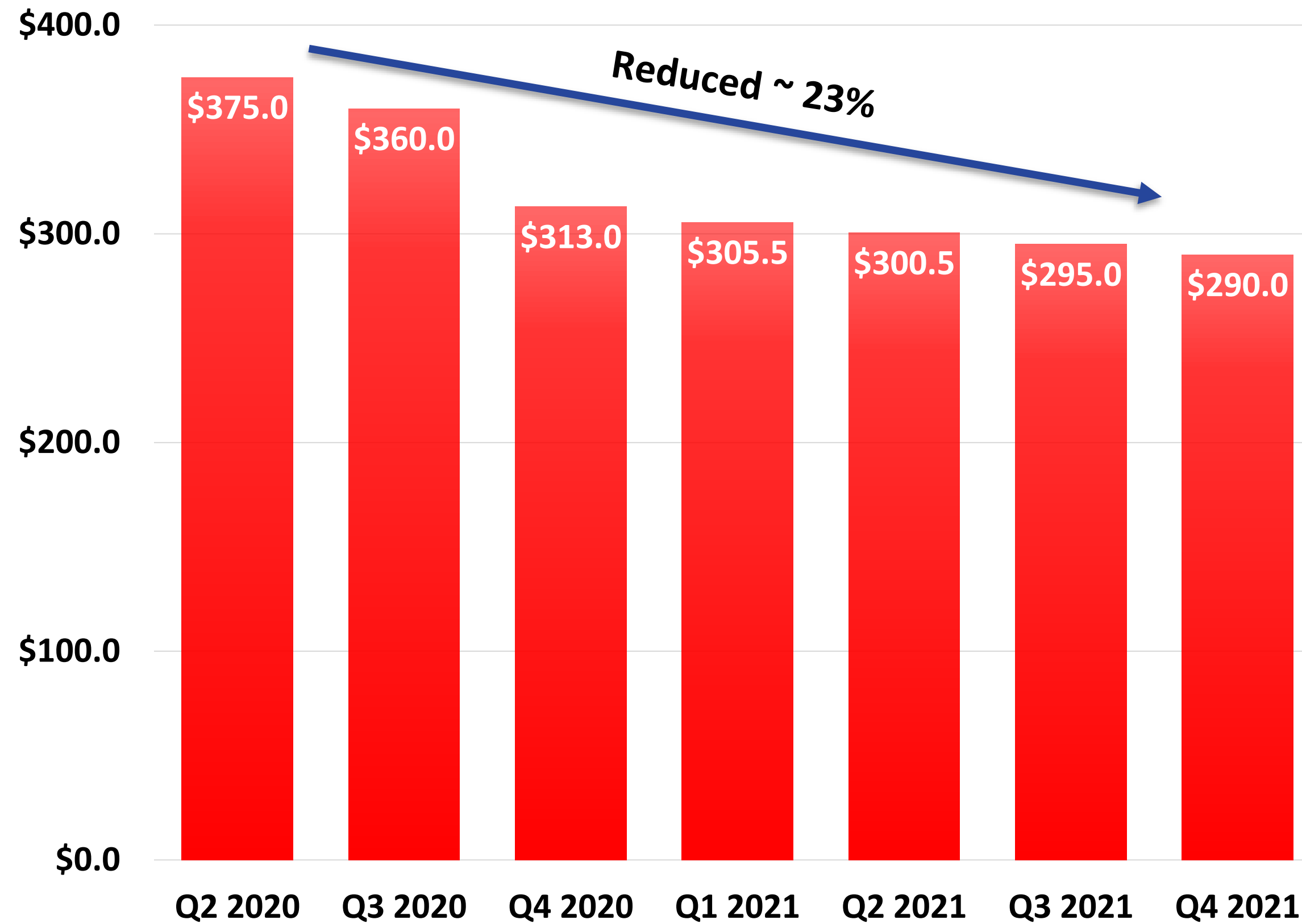




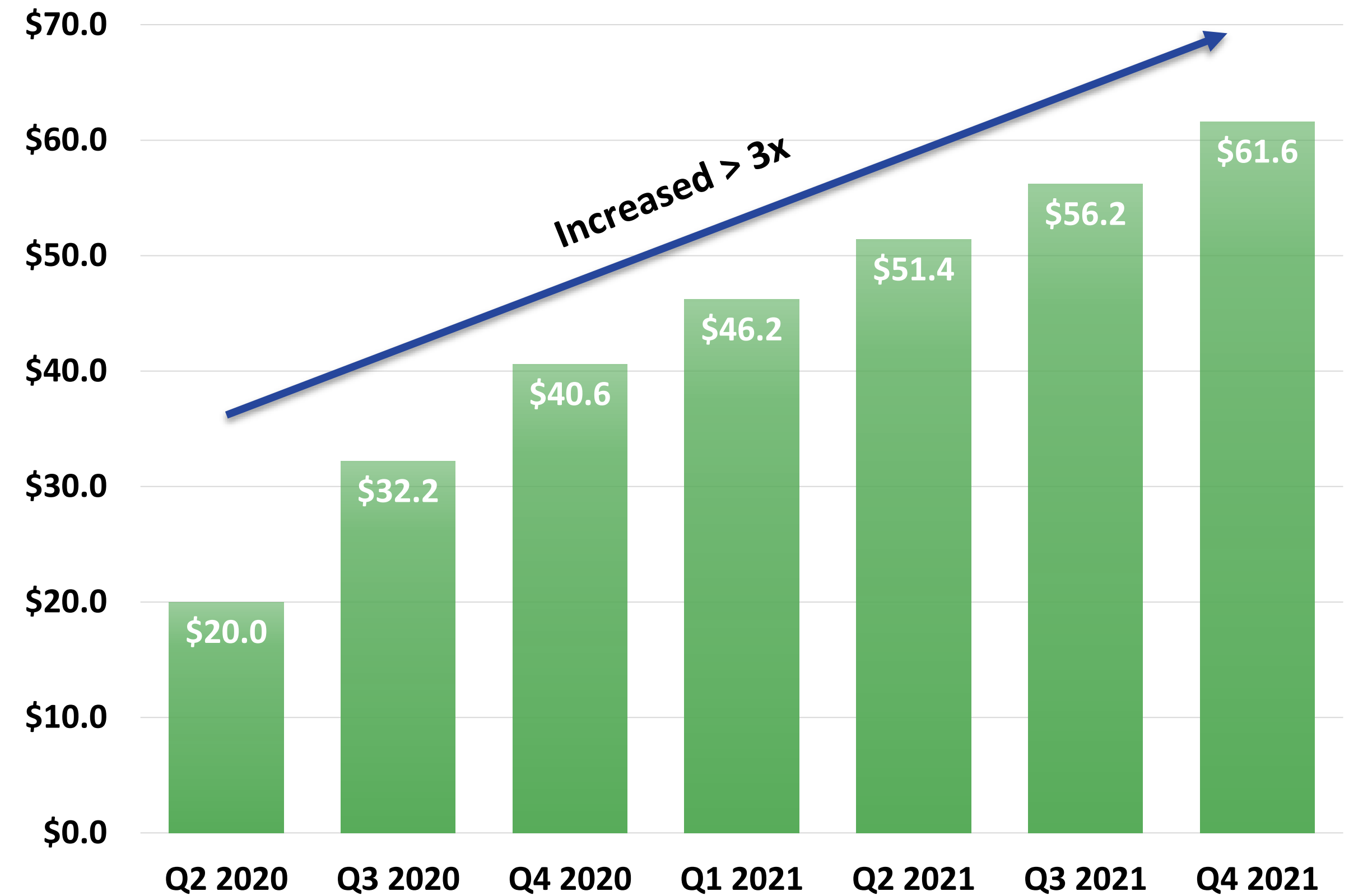
# Reducing Debt & Increasing Liquidity

Disciplined Capital Spending & Sustainably Generating FCF is the Key

### RBL Balance



### Liquidity





**Positioned for Substantial Increase in Revenue and FCF**

**Pivoting to Continuous, High-Return Organic Growth**

**Pursuing Acquisition Opportunities to Increase Scale and Lower Break-Even Costs**

# Appendix

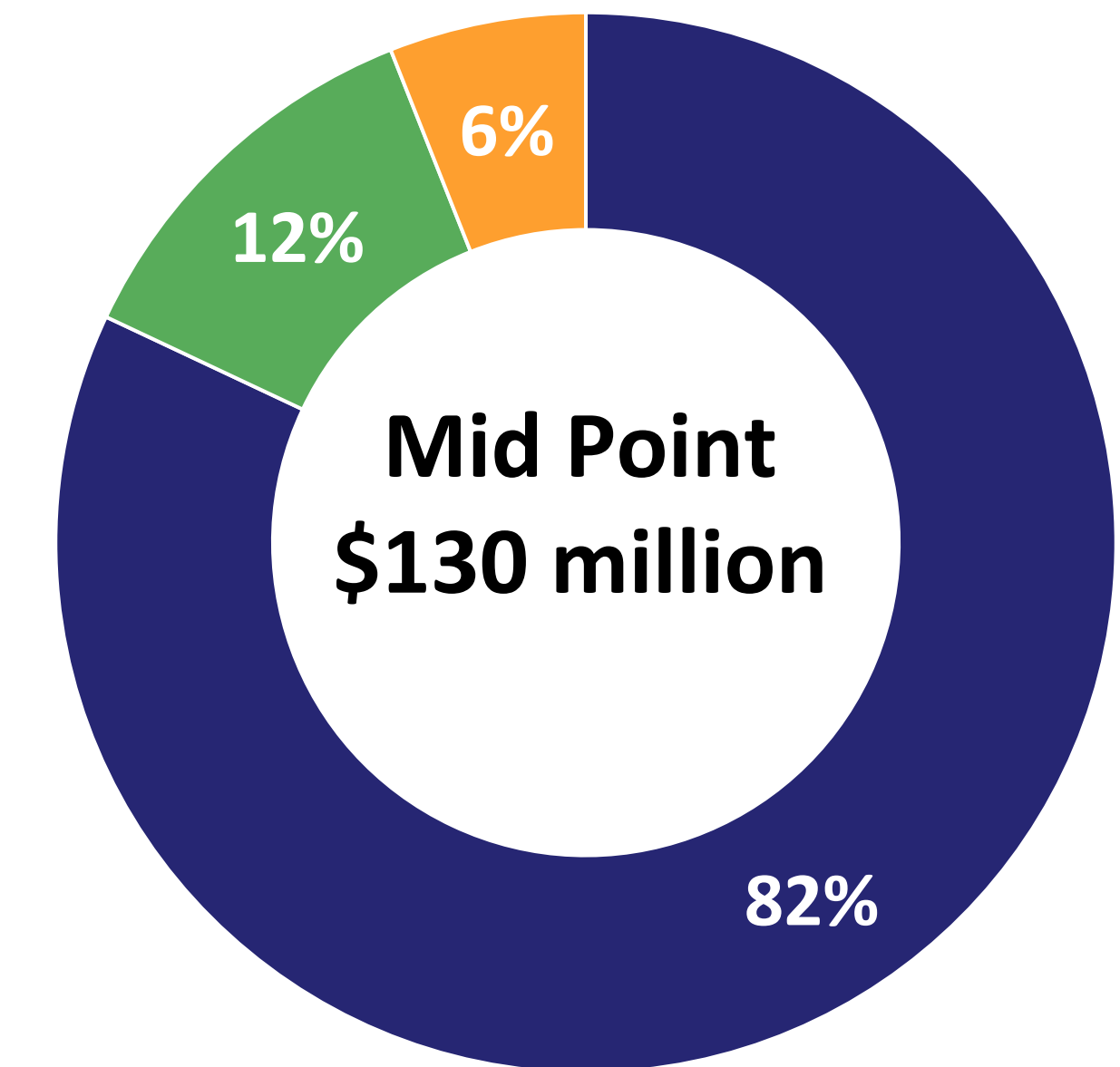


# 2022 Guidance

Grow Production, Generate FCF, Pay Down Debt

Sales Volumes	Q1 2022	FY 2022
Total (Boe/d)	8,500 – 8,700	9,000 – 9,600
Oil (Bo/d)	7,200 – 7,400	7,800 – 8,350
Capital Spending	Q1 2022	FY 2022
Capital spending <sup>1</sup> (millions)	\$19.5 - \$21.5	\$120 - \$140
Number of new wells drilled	6	25 - 33
Number of new wells completed and online	2	25 - 30
Operating Expenses	Q1 2022	FY 2022
LOE (per Boe)	\$10.90 - \$11.25	\$10.90 - \$12.00
GPT (per Boe)	\$1.60 - \$1.75	\$1.60 - \$2.00

## CAPEX Allocation



■ D,C&E ■ CTRs/Recomp/Cap Workovers ■ Land/Other

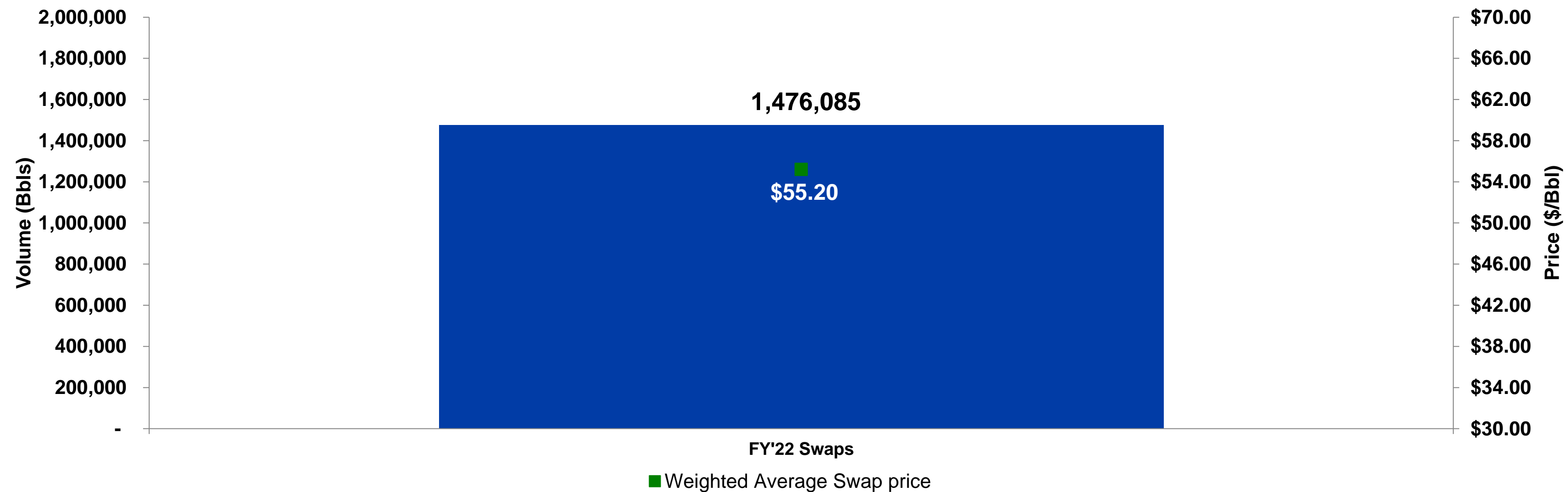
1. In addition to Company-directed drilling and completion activities, the capital spending outlook includes funds for targeted well reactivations, workovers, infrastructure upgrades, and continuing the Company's successful CTR program in its NWS and CBP areas. Also included is anticipated spending for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



# Financial Overview

## 2022 Oil Hedge Summary

### Summary of Crude Oil Hedges



Commodity	Effective Date	End Date	Structure	Daily Volume (Bbls/d)	Weighted Avg. Swap Price (per Bbl)
WTI - Crude	1/1/22	12/31/22	Swap	3,129	\$46.60
WTI - Crude	2/1/22	2/28/22	Swap	1,000	\$90.78
WTI - Crude	3/1/22	3/31/22	Swap	1,000	\$89.12
WTI - Crude	4/1/22	4/30/22	Swap	1,000	\$87.65
WTI - Crude	5/1/22	5/31/22	Swap	1,000	\$86.44
WTI - Crude	6/1/22	6/30/22	Swap	1,000	\$85.23
WTI - Crude	7/1/22	7/31/22	Swap	1,000	\$84.15
WTI - Crude	8/1/22	8/31/22	Swap	1,000	\$83.24
WTI - Crude	9/1/22	9/30/22	Swap	1,000	\$82.30
WTI - Crude	10/1/22	10/31/22	Swap	1,000	\$81.53
WTI - Crude	11/1/22	11/30/22	Swap	1,000	\$80.79
WTI - Crude	12/1/22	12/31/22	Swap	1,000	\$80.01



# Income Statement and Operational Stats

## Income Statement

	(Unaudited)			(Unaudited)	
	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Oil and Natural Gas Revenues</b>	\$ 59,667,156	\$ 49,376,176	\$ 31,351,673	\$ 196,305,966	\$ 113,025,138
<b>Costs and Operating Expenses</b>					
Lease operating expenses	7,678,140	6,983,196	7,866,057	30,312,399	29,753,414
Gathering, transportation and processing costs	1,449,884	1,051,163	1,256,282	4,333,232	4,090,238
Ad valorem taxes	131,663	703,774	717,766	2,276,463	3,125,221
Oil and natural gas production taxes	2,831,560	2,240,759	1,497,044	9,123,420	5,228,090
Depreciation, depletion and amortization	10,474,159	9,310,524	11,162,567	37,167,967	43,010,660
Ceiling test impairment	-	-	129,564,000	-	277,501,943
Asset retirement obligation accretion	183,383	182,905	212,503	744,045	906,616
Operating lease expense	83,591	83,589	319,483	523,487	1,196,372
General and administrative expense (including share-based compensation)	4,964,711	4,433,251	7,164,619	16,068,105	16,874,050
<b>Total Costs and Operating Expenses</b>	<b>27,797,091</b>	<b>24,989,161</b>	<b>159,760,321</b>	<b>100,549,118</b>	<b>381,686,604</b>
<b>Income (Loss) from Operations</b>	<b>31,870,065</b>	<b>24,387,015</b>	<b>(128,408,648)</b>	<b>95,756,848</b>	<b>(268,661,466)</b>
<b>Other Income (Expense)</b>					
Interest income	-	-	1	1	8
Interest (expense)	(3,542,514)	(3,551,462)	(4,658,826)	(14,490,474)	(17,617,614)
(Loss) gain on derivative contracts	(4,266,942)	(6,720,320)	(11,534,699)	(77,853,141)	21,366,068
Deposit forfeiture income	-	-	5,500,000	-	5,500,000
<b>Net Other (Expense) Income</b>	<b>(7,809,456)</b>	<b>(10,271,782)</b>	<b>(10,693,524)</b>	<b>(92,343,614)</b>	<b>9,248,462</b>
<b>Income (Loss) Before Tax Provision</b>	<b>24,060,609</b>	<b>14,115,233</b>	<b>(139,102,172)</b>	<b>3,413,234</b>	<b>(259,413,004)</b>
<b>(Provision for) Benefit From Income Taxes</b>	<b>51,601</b>	<b>48,701</b>	<b>(21,152,105)</b>	<b>(90,342)</b>	<b>6,001,176</b>
<b>Net Income (Loss)</b>	<b>\$ 24,112,210</b>	<b>\$ 14,163,934</b>	<b>\$ (160,254,277)</b>	<b>\$ 3,322,892</b>	<b>\$ (253,411,828)</b>
<b>Basic (Loss) Earnings per Share</b>	<b>\$ 0.24</b>	<b>\$ 0.14</b>	<b>\$ (1.83)</b>	<b>\$ 0.03</b>	<b>\$ (3.48)</b>
<b>Diluted (Loss) Earnings per Share</b>	<b>\$ 0.20</b>	<b>\$ 0.12</b>	<b>\$ (1.83)</b>	<b>\$ 0.03</b>	<b>\$ (3.48)</b>
Basic Weighted-Average Shares Outstanding	99,789,095	99,358,504	87,503,079	99,387,028	72,891,310
Diluted Weighted-Average Shares Outstanding	123,297,240	121,220,748	87,503,079	121,193,175	72,891,310

## Operational Stats

	(Unaudited)				
	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Net sales volumes:</b>					
Oil (Bbls)	715,163	659,247	734,548	2,686,939	2,801,528
Natural gas (Mcf)	761,682	594,841	730,337	2,535,188	2,494,502
Total oil and natural gas (Boe) <sup>(1)</sup>	842,110	758,387	856,271	3,109,470	3,217,278
<i>% Oil</i>	<i>85%</i>	<i>87%</i>	<i>86%</i>	<i>86%</i>	<i>87%</i>
Average daily equivalent sales (Boe/d)	9,153	8,243	9,307	8,519	8,790
<b>Average realized sales prices:</b>					
Oil (\$/Bbl)	\$ 76.35	\$ 69.61	\$ 40.48	\$ 67.56	\$ 38.95
Natural gas (\$/Mcf)	6.65	5.86	2.21	5.83	1.57
Barrel of oil equivalent (\$/Boe)	\$ 70.85	\$ 65.11	\$ 36.61	\$ 63.13	\$ 35.13
<b>Average costs and expenses per Boe (\$/Boe):</b>					
Lease operating expenses	\$ 9.12	\$ 9.21	\$ 9.19	\$ 9.75	\$ 9.25
Gathering, transportation and processing costs	1.72	1.39	1.47	1.39	1.27
Ad valorem taxes	0.16	0.93	0.84	0.73	0.97
Oil and natural gas production taxes	3.36	2.95	1.75	2.93	1.63
Depreciation, depletion and amortization	12.44	12.28	13.04	11.95	13.37
Asset retirement obligation accretion	0.22	0.24	0.25	0.24	0.28
Operating lease expense	0.10	0.11	0.37	0.17	0.37
General and administrative expense (including share-based compensation)	5.90	5.85	8.37	5.17	5.24
General and administrative expense (excluding share-based compensation)	4.79	4.82	5.09	4.39	3.58

(1) 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 and natural gas may differ significantly.





# Balance Sheet and Cash Flow Statement

## Balance Sheet

## Cash Flow Statement

	(Unaudited)	
	December 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,408,316	\$ 3,578,634
Accounts receivable	24,026,807	14,997,979
Joint interest billing receivable	2,433,811	1,327,262
Derivative receivable	-	499,906
Prepaid expenses and retainers	938,029	396,109
<b>Total Current Assets</b>	<b>29,806,963</b>	<b>20,799,890</b>
<b>Properties and Equipment</b>		
Oil and natural gas properties, full cost method	883,844,745	836,514,815
Financing lease asset subject to depreciation	1,422,487	858,513
Fixed assets subject to depreciation	2,089,722	1,520,890
<b>Total Properties and Equipment</b>	<b>887,356,954</b>	<b>838,894,218</b>
Accumulated depreciation, depletion and amortization	(235,997,307)	(200,111,658)
<b>Net Properties and Equipment</b>	<b>651,359,647</b>	<b>638,782,560</b>
<b>Operating lease asset</b>	<b>1,277,253</b>	<b>1,494,399</b>
<b>Deferred financing costs</b>	<b>1,713,466</b>	<b>2,379,348</b>
<b>TOTAL ASSETS</b>	<b>\$ 684,157,329</b>	<b>\$ 663,456,197</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 46,233,452	\$ 32,500,081
Financing lease liability	316,514	295,311
Operating lease liability	290,766	859,017
Derivative liabilities	29,241,588	3,287,328
Notes payable	586,410	-
<b>Total Current Liabilities</b>	<b>76,668,730</b>	<b>36,941,737</b>
Deferred income taxes	90,292	-
Revolving line of credit	290,000,000	313,000,000
Financing lease liability, less current portion	343,727	126,857
Operating lease liability, less current portion	1,138,319	635,382
Derivative liabilities	-	869,273
Asset retirement obligations	15,292,054	17,117,135
<b>Total Liabilities</b>	<b>383,533,122</b>	<b>368,690,384</b>
<b>Stockholders' Equity</b>		
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; 100,192,562 shares and 85,568,287 shares issued and outstanding, respectively	100,193	85,568
Additional paid-in capital	553,472,292	550,951,415
Accumulated deficit	(252,948,278)	(256,271,170)
<b>Total Stockholders' Equity</b>	<b>300,624,207</b>	<b>294,765,813</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 684,157,329</b>	<b>\$ 663,456,197</b>

	(Unaudited)				
	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Cash Flows From Operating Activities</b>					
Net income (loss)	\$ 24,112,210	\$ 14,163,934	\$ (160,254,277)	\$ 3,322,892	\$ (253,411,828)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:					
Depreciation, depletion and amortization	10,474,159	9,310,524	11,162,567	37,167,967	43,010,660
Ceiling test impairment	-	-	129,564,000	-	277,501,943
Asset retirement obligation accretion	183,383	182,905	212,503	744,045	906,616
Amortization of deferred financing costs	169,349	166,282	622,861	665,882	1,190,109
Share-based compensation	933,593	777,461	2,807,006	2,418,323	5,364,162
Shares issued for services	-	-	23,800	-	23,800
Deferred income tax (benefit) expense	123,536	1,886,118	21,598,750	265,479	(3,975,170)
Excess tax expense (benefit) related to share-based compensation	(175,187)	(1,934,819)	(446,645)	(175,187)	(2,026,006)
(Gain) loss on derivative contracts	4,266,942	6,720,320	11,534,699	77,853,141	(21,366,068)
Cash (paid) received for derivative settlements, net	(19,490,022)	(14,921,008)	3,708,523	(52,768,154)	22,522,591
Changes in assets and liabilities:					
Accounts receivable	(4,466,561)	1,656,229	(1,970,509)	(9,483,639)	7,896,517
Prepaid expenses and retainers	360,772	278,870	102,501	(541,920)	3,586,146
Accounts payable	7,119,652	(329,555)	8,845,188	15,449,215	(8,380,594)
Settlement of asset retirement obligation	(404,053)	(444,502)	(255,018)	(2,186,832)	(683,623)
<b>Net Cash Provided by Operating Activities</b>	<b>23,207,773</b>	<b>17,512,759</b>	<b>27,255,949</b>	<b>72,731,212</b>	<b>72,159,255</b>
<b>Cash Flows From Investing Activities</b>					
Payments to purchase oil and natural gas properties	(789,281)	(141,468)	(127,880)	(1,368,437)	(1,317,313)
Payments to develop oil and natural gas properties	(16,621,196)	(11,957,917)	(8,871,408)	(51,302,131)	(42,457,745)
Payments to acquire or improve fixed assets	40,801	(548,730)	(55,339)	(568,832)	(55,339)
Proceeds from divestiture of oil and natural gas properties	-	-	(4,500,000)	2,000,000	-
<b>Net Cash (Used in) Investing Activities</b>	<b>(17,369,676)</b>	<b>(12,648,115)</b>	<b>(13,554,627)</b>	<b>(51,239,400)</b>	<b>(43,830,397)</b>
<b>Cash Flows From Financing Activities</b>					
Proceeds from revolving line of credit	25,750,000	14,500,000	5,000,000	60,150,000	26,500,000
Payments on revolving line of credit	(30,750,000)	(20,000,000)	(52,000,000)	(83,150,000)	(80,000,000)
Proceeds from issuance of common stock and warrants	126,240	-	19,383,131	367,509	19,383,131
Proceeds from option exercise	200,000	-	-	200,000	-
Payments for taxes withheld on vested restricted shares	(385,330)	-	-	(385,330)	-
Proceeds from notes payable	64,580	323,671	-	1,297,718	-
Payments on notes payable	(335,321)	(224,670)	-	(711,308)	-
Payment of deferred financing costs	(27,931)	-	(355,049)	(104,818)	(355,049)
Reduction of financing lease liabilities	(118,965)	(86,941)	(71,587)	(325,901)	(282,928)
<b>Net Cash (Used in) Financing Activities</b>	<b>(5,476,727)</b>	<b>(5,487,940)</b>	<b>(28,043,505)</b>	<b>(22,662,130)</b>	<b>(34,754,846)</b>
<b>Net Change in Cash</b>	<b>361,370</b>	<b>(623,296)</b>	<b>(14,342,183)</b>	<b>(1,170,318)</b>	<b>(6,425,988)</b>
<b>Cash at Beginning of Period</b>	<b>2,046,946</b>	<b>2,670,242</b>	<b>17,920,817</b>	<b>3,578,634</b>	<b>10,004,622</b>
<b>Cash at End of Period</b>	<b>\$ 2,408,316</b>	<b>\$ 2,046,946</b>	<b>\$ 3,578,634</b>	<b>\$ 2,408,316</b>	<b>\$ 3,578,634</b>



# Non-GAAP Disclosure

Certain financial information included in Ring’s financial results are not measures of financial performance recognized by accounting principles generally accepted in the United States, or GAAP. These non-GAAP financial measures are “Adjusted Net Income”, “Adjusted EBITDA”, “Free Cash Flow” and “Cash Flow from Operations”. 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 does not include the estimated after-tax impact of share-based compensation, ceiling test impairment, and unrealized loss (gain) on change in fair value of derivatives, as well an add back of the full valuation against 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 also presents the non-GAAP financial measures Adjusted EBITDA and Free Cash Flow. 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 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 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 our oil and natural gas properties is relevant and useful to investors because it presents the estimated discounted future net cash flows attributable to our estimated proved reserves independent of our income tax attributes, thereby isolating the intrinsic value of the estimated future cash flows attributable to our reserves. We believe 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 table below provides a reconciliation of PV-10 to the standardized measure of discounted future net cash flows:

<b>Oil (Bbl)</b>	<b>Natural Gas (Mcf)</b>	<b>Total (Boe)</b>	<b>Pre-Tax PV-10 Value</b>	<b>Future Income Taxes, Discounted at 10%</b>	<b>Standardized Measure of Discounted Future Net Cash Flows</b>
65,838,609	71,773,789	77,800,907	\$ 1,332,097,625	\$ (194,732,777)	\$ 1,137,364,848



# Non-GAAP Reconciliations

## Adjusted Net Income

	(Unaudited for All Periods)				
	Three Months Ended			Twelve Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2021	2021	2020	2021	2020
<b>Net Income (Loss)</b>	\$ 24,112,210	\$ 14,163,934	\$ (160,254,277)	\$ 3,322,892	\$ (253,411,828)
Share-based compensation	933,593	777,461	2,807,006	2,418,323	5,364,162
Ceiling test impairment	-	-	129,564,000	-	277,501,943
Unrealized loss (gain) on change in fair value of derivatives	(15,223,080)	(8,200,688)	15,243,222	25,084,987	1,156,523
Tax impact of adjusted items	30,646	25,612	19,126,056	(225,432)	(9,915,293)
<b>Adjusted Net Income</b>	<u>\$ 9,853,369</u>	<u>\$ 6,766,319</u>	<u>\$ 6,486,007</u>	<u>\$ 30,600,770</u>	<u>\$ 20,695,507</u>
Weighted-Average Shares Outstanding	99,789,095	99,358,504	87,503,079	99,387,028	72,891,310
<b>Adjusted Net Income per Share</b>	<u>\$ 0.10</u>	<u>\$ 0.07</u>	<u>\$ 0.07</u>	<u>\$ 0.31</u>	<u>\$ 0.28</u>

## Adjusted EBITDA

	(Unaudited for All Periods)				
	Three Months Ended			Twelve Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2021	2021	2020	2021	2020
<b>Net Income (Loss)</b>	\$ 24,112,210	\$ 14,163,934	\$ (160,254,277)	\$ 3,322,892	\$ (253,411,828)
Interest expense, net	3,542,514	3,551,462	4,658,825	14,490,473	17,617,606
Unrealized loss (gain) on change in fair value of derivatives	(15,223,080)	(8,200,688)	15,243,222	25,084,987	1,156,523
Ceiling test impairment	-	-	129,564,000	-	277,501,943
Income tax (benefit) expense	(51,601)	(48,701)	21,152,105	90,342	(6,001,176)
Depreciation, depletion and amortization	10,474,159	9,310,524	11,162,567	37,167,967	43,010,660
Asset retirement obligation accretion	183,383	182,905	212,503	744,045	906,616
Share-based compensation	933,593	777,461	2,807,006	2,418,323	5,364,162
<b>Adjusted EBITDA</b>	<u>\$ 23,971,178</u>	<u>\$ 19,736,897</u>	<u>\$ 24,545,951</u>	<u>\$ 83,319,029</u>	<u>\$ 86,144,506</u>
<b>Adjusted EBITDA Margin</b>	40%	40%	78%	42%	76%
Weighted-Average Shares Outstanding	99,789,095	99,358,504	87,503,079	99,387,028	72,891,310
<b>Adjusted EBITDA per Boe</b>	<u>\$ 28.47</u>	<u>\$ 26.02</u>	<u>\$ 28.67</u>	<u>\$ 26.80</u>	<u>\$ 26.78</u>
<b>Adjusted EBITDA per Share</b>	<u>\$ 0.24</u>	<u>\$ 0.20</u>	<u>\$ 0.28</u>	<u>\$ 0.84</u>	<u>\$ 1.18</u>

## Free Cash Flow

	(Unaudited for All Periods)				
	Three Months Ended			Twelve Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2021	2021	2020	2021	2020
<b>Adjusted EBITDA</b>	\$ 23,971,178	\$ 19,736,897	\$ 24,545,951	\$ 83,319,029	\$ 86,144,506
Net interest expense (excluding amortization of deferred financing costs)	(3,373,165)	(3,385,180)	(4,035,964)	(13,824,591)	(16,427,497)
Capital expenditures	(11,292,707)	(13,720,336)	(7,814,361)	(50,994,541)	(29,916,746)
Proceeds from divestiture of oil and natural gas properties	-	-	-	2,000,000	-
<b>Free Cash Flow</b>	<u>\$ 9,305,306</u>	<u>\$ 2,631,381</u>	<u>\$ 12,695,626</u>	<u>\$ 20,499,897</u>	<u>\$ 39,800,263</u>

## Cash Flow From Operations

	(Unaudited for All Periods)				
	Three Months Ended			Twelve Months Ended	
	December 31,	September 30,	December 31,	December 31,	December 31,
	2021	2021	2020	2021	2020
<b>Net Cash Provided by Operating Activities</b>	\$ 23,207,773	\$ 17,512,759	\$ 27,255,949	\$ 72,731,212	\$ 72,159,255
Changes in operating assets and liabilities	(2,609,810)	(1,161,042)	(6,722,162)	(3,236,824)	(2,418,446)
<b>Cash Flow from Operations</b>	<u>\$ 20,597,963</u>	<u>\$ 16,351,717</u>	<u>\$ 20,533,787</u>	<u>\$ 69,494,388</u>	<u>\$ 69,740,809</u>



***Attract and Retain Highly Qualified People***



***Pursue Operational Excellence with a Sense of Urgency***



***Invest in High-Margin, High RoR Projects***



***Focus on FCF and Strengthen Balance Sheet***



***Pursue Strategic A&D to Lower Breakeven Costs***



# Experienced Management Team

## Shared Vision with a Track Record of Success



**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



**Alexander Dyes**  
EVP of Engineering & Corporate Strategy

15+ 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

40+ 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

17+ 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





# 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



**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



**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



**Richard E. Harris**  
Independent Director

40+ years of experience across multiple industries

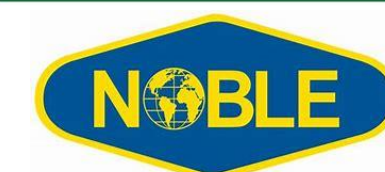
Executive positions in oil & gas, industrial equipment, and technology including CIO, Treasurer, Finance and Business Development



**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



**Regina Roesener**  
Independent Director

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

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



**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



WOODRUM, TATE & ASSOCIATES, L.P.



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