

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report: February 15, 2022  
(Date of earliest event reported)



**EARTHSTONE ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-35049**

(Commission File Number)

**84-0592823**

(IRS Employer Identification No.)

**1400 Woodloch Forest Drive, Suite 300  
The Woodlands, Texas 77380**

(Address of principal executive offices) (Zip Code)

**(281) 298-4246**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	ESTE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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#### Introductory Note

On February 15, 2022, Earthstone Energy, Inc. (“Earthstone” or the “Company”), Earthstone Energy Holdings, LLC, a subsidiary of the Company (“EEH” or the “Buyer”), Chisholm Energy Operating, LLC (“OpCo”) and Chisholm Energy Agent, Inc. (“Agent” and collectively with OpCo, “Chisholm”), collectively as seller, consummated the transactions contemplated in the Purchase and Sale Agreement dated December 15, 2021 by and among Earthstone, EEH and Chisholm (the “Purchase Agreement”) that was previously reported on Form 8-K filed on December 17, 2021 with the Securities and Exchange Commission (“SEC”). At the closing of the Purchase Agreement, among other things, EEH acquired (the “Chisholm Acquisition”) interests in oil and gas leases and related property of Chisholm located in Lea County and Eddy County, New Mexico, for a purchase price (the “Purchase Price”) of approximately \$314.7 million in cash, net of preliminary and customary purchase price adjustments and remains subject to final post-closing settlement between EEH and Chisholm, and 19,417,476 shares (the “Shares” and such issuance, the “Stock Issuance”) of Class A common stock, \$0.001 par value per share, of Earthstone (the “Class A Common Stock”). At the closing of the Chisholm Acquisition, 4,441,748 of the Shares (the “Escrow Shares”) were deposited in a stock escrow account for indemnity obligations and 14,975,728 of the Shares (the “Closing Shares”) were issued to Chisholm.

#### Item 1.01 Entry into a Material Definitive Agreement.

##### Registration Rights Agreements

On February 15, 2022, in connection with the closing of the Purchase Agreement, Earthstone, OpCo and Chisholm Energy Holdings, LLC (“Holdings”) entered into a registration rights agreement (the “Registration Rights Agreement”) relating to the Shares. The Registration Rights Agreement provides that, within 45 days after the closing date of the Chisholm Acquisition, Earthstone will prepare and file a registration statement to permit the public resale of the Shares. Earthstone shall cause the registration statement to be continuously effective from and after the date it is first declared or becomes effective until the earlier of (i) all such shares of Class A Common Stock have been disposed of in the manner set forth in the registration statement or under Rule 144 of the Securities Act of 1933, as amended (the “Securities Act”), until the distribution of the Class A Common Stock does not require registration under the Securities Act, or until there are no longer any such registrable shares of Class A Common Stock issued in connection with the Chisholm Acquisition outstanding or (ii) three years after the closing of the Chisholm Acquisition, subject to certain permitted extensions.

The foregoing description of the Registration Rights Agreement is qualified in its entirety by the terms of the Registration Rights Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

##### Lock-Up Agreement

In connection with the closing of the Purchase Agreement, Earthstone entered into a customary lock-up agreement (the “Lock-up Agreement”) on January 15, 2022 with Holdings and certain direct and indirect equity holders of Holdings providing that such holders will not transfer 14,905,352 of the Closing Shares (the “Lock-up Shares”) for 60 days after the closing of the Chisholm Acquisition. Sixty days after the closing of Chisholm Acquisition, 8.6% of the Lock-up Shares may be transferred; ninety days after the closing of the Chisholm Acquisition, an additional 41.4% of the Lock-up Shares may be transferred; and one hundred twenty days after the closing of the Chisholm Acquisition, the remaining 50% of the Lock-up Shares may be transferred.

The foregoing description of the Lock-up Agreement is qualified in its entirety by the terms of the Form of Lock-up Agreement attached to this Current Report on Form 8-K as Exhibit 10.2 and is incorporated herein by reference.

##### Amended and Restated Voting Agreement

In connection with the closing of the Purchase Agreement, on February 15, 2022, Warburg Pincus Private Equity (E&P) XI – A, L.P., Warburg Pincus XI (E&P) Partners – A, L.P., WP IRH Holdings, L.P., Warburg Pincus XI (E&P) Partners – B IRH, LLC, Warburg Pincus Energy (E&P)-A, LP, Warburg Pincus Energy (E&P) Partners-A, LP, Warburg Pincus Energy (E&P) Partners-B IRH, LLC, WP Energy Partners IRH Holdings, L.P., and WP Energy IRH Holdings, L.P., WP Energy Chisholm Holdings, L.P., WP Energy Partners Chisholm Holdings, L.P., Warburg Pincus Energy (E&P) Partners-B Chisholm, LLC, Warburg Pincus Private Equity (E&P) XII (A), L.P., WP XII Chisholm Holdings, L.P., Warburg Pincus XII (E&P) Partners-2 Chisholm, LLC, Warburg Pincus Private Equity (E&P) XII-D (A), L.P., Warburg Pincus Private Equity (E&P) XII-E (A), L.P., Warburg Pincus XII (E&P) Partners-1, L.P., and WP XII (E&P) Partners (A), L.P. (collectively, the “Warburg Parties”), EnCap Investments L.P. (“EnCap”) and Earthstone entered into an amended and restated voting agreement (the “AR Voting Agreement”) which amends and restates that certain voting agreement dated January 7, 2021 (the “Voting Agreement”), by and

among Warburg Pincus Private Equity (E&P) XI – A, L.P., Warburg Pincus XI (E&P) Partners – A, L.P., WP IRH Holdings, L.P., Warburg Pincus XI (E&P) Partners – B IRH, LLC, Warburg Pincus Energy (E&P)-A, LP, Warburg Pincus Energy (E&P) Partners-A, LP, Warburg Pincus Energy (E&P) Partners-B IRH, LLC, WP Energy Partners IRH Holdings, L.P., and WP Energy IRH Holdings, L.P., EnCap and Earthstone. The AR Voting Agreement provides that the shares of Class A Common Stock received by any Warburg Parties at the closing of the Purchase Agreement will be included in the Voting Agreement. The Warburg Parties will continue to have the right to appoint one director to the Board of Directors (the “Board”) of Earthstone, subject to the terms and conditions of the AR Voting Agreement.

**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On February 15, 2022, pursuant to the closing of the Purchase Agreement, among other things, EEH completed the Chisholm Acquisition for cash consideration of approximately \$314.7 million, net of preliminary and customary purchase price adjustments and remains subject to final post-closing settlement between EEH and Chisholm, and 19,417,476 shares of Class A Common Stock, as described above.

**Item 3.02 Unregistered Sales of Equity Securities.**

The description of the Chisholm Acquisition and the Shares in Item 2.01 above is incorporated in this Item 3.02 by reference.

The shares of Class A Common Stock issued pursuant to the Purchase Agreement were issued in reliance on an exemption from the registration requirements of the Securities Act by virtue of Section 4(a)(2) and/or other exemptions thereunder, as promulgated by the SEC under the Securities Act. Earthstone relied upon representations, warranties, certifications and agreements of Chisholm and Holdings (as applicable) in support of the satisfaction of the conditions contained in Section 4(a)(2) of the Securities Act or Regulation D under the Securities Act.

**Item 7.01 Regulation FD Disclosure.**

On February 16, 2022, the Company issued a press release announcing the consummation of the transactions contemplated in the Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 hereto.

On February 16, 2022, the Company posted to its website a company presentation (the “Presentation Materials”) that management intends to use from time to time. The Company may use the Presentation Materials, possibly with modifications, in presentations to current and potential investors, lenders, creditors, vendors, customers and others with an interest in the Company and its business.

The information contained in the Presentation Materials is summary information that should be considered in the context of the Company’s filings with the SEC and other public announcements that the Company may make by press release or otherwise from time to time. The Presentation Materials speak as of the date of this Current Report on Form 8-K. While the Company may elect to update the Presentation Materials in the future or reflect events and circumstances occurring or existing after the date of this Current Report on Form 8-K, the Company specifically disclaims any obligation to do so. The Presentation Materials are furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K and are incorporated herein by reference.

The information in this Current Report on Form 8-K furnished pursuant to Item 7.01, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that section, and they shall not be deemed incorporated by reference in any filing under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. By filing this Current Report on Form 8-K and furnishing this information pursuant to Item 7.01, the Company makes no admission as to the materiality of any information in this Current Report on Form 8-K furnished pursuant to Item 7.01, including Exhibit 99.1 and Exhibit 99.2, that is required to be disclosed solely by Regulation FD.

**Item 9.01 Financial Statements and Exhibits.**

(a) Financial statements of businesses acquired.

The financial statements required by this Item 9.01 and Regulation S-X will be filed by an amendment to this Form 8-K. The amendment will be filed with the SEC no later than 71 calendar days after the date this Form 8-K is required to be filed with the SEC.

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(b) Pro forma financial information.

The pro forma financial information required by this Item 9.01 and Regulation S-X will be furnished by an amendment to this Form 8-K. The amendment will be filed with the SEC no later than 71 calendar days after the date this Form 8-K is required to be filed with the SEC.

(d) Exhibits.

The following exhibits are included with this Current Report on Form 8-K:

<b>Exhibit No.</b>	<b>Description</b>
2.1*	Purchase and Sale Agreement dated December 15, 2021, by and between Chisholm Energy Operating, LLC and Chisholm Energy Agent, Inc., as Seller, and Earthstone Energy, Inc. and Earthstone Energy Holdings, LLC, as Buyer (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Registrant with the SEC on December 17, 2021).
10.1	<a href="#">Registration Rights Agreement dated February 15, 2022 by and among Earthstone Energy, Inc., Chisholm Energy Operating, LLC, and Chisholm Energy Holdings, LLC.</a>
10.2	<a href="#">Form of Lock-up Agreement.</a>
10.3	<a href="#">Amended and Restated Voting Agreement dated February 15, 2022, by and among Earthstone Energy, Inc., EnCap Investments L.P., Warburg Pincus Private Equity (E&amp;P) XI – A, L.P., Warburg Pincus XI (E&amp;P) Partners – A, L.P., WP IRH Holdings, L.P., Warburg Pincus XI (E&amp;P) Partners – B IRH, LLC, Warburg Pincus Energy (E&amp;P)-A, L.P., Warburg Pincus Energy (E&amp;P) Partners-A, L.P., Warburg Pincus Energy (E&amp;P) Partners-B IRH, LLC, WP Energy Partners IRH Holdings, L.P., and WP Energy IRH Holdings, L.P., WP Energy Chisholm Holdings, L.P., WP Energy Partners Chisholm Holdings, L.P., Warburg Pincus Energy (E&amp;P) Partners-B Chisholm, LLC, Warburg Pincus Private Equity (E&amp;P) XII (A), L.P., WP XI Chisholm Holdings, L.P., Warburg Pincus XII (E&amp;P) Partners-2 Chisholm, LLC, Warburg Pincus Private Equity (E&amp;P) XII-D (A), L.P., Warburg Pincus Private Equity (E&amp;P) XII-E (A), L.P., Warburg Pincus XII (E&amp;P) Partners-1, L.P., and WP XI (E&amp;P) Partners (A), L.P.</a>
99.1	<a href="#">Press Release dated February 16, 2022.</a>
99.2	<a href="#">Presentation Materials dated February 16, 2022.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Certain schedules, annexes or exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but will be furnished supplementally to the SEC upon request.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EARTHSTONE ENERGY, INC.**

Date: February 18, 2022

By: /s/ Tony Oviedo  
Tony Oviedo  
*Executive Vice President - Accounting and Administration*

**REGISTRATION RIGHTS AGREEMENT**

This REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”) is made and entered into as of February 15, 2022, by and among Earthstone Energy, Inc., a Delaware corporation (“**Parent**”), Chisholm Energy Operating, LLC, a Delaware limited liability company (“**Chisholm**”), and the Persons identified on Schedule I hereto who become party to this Agreement from time to time upon the execution of a Joinder (as defined herein) in accordance with Section 2.10 of this Agreement (collectively, the “**Chisholm Stockholders**”).

**RECITALS**

WHEREAS, Parent, Earthstone Energy Holdings, LLC, a Delaware limited liability company (“**EEH**”), Chisholm and Chisholm Energy Agent, Inc., a Delaware corporation (“**Chisholm Energy**”), entered into a Purchase and Sale Agreement, dated as of December 15, 2021 (the “**Purchase Agreement**”), under which, among other things, EEH will acquire certain assets from Chisholm and Chisholm Energy;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Parent will issue shares of Class A Common Stock of Parent, \$0.001 par value per share (“**Class A Common Stock**”), to Chisholm or to the Chisholm Stockholders, at the direction of Chisholm; and

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Parent has agreed to grant to the Holders (as defined herein) certain rights with respect to the registration of the Registrable Securities (as defined herein) on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.01 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Purchase Agreement, except that the terms set forth below are used herein as so defined:

“**Affiliate**” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such Person. As used in this definition, the term “**control**” and its derivatives means, with respect to any Person, the possession, directly or indirectly, of more than 50% of the equity interests or the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” is defined in the preamble.

“**Board**” means the board of directors of Parent.

“**Bold**” is defined in Section 2.02(e).

“**Bold Unitholders**” is defined in Section 2.02(e).

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks in Texas are generally open for business.

“**Chisholm**” is defined in the preamble.

“**Chisholm Energy**” is defined in the recitals.

“**Class A Common Stock**” is defined in the recitals.

“**Class A Common Stock Price**” means, as of any date of determination, the volume weighted average closing price of Class A Common Stock (as reported by the New York Stock Exchange) for the ten trading days immediately preceding such date of determination.

“**Class B Common Stock**” means the Class B Common Stock of Parent, \$0.001 par value per share.

“**EDGAR**” is defined in Section 2.04(i).

“**EEH**” is defined in the recitals.

“**EEH A&R LLC Agreement**” means that certain First Amended and Restated Limited Liability Company Agreement of EEH (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time).

“**EEH Units**” means units representing limited liability company interests in EEH.

“**Effectiveness Period**” means the period beginning from and after the date the Shelf Registration Statement is declared or becomes effective until the earlier of (i) all Registrable Securities covered by the Shelf Registration Statement have been distributed in the manner set forth and as contemplated in the Shelf Registration Statement or there are no longer any Registrable Securities outstanding and (ii) the Termination Date.

“**Equity Securities**” means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred), (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, or the distribution of assets of the issuing Person, and (iii) any and all warrants, rights (including conversion and exchange rights) and options to purchase any security described in the clause (i) or (ii) above. Unless otherwise indicated, the term “Equity Securities” refers to Equity Securities of Parent.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and any successor statute thereto and the rules and regulations of the SEC promulgated thereunder.

“**Financial Counterparty**” is defined in Section 2.04(r).

“**Foreland**” means Foreland Investments LP, a Delaware limited partnership.

“**Foreland Stockholders**” is defined in Section 2.02(e).

“**Holder**” means a holder of any Registrable Securities.

“**Included Registrable Securities**” is defined in Section 2.02(a).

“**Independence**” means Independence Resources Holdings, LLC, a Delaware limited liability company.

“**Independence Stockholders**” is defined in Section 2.02(e).

“**Investor Holder**” means Chisholm and Chisholm Energy Holdings, LLC, a Delaware limited liability company.

“**Joinder**” is defined in Section 2.10.

“**Launch Date**” is defined in Section 2.02(b).

“**Losses**” is defined in Section 2.08(a).

“**Managing Underwriter(s)**” means, with respect to any Underwritten Offering or Overnight Underwritten Offering, the book running lead manager or managers of such Underwritten Offering or Overnight Underwritten Offering.

“**Maximum Number of Securities**” is defined in Section 2.02(c).

“**Member Distribution**” is defined in Section 2.01(c).

“**Offering Holders**” is defined in Section 2.03(a).

“**Opt-Out Notice**” is defined in Section 2.02(a).

“**Overnight Underwritten Offering**” is defined in Section 2.02(b).

“**Parent**” is defined in the preamble.

“**Parent Cooperation Event**” is defined in Section 2.04(r).

“**Parity Holders**” is defined in Section 2.02(c).

“**Person**” means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

“**Piggyback Notice**” is defined in Section 2.02(a).

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“**Piggyback Offering**” is defined in [Section 2.02\(a\)](#).

“**Purchase Agreement**” is defined in the recitals.

“**Registrable Securities**” means (i) any Class A Common Stock received by Chisholm or the Chisholm Stockholders in connection with the transactions contemplated by the Purchase Agreement; (ii) any common Equity Securities of Parent issued or issuable with respect to the securities referred to in [clause \(i\)](#) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization; and (iii) any other shares of Class A Common Stock owned as of the date hereof by Persons that are the registered holders of securities described in [clauses \(i\)](#) and [\(ii\)](#) above.

“**Registration Expenses**” is defined in [Section 2.07\(a\)](#).

“**Registration Statement**” means any registration statement of Parent filed or to be filed with the SEC under the Securities Act, including the related prospectus, amendments and supplements to such registration statement, and including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

“**Rule 144**” means Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, and any successor statute thereto and the rules and regulations of the SEC promulgated thereunder.

“**SEG I**” means SEG-TRD LLC, a Delaware limited liability company.

“**SEG II**” means SEG-TRD II LLC, a Delaware limited liability company.

“**Selling Expenses**” is defined in [Section 2.07\(a\)](#).

“**Selling Holder**” means a Holder who is selling Registrable Securities pursuant to a registration statement.

“**Selling Holder Indemnified Persons**” is defined in [Section 2.08\(a\)](#).

“**Selling Holder Underwriter Registration Statement**” is defined in [Section 2.04\(p\)](#).

“**Sequel**” means collectively, SEG I and SEG II.

“**Sequel Stockholders**” is defined in [Section 2.02\(e\)](#).

“**Shelf Registration Statement**” is defined in [Section 2.01\(a\)](#).

“**Staff**” means the staff of the SEC.

“**Tracker**” means Tracker Resource Development III, LLC, a Delaware limited liability company.

“**Tracker Stockholders**” is defined in [Section 2.02\(c\)](#).

“**Underwritten Offering**” means an offering (including an offering pursuant to a Shelf Registration Statement) in which shares of Class A Common Stock are sold to an underwriter on a firm commitment basis for reoffering to the public or an offering that is a “bought deal” with one or more investment banks.

“**Underwritten Offering Filing**” is defined in [Section 2.02\(a\)](#).

“**WKSI**” means “well known seasoned issuer” as defined under Rule 405 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect).

**Section 1.02 Registrable Securities.** Any Registrable Security will cease to be a Registrable Security when (a) a Registration Statement covering such Registrable Security is effective and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) such Registrable Security has been disposed of pursuant to any section of Rule 144 (or any successor rule or regulation to Rule 144 then in force) under the Securities Act; or (c) such Registrable Security is held by Parent or one of its subsidiaries; provided that any security that has ceased to be a Registrable Security shall not thereafter become a Registrable Security and any security that is issued or distributed in respect of securities that have ceased to be Registrable Securities shall not be a Registrable Security.

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Section 1.03 Effectiveness. This Agreement is effective as of the date of hereof and shall continue in full force and effect until there are no longer any Registrable Securities outstanding.

## ARTICLE II. REGISTRATION RIGHTS

### Section 2.01 Shelf Registration.

(a) Shelf Registration. Parent shall (i) prepare and file by no later than the date that is 45 days after the date hereof a registration statement under the Securities Act to permit the public resale of the Registrable Securities from time to time, including as permitted by Rule 415 under the Securities Act (or any similar provision then in force) with respect to all of the Registrable Securities (the "**Shelf Registration Statement**") and (ii) use its reasonable best efforts to cause the Shelf Registration Statement to become effective as soon as reasonably practicable thereafter but in no event later than 80 days (or 120 days, if the Shelf Registration Statement is on Form S-1) after the date hereof; *provided, however*, in the event of a review by the Staff, within five Business Days of being informed by the Staff that the Staff have no further comments on the Shelf Registration Statement.

(b) The Shelf Registration Statement shall be on Form S-3 (or any equivalent or successor form) under the Securities Act and, if Parent is a WKSJ as of the filing date thereof, shall be an Automatic Shelf Registration Statement or, if Form S-3 is not then available to Parent, on Form S-1 or such other form of registration statement as is then available to effect a registration for resale of the Registrable Securities; *provided, however*, that if Parent has filed the Shelf Registration Statement on Form S-1 and subsequently becomes eligible to use Form S-3 or any equivalent or successor form or forms, Parent shall (i) file a post-effective amendment to the Shelf Registration Statement converting such Registration Statement on Form S-1 to a Registration Statement on Form S-3 or any equivalent or successor form or forms or (ii) withdraw the Shelf Registration Statement on Form S-1 and file a subsequent Shelf Registration Statement on Form S-3 or any equivalent or successor form or forms. The Shelf Registration Statement shall provide for the resale pursuant to any method or combination of methods legally available to, and requested by, the Holders of any and all Registrable Securities covered by such Shelf Registration Statement. Subject to Section 2.01(c), Parent shall use its reasonable best efforts to cause the Shelf Registration Statement to remain effective under the Securities Act during the Effectiveness Period and to be supplemented and amended to the extent necessary to ensure that the Shelf Registration Statement is available for the resale of all the Registrable Securities by the Holders. The Shelf Registration Statement when declared effective (including the documents incorporated therein by reference) shall comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As soon as practicable following the date of effectiveness of such Shelf Registration Statement, but in any event within three Business Days of such date, Parent will notify the Holders of the effectiveness of such Shelf Registration Statement. Notwithstanding anything contained herein to the contrary, Parent hereby agrees that (i) the Shelf Registration Statement filed pursuant to this Section 2.01(b) shall contain all language (including on the prospectus cover sheet, the principal stockholders' table and the plan of distribution) as may be reasonably requested by any Investor Holder to allow for a distribution to, and resale by, the members, stockholders or partners (as the case may be) of such Investor Holder (each, a "**Member Distribution**"), and (ii) Parent shall, at the reasonable request of any Investor Holder seeking to effect a Member Distribution, file any prospectus supplement or post-effective amendments and otherwise take any action reasonably necessary to include such language, if such language was not included in the initial Shelf Registration Statement, or revise such language if deemed reasonably necessary by such Investor Holder to effect any such Member Distribution.

(c) Delay Rights. Notwithstanding anything to the contrary contained herein, Parent may, upon written notice to (x) all Holders, delay the filing of the Shelf Registration Statement or (y) any Selling Holder whose Registrable Securities are included in the Shelf Registration Statement, suspend such Selling Holder's use of any prospectus which is a part of the Shelf Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Shelf Registration Statement but such Selling Holder may settle any contracted sales of Registrable Securities) if Parent (i) is pursuing an acquisition, merger, tender offer, reorganization, disposition or other similar transaction and the Board determines in good faith that its ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in the Shelf Registration Statement or (ii) has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of the Board would materially adversely affect Parent; *provided, however*, in no event shall (A) such filing of the Shelf Registration Statement be delayed under clauses (i) or (ii) of this Section 2.01(c) for a period that exceeds 90 days or (B) such Selling Holders be suspended under clauses (i) or (ii) of this Section 2.01(c) from selling Registrable Securities pursuant to the Shelf Registration Statement for a period that exceeds an aggregate of 30 days in any 90-day period or 60 days in any 365-day period. Upon disclosure of such information or the termination of the condition described above, Parent shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Shelf Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other reasonable actions to permit registered sales of Registrable Securities as contemplated in this Agreement. Parent will only exercise its suspension rights under this Section 2.01(c) if it exercises similar suspension rights with respect to any Parity Holders. If Parent exercises its suspension rights under this Section 2.01(c), then during such suspension period Parent shall not engage in any transaction involving the offer, issuance, sale or purchase of Equity Securities (whether for the benefit of Parent or a third Person), except transactions involving (I) the issuance or purchase of Equity Securities as contemplated by the Parent's employee benefit plans or employee or director arrangements, (II) the issuance of Equity Securities to a seller as consideration for, or to a third party in order to finance or partially finance, the transaction specified under clause (i) of this Section 2.01(c) that was the basis for which the suspension rights under this Section 2.01(c) were exercised or (III) the issuance of Equity Securities to a member of EEH in connection with the redemption of Class B Common Stock and EEH Units pursuant to the EEH A&R LLC Agreement.

Section 2.02 Piggyback Rights.

(a) Participation. Except as provided in Section 2.02(b), if at any time during the Effectiveness Period, Parent proposes to file (i) a shelf registration statement other than the Shelf Registration Statement (in which event Parent covenants and agrees to include thereon a description of the transaction under which the Holders acquired the Registrable Securities), (ii) a prospectus supplement to an effective shelf registration statement, other than the Shelf Registration Statement contemplated by Section 2.01(a) of this Agreement, or (iii) a registration statement, other than a shelf registration statement, in the case of each of clause (i), (ii) or (iii), for the sale of Class A Common Stock in an Underwritten Offering or Overnight Underwritten Offering for its own account and/or the account of another Person, then as soon as practicable but not less than ten Business Days (or one Business Day in the case of an Overnight Underwritten Offering) prior to the filing of (A) any preliminary prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) under the Securities Act, (B) the prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) under the Securities Act (if no preliminary prospectus supplement is used) or (C) such registration statement (other than a Shelf Registration Statement), as the case may be (an "Underwritten Offering Filing"). Parent shall give notice (including, but not limited to, notification by email) of such proposed Underwritten Offering (a "Piggyback Offering") to the Holders and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of shares of Class A Common Stock (the "Included Registrable Securities") as each such Holder may request in writing, *provided, however*, that if Parent has been advised by the Managing Underwriter(s) in writing that the inclusion of Registrable Securities for sale for the benefit of the Selling Holders will have a material adverse effect on the price, timing or distribution of the Class A Common Stock in the Underwritten Offering, then the amount of Registrable Securities to be offered for the accounts of Selling Holders shall be determined based on the provisions of Section 2.02(c) of this Agreement. The notice required to be provided in this Section 2.02(a) to each Holder (the "Piggyback Notice") shall be provided on a Business Day pursuant to Section 3.01 hereof. Each Holder shall then have five Business Days (or one Business Day in the case of an Overnight Underwritten Offering) after the date on which the Holders received the Piggyback Notice to request inclusion of Registrable Securities in the Underwritten Offering. If no request for inclusion from a Holder is received within such period, such Holder shall have no further right to participate in such Underwritten Offering. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, the Board shall determine for any reason not to undertake or to delay such Underwritten Offering, Parent may, at its election, give written notice of such determination to the Selling Holders and (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in any Underwritten Offering, Overnight Underwritten Offering or Piggyback Offering by giving written notice to Parent of such withdrawal up to and including the time of pricing of such offering. Notwithstanding the foregoing, any Holder may deliver written notice (an "Opt-Out Notice") to Parent requesting that such Holder not receive notice from Parent of any proposed Underwritten Offering, *provided, however*, that such Holder may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from a Holder, Parent shall not deliver any notice to such Holder pursuant to this Section 2.02(a), unless such Opt-Out Notice is revoked by such Holder. Notwithstanding anything contained herein to the contrary, Parent hereby agrees that (i) any shelf registration statement which includes Registrable Securities pursuant to this Section 2.02(a) shall contain all language (including on the prospectus cover sheet, the principal stockholders' table and the plan of distribution) as may be reasonably requested by any Investor Holder to allow for a Member Distribution and (ii) Parent shall, at the reasonable request of any Investor Holder seeking to effect a Member Distribution, file any prospectus supplement or post-effective amendments and otherwise take any action reasonably necessary to include such language, if such language was not included in the initial registration statement, or revise such language if deemed reasonably necessary by such Investor Holder to effect such Member Distribution.

(b) Overnight Underwritten Offering Piggyback Rights. If, at any time during any Effectiveness Period, Parent proposes to file an Underwritten Offering Filing and such Underwritten Offering is expected to be launched (the "Launch Date") after the close of trading on one trading day and priced before the open of trading on the next succeeding trading day (such execution format, an "Overnight Underwritten Offering"), then no later than one Business Day after Parent engages one or more Managing Underwriter(s) for the proposed Overnight Underwritten Offering, Parent shall notify (including, but not limited to, notice by email) the Holders of the pendency of the Overnight Underwritten Offering and such notice shall offer the Holders the opportunity to include in such Overnight Underwritten Offering such number of Registrable Securities as each such Holder may request in writing within two Business Days after such Holder receives such notice. Notwithstanding the foregoing, if Parent has been advised by the Managing Underwriter(s) in writing that the inclusion of Registrable Securities in the Overnight Underwritten Offering for the accounts of the Selling Holders is likely to have a material adverse effect on the price, timing or distribution of the Class A Common Stock being offered in such Overnight Underwritten Offering, then the amount of Registrable Securities to be included in the Overnight Underwritten Offering for the accounts of Selling Holders shall be determined based on the provisions of Section 2.02(c) of this Agreement. If, at any time after giving written notice of its intention to execute an Overnight Underwritten Offering and prior to the closing of such Overnight Underwritten Offering, Parent determines for any reason not to undertake or to delay such Overnight Underwritten Offering, Parent shall give written notice of such determination to the Selling Holders and, (i) in the case of a determination not to undertake such Overnight Underwritten Offering, shall be relieved of its obligation to sell any Registrable Securities held by the Selling Holders in connection with such abandoned or delayed Overnight Underwritten Offering, and (ii) in the case of a determination to delay such Overnight Underwritten Offering, shall be permitted to delay offering any Registrable Securities held by the Selling Holders for the same period as the delay of the Overnight Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such Overnight Underwritten Offering by giving written notice to Parent of such withdrawal at least one Business Day prior to the expected Launch Date. Notwithstanding the foregoing, any Holder may deliver an Opt-Out Notice to Parent requesting that such Holder not receive notice from Parent of any proposed Overnight Underwritten Offering and, following receipt of such an Opt-Out Notice from a Holder, Parent shall not deliver any notice to such Holder pursuant to this Section 2.02(b), unless such Opt-Out Notice is revoked by such Holder.

(c) **Priority of Rights.** In connection with an Underwritten Offering and Overnight Underwritten Offering contemplated by Section 2.02(a) and Section 2.02(b), respectively, if the Managing Underwriter(s) of any such Underwritten Offering or Overnight Underwritten Offering, as the case may be, advises Parent that the total amount of Class A Common Stock that the Selling Holders and any other Persons intend to include in such Underwritten Offering or Overnight Underwritten Offering exceeds the number that can be sold in such Underwritten Offering or Overnight Underwritten Offering without being likely to have a material adverse effect on the price, timing or distribution of the Class A Common Stock offered in such Underwritten Offering or Overnight Underwritten Offering, as the case may be, or the market for the Class A Common Stock, then the Class A Common Stock to be included in such Underwritten Offering or Overnight Underwritten Offering shall include the number of shares of Class A Common Stock that such Managing Underwriter(s) advise Parent can be sold without having such adverse effect (such maximum number of shares of Class A Common Stock, the "**Maximum Number of Securities**"), with such number to be allocated (i) first, to Parent, (ii) second, pro rata among all Selling Holders and holders of any other securities of Parent having rights of registration on parity with the Registrable Securities ("**Parity Holders**") who have requested participation in such Underwritten Offering or Overnight Underwritten Offering. The pro rata allocations for each such Selling Holder or Parity Holder shall be (A) based on the percentage derived by dividing (1) the number of shares of Class A Common Stock (or other securities) that such Selling Holder or such Parity Holder has requested be included in such Underwritten Offering or Overnight Underwritten Offering by (2) the aggregate number of shares of Class A Common Stock (or other securities) that all Selling Holders and all Parity Holders have requested be included in such Underwritten Offering or Overnight Underwritten Offering or (B) as otherwise agreed by such Selling Holder or Parity Holder, as applicable.

(d) Notwithstanding anything in this Section 2.02 to the contrary, no Holder shall have any right to include any Class A Common Stock in any offering by Parent of Class A Common Stock executed pursuant to any "at the market" program that Parent may have in effect from time to time on or after the date of this Agreement.

(e) Parent, Chisholm and the Chisholm Stockholders hereby agree that the rights of (i) Bold Energy Holdings, LLC ("**Bold**") and its permitted assigns to register shares of Class A Common Stock under that certain Registration Rights Agreement, dated May 9, 2017, by and among the Parent, Bold and the Persons identified on Schedule I attached thereto (such Persons, together with their respective permitted assigns, the "**Bold Unitholders**"); (ii) Independence and its permitted assigns to register shares of Class A Common Stock under that certain Registration Rights Agreement, dated January 7, 2021, by and among Parent, Independence and the Persons identified on Schedule I attached thereto (such Persons, together with their respective permitted assigns, the "**Independence Stockholders**"); (iii) Tracker and its permitted assigns to register shares of Class A Common Stock under that certain Registration Rights Agreement, dated July 20, 2021, by and among Parent, Tracker, EnCap Energy Capital Fund VIII, L.P., ZIP Ventures I, L.L.C., and Tracker III Holdings, LLC (collectively, together with their respective permitted assigns, the "**Tracker Stockholders**"); (iv) Sequel and its permitted assigns to register shares of Class A Common Stock under that certain Registration Rights Agreement, dated July 20, 2021, by and among Parent, Sequel and the Persons identified on Schedule I attached thereto (the "**Sequel Stockholders**"); and (v) Foreland and its permitted assigns to register shares of Class A Common Stock under that certain Registration Rights Agreement, dated November 2, 2021, by and among Parent, Foreland, the parties identified on Schedule I attached thereto and the Persons identified on Schedule II attached thereto (collectively, the "**Foreland Stockholders**"), shall rank *pari passu* with the rights of Chisholm and the Chisholm Stockholders to register shares of Class A Common Stock under this Agreement. For purposes of clarity and the avoidance of doubt, Parent, Chisholm and the Chisholm Stockholders expressly agree that Bold, the Bold Unitholders, Independence, the Independence Stockholders, Tracker, the Tracker Stockholders, Sequel, the Sequel Stockholders, Foreland and the Foreland Stockholders shall be Parity Holders for purposes of this Section 2.02.

#### Section 2.03 Underwritten Offering.

(a) In the event that one or more Holders of Registrable Securities (the "**Offering Holders**") notify Parent in writing of their election to dispose of Registrable Securities under the Shelf Registration Statement pursuant to an Underwritten Offering or Overnight Underwritten Offering and reasonably expect aggregate gross proceeds of at least \$25 million from such Underwritten Offering or Overnight Underwritten Offering, (i) Parent shall give notice (including, but not limited to, notification by email, with such notice given no later than one Business Day after the engagement by Parent of the Managing Underwriter(s) in the case of a proposed Overnight Underwritten Offering) of such proposed Underwritten Offering or Overnight Underwritten Offering to the other Holders on a Business Day and such notice shall offer such Holders the opportunity to include in such Underwritten Offering or Overnight Underwritten Offering such number of Registrable Securities as each such Holder may request in writing (within five Business Days in the case of an Underwritten Offering that is not an Overnight Underwritten Offering and within two Business Days after the Holder receives such notice in the case of an Overnight Underwritten Offering) and (ii) Parent will retain Underwriters selected by the Offering Holders holding a majority of the Registrable Securities to be disposed of pursuant to such Underwritten Offering or Overnight Underwritten Offering (which Underwriters shall be reasonably acceptable to Parent) subject to such sale through an Underwritten Offering or Overnight Underwritten Offering including entering into an underwriting agreement in customary form with the Managing Underwriter(s), which underwriting agreement shall include, among other provisions, indemnities to the effect and to the extent provided in Section 2.08, and will take all reasonable actions as are requested by the Managing Underwriter(s) in order to expedite or facilitate the registration and disposition of the Registrable Securities; *provided, however*, that Parent shall not be required to effect (A) more than two Underwritten Offerings or Overnight Underwritten Offerings pursuant to this Section 2.03 in any 365-day period or (B) an Underwritten Offering or Overnight Underwritten Offering pursuant to this Section 2.03 prior to the six month anniversary of the date hereof. Parent management shall participate in a roadshow or similar marketing effort on behalf of any such Holder or Holders if the aggregate gross proceeds from such Underwritten Offering or Overnight Underwritten Offering are reasonably expected to exceed \$35 million. No Selling Holder may participate in such Underwritten Offering or Overnight Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably and customarily required under the terms of such underwriting agreement. No Selling Holder shall be required to make any representations or warranties to or agreements with Parent or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf and its intended method of distribution and any

other representations required by law. If any Selling Holder disapproves of the terms of an Underwritten Offering or Overnight Underwritten Offering contemplated by this [Section 2.03\(a\)](#), such Selling Holder may elect to withdraw therefrom by notice to Parent and the Managing Underwriter(s); *provided, however*, that such notice of withdrawal must be made at a time up to and including the time of pricing of such offering in order to be effective. No such withdrawal or abandonment shall affect Parent's obligation to pay Registration Expenses.

(b) In connection with an Underwritten Offering and Overnight Underwritten Offering contemplated by [Section 2.03\(a\)](#), if the Managing Underwriter(s) of any such Underwritten Offering or Overnight Underwritten Offering, as the case may be, advises the Selling Holders that the total amount of Registrable Securities that the Selling Holders intend to include in such Underwritten Offering or Overnight Underwritten Offering exceeds the Maximum Number of Securities, then the Registrable Securities to be included in such Underwritten Offering or Overnight Underwritten Offering shall include the Maximum Number of Securities, with such number to be allocated (i) first, pro rata among all Selling Holders and (ii) second, to the extent the number of securities proposed to be included in such Underwritten Offering or Overnight Underwritten Offering by the Selling Holders is less than the Maximum Number of Securities, pro rata among all Parity Holders who have requested participation in such Underwritten Offering or Overnight Underwritten Offering. The pro rata allocations for each such Selling Holder or Parity Holder, as applicable, shall be (A) (1) with respect to any Selling Holder, based on the percentage derived by dividing (aa) the number of shares of Class A Common Stock (or other securities) that such Selling Holder has requested be included in such Underwritten Offering or Overnight Underwritten Offering by (bb) the aggregate number of shares of Class A Common Stock (or other securities) that all Selling Holders have requested be included in such Underwritten Offering or Overnight Underwritten Offering, and (2) with respect to any Parity Holder, based on the percentage derived by dividing (aa) the number of shares of Class A Common Stock (or other securities) that such Parity Holder has requested be included in such Underwritten Offering or Overnight Underwritten Offering by (bb) the aggregate number of shares of Class A Common Stock (or other securities) that all Parity Holders have requested be included in such Underwritten Offering or Overnight Underwritten Offering, or (B) as otherwise agreed by such Selling Holder(s) or Parity Holder(s), as applicable.

Section 2.04 [Registration Procedures](#). In connection with its obligations under this [Article II](#), Parent will, as expeditiously as possible:

(a) prepare and file with the SEC such amendments and supplements to the Shelf Registration Statement and the prospectus used in connection therewith as may be necessary to cause the Shelf Registration Statement to be effective and to keep the Shelf Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Shelf Registration Statement;

(b) if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering or Overnight Underwritten Offering from the Shelf Registration Statement and the Managing Underwriter(s) at any time shall notify Parent in writing that, in the good faith judgment of such Managing Underwriter(s), inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering or Overnight Underwritten Offering of such Registrable Securities, Parent shall use its commercially reasonable efforts to include such information in such a prospectus supplement;

(c) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing the Shelf Registration Statement or any other Registration Statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the SEC other than annual or quarterly reports on Form 10-K or 10-Q, respectively, current reports on Form 8-K or proxy statements; *provided, however*, that such reports or proxy statements shall be provided at least two Business Days prior to filing in connection with an Underwritten Offering or Overnight Underwritten Offering), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing the Shelf Registration Statement or such other Registration Statement or supplement or amendment thereto, and (ii) such number of copies of the Shelf Registration Statement or such other Registration Statement and the prospectus included therein and any supplements and amendments thereto as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by the Shelf Registration Statement or such other Registration Statement;

(d) if applicable, use its reasonable best efforts to register or qualify the Registrable Securities covered by the Shelf Registration Statement or any other Registration Statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering or Overnight Underwritten Offering, the Managing Underwriter(s) shall reasonably request, except that Parent will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(e) promptly notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered by any of them under the Securities Act, of (i) the filing of the Shelf Registration Statement or any other Registration Statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Shelf Registration Statement or any other Registration Statement contemplated by this Agreement, when the same has become effective; and (ii) the receipt of any written comments from the SEC with respect to any filing referred to in [clause \(i\)](#) and any written request by the SEC for amendments or supplements to the Shelf

Registration Statement or any other Registration Statement contemplated by this Agreement or any prospectus or prospectus supplement thereto;

(f) promptly notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which, the prospectus or prospectus supplement contained in the Shelf Registration Statement or any other Registration Statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (ii) the issuance or threat of issuance by the SEC of any stop order suspending the effectiveness of the Shelf Registration Statement or any other Registration Statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by Parent of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, Parent agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances then existing, and to take such other commercially reasonable action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(g) upon request and subject to appropriate confidentiality obligations, furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to any offering of Registrable Securities;

(h) in connection with an Underwritten Offering or Overnight Underwritten Offering, use commercially reasonable efforts to furnish upon request and addressed to the underwriters and to the Selling Holders on the date that shares of Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion of counsel for Parent, and (ii) a "comfort letter" signed by the independent public accountants (and, if applicable, independent reserve engineers) who have certified Parent's financial statements included or incorporated by reference into the applicable Registration Statement, and each of the opinion and the "comfort letter" shall be in customary form and covering substantially the same matters with respect to such Registration Statement (and the prospectus and any prospectus supplement included therein) as are customarily covered in opinions of issuer's counsel and in accountants' (and, if applicable, independent reserve engineers') letters delivered to the underwriters in Underwritten Offerings or Overnight Underwritten Offerings of securities, and such other matters as such underwriters or Selling Holders may reasonably request;

(i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders (which may be satisfied by making such information available on the SEC's Electronic Data Gathering, Analysis and Retrieval system or any successor system known as "EDGAR"), as soon as reasonably practicable, an earnings statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(j) make available to the appropriate representatives of the Managing Underwriter(s) and Selling Holders access to such information and Parent personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act; *provided* that Parent need not disclose any non-public information to any such representative unless and until such representative has entered into a customary confidentiality agreement with Parent;

(k) cause all such Registrable Securities covered by such Shelf Registration Statement to be listed on each securities exchange or nationally recognized quotation system on which the Class A Common Stock is then listed or quoted;

(l) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Parent to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(m) provide a transfer agent and registrar for all Registrable Securities covered by a Registration Statement not later than the effective date of such Registration Statement;

(n) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of such Registrable Securities;

(o) if reasonably required by Parent's transfer agent, Parent use its commercially reasonable efforts to promptly (and in no more than two (2) Business Days) deliver any customary authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to transfer such Registrable Securities without legend, in accordance with applicable law, upon sale by the Holder of such Registrable Securities under the Registration Statement;

(p) if any Selling Holder could reasonably be deemed to be an "underwriter," as defined in Section 2(a)(11) of the Securities Act, in connection with the registration statement in respect of any registration of Registrable Securities of such Selling Holder pursuant to this Agreement, and any amendment or supplement thereof (any such registration statement or amendment or supplement, a "**Selling Holder Underwriter Registration Statement**"), then, until the Effectiveness Period ends, (i) cooperate with such Selling Holder in allowing such Selling Holder to conduct customary "underwriter's due diligence" with respect to Parent and satisfy its obligations in respect thereof; (ii) until the Effectiveness Period ends, at any Selling Holder request, furnish to such Selling Holder, on the date of the effectiveness of any Selling Holder Underwriter Registration Statement and thereafter no more often than on a quarterly basis, (A) a letter, dated such date, from Parent's independent certified public accountants (and,

if applicable, independent reserve engineers) in form and substance as is customarily given by independent certified public accountants (and, if applicable, independent reserve engineers) to underwriters in an underwritten public offering, addressed to such Selling Holder, (B) an opinion, dated as of such date, of counsel representing Parent for purposes of such Selling Holder Underwriter Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, including a standard "10b-5" opinion for such offering, addressed to such Selling Holder and (C) a standard officer's certificate from the Chief Executive Officer and Chief Financial Officer of Parent addressed to such Selling Holder; and (ii) permit legal counsel of such Selling Holder to review and comment upon any Selling Holder Underwriter Registration Statement at least five Business Days prior to its filing with the SEC and all amendments and supplements to any such Selling Holder Underwriter Registration Statement within a reasonable number of days prior to their filing with the SEC and not file any Selling Holder Underwriter Registration Statement or amendment or supplement thereto in a form to which such Selling Holder's legal counsel reasonably objects;

(q) if requested by a Selling Holder, (i) as soon as practicable incorporate in a prospectus supplement or post-effective amendment such information as such Selling Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) as soon as practicable make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) as soon as practicable, supplement or make amendments to any Registration Statement; and

(r) in connection with any transaction or series of anticipated transactions (i) effected pursuant to the Shelf Registration Statement, (ii) except as set forth on Schedule 2.04(r), with reasonably anticipated gross proceeds in excess of \$12.5 million or involving Registrable Securities having a fair market value in excess of \$12.5 million (which value shall be determined by multiplying the number of such Registrable Securities by the Class A Common Stock Price) and (iii) involving a broker, agent, counterparty, underwriter, bank or other financial institution ("**Financial Counterparty**") (each a "**Parent Cooperation Event**"), to the extent requested by the Financial Counterparty in order to engage in the proposed Parent Cooperation Event, Parent will cooperate with the applicable Holder(s) in allowing Financial Counterparty to conduct customary "underwriter's due diligence" with respect to Parent, including (1) by using commercially reasonable efforts to cause its independent certified public accountants to provide to the Financial Counterparty a "cold comfort" letter in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the Financial Counterparty, (2) by using commercially reasonable efforts to cause its outside counsel to deliver an opinion in form, scope and substance as is customarily given in an underwritten public offering, including a standard "10b-5" letter for such offering, addressed to such Financial Counterparty, and (3) by providing a standard officer's certificate from the chief executive officer or chief financial officer, or other officer serving such functions, of Parent addressed to the Financial Counterparty; *provided*, that, for the avoidance of doubt, no Parent Cooperation Event shall be deemed an Underwritten Offering or Overnight Underwritten Offering for purposes of Section 2.03. Notwithstanding the foregoing, except as set forth on Schedule 2.04(r), Parent shall not be required to participate in more than four Parent Cooperation Events in any 365-day period and shall not be required to participate in any Parent Cooperation Events prior to the six month anniversary of the date hereof.

Notwithstanding anything to the contrary in this Section 2.04, Parent will not name a Holder as an underwriter (as defined in Section 2(a)(11) of the Securities Act) in any Registration Statement or Selling Holder Underwriter Registration Statement, as applicable, without such Holder's consent. If the Parent determines, upon advice of counsel, that Parent is required to name any Holder as an underwriter (as defined in Section 2(a)(11) of the Securities Act), and such Holder does not consent thereto, then such Holder's Registrable Securities shall not be included on the applicable Registration Statement and Parent shall have no further obligations hereunder with respect to Registrable Securities held by such Holder with respect to such Registration Statement or Selling Holder Registration Statement unless such Holder has not had an opportunity to conduct customary underwriter's due diligence as set forth in Section 2.04(p) with respect to Parent at the time such Holder's consent is sought.

Each Selling Holder, upon receipt of notice from Parent of the happening of any event of the kind described in subsection (e) of this Section 2.04, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.04 or until it is advised in writing by Parent that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by Parent, such Selling Holder will, or will request the Managing Underwriter(s), if any, to deliver to Parent (at Parent's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 2.05 Cooperation by Holders. Parent shall have no obligation to include Registrable Securities of a Holder in any Registration Statement or Underwritten Offering if such Holder has failed to timely furnish such information which Parent determines, after consultation with counsel, is reasonably required for any registration statement or prospectus supplement thereto, as applicable, to comply with the Securities Act.

Section 2.06 Restrictions on Public Sale by Holders of Registrable Securities. Each Holder of Registrable Securities who is included in the Shelf Registration Statement agrees not to effect any public sale or distribution of the Registrable Securities for a period of up to 30 days following completion of an Underwritten Offering or Overnight Underwritten Offering of Equity Securities by Parent, *provided* that (i) Parent gives written notice to such Holder of the date of the commencement and termination of such period with respect to any such Underwritten Offering or Overnight Underwritten Offering and (ii) the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters of such public sale or distribution on Parent or on the officers or directors or any other Affiliate of Parent on whom a restriction is imposed; *provided further*, that this Section 2.06 shall not apply to a Holder that holds less than 10% of the voting power of Parent's outstanding Equity Securities.

Section 2.07 Expenses.

(a) Certain Definitions. The term "**Registration Expenses**" means all expenses incident to Parent's performance under or compliance with this Agreement to effect the registration of Registrable Securities on the Shelf Registration Statement, an Underwritten Offering or Overnight Underwritten Offering covered under this Agreement, and/or the disposition of such Registrable Securities, including, without limitation, all registration, filing, securities exchange listing and NYSE fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, Inc., fees of transfer agents and registrars, all word processing, duplicating and printing expenses, and the fees and disbursements of counsel and independent public accountants for Parent, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, and fees and expenses of one counsel engaged by the Holders of a majority of the Registrable Securities, not to exceed \$20,000, in connection with the registration of the Registrable Securities on the initial Shelf Registration Statement; *provided, however*, that "Registration Expenses" shall not include any Selling Expenses. The term "**Selling Expenses**" means all (i) transfer taxes allocable to the sale of the Registrable Securities; (ii) fees and expenses of counsel engaged by the Holders in excess of the amounts payable by Parent under the definition of "Registration Expenses"; and (iii) commissions and discounts of brokers, dealers and underwriters.

(b) Expenses. Parent will pay all Registration Expenses as determined in good faith, including, in the case of an Underwritten Offering or Overnight Underwritten Offering, whether or not any sale is made pursuant to the Shelf Registration Statement. Each Selling Holder shall pay its pro rata share of all Selling Expenses in connection with any sale of Registrable Securities hereunder.

Section 2.08 Indemnification.

(a) By Parent. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, to the extent permitted by applicable law, Parent will indemnify and hold harmless each Selling Holder thereunder, its Affiliates that own Registrable Securities and their respective directors and officers and each underwriter pursuant to the applicable underwriting agreement with such underwriter and each Person, if any, who controls such Selling Holder or underwriter within the meaning of the Securities Act and the Exchange Act and its directors and officers (collectively, the "**Selling Holder Indemnified Persons**"), against any losses, claims, damages, expenses or liabilities (including reasonable attorneys', accountants' and experts' fees and expenses) (collectively, "**Losses**"), joint or several, to which such Selling Holder or underwriter or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in (which, for the avoidance of doubt, includes documents incorporated by reference in) the Shelf Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus, free writing prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading or arise out of or are based upon a Selling Holder being deemed to be an "underwriter," as defined in Section 2(a)(11) of the Securities Act, in connection with the registration statement in respect of any registration of Parent's securities, and will reimburse each such Selling Holder Indemnified Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; *provided, however*, that Parent will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in strict conformity with information furnished by such Selling Holder Indemnified Person in writing specifically for use in the Shelf Registration Statement or such other registration statement or any prospectus contained therein or any amendment or supplement thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such director, officer or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless Parent, its directors and officers and each Person, if any, who controls Parent within the meaning of the Securities Act or of the Exchange Act against any Losses to the same extent as the foregoing indemnity from Parent to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in the Shelf Registration Statement or any prospectus contained therein or any amendment or supplement thereof relating to the Registrable Securities; *provided, however*, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds received by such Selling Holder (net of Selling Expenses) from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but such indemnified party's failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to any indemnified party other than under this Section 2.08. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.08 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; *provided, however*, that, (i) if the indemnifying party has failed to assume the defense and employ counsel reasonably acceptable to the indemnified party or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel.

and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of one such separate counsel (firm) and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnified party shall settle any action brought against it with respect to which it is entitled to indemnification hereunder without the consent of the indemnifying party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 2.08 is held by a court or government agency of competent jurisdiction to be unavailable to Parent or any Selling Holder or is insufficient to hold it harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Losses as between Parent, on the one hand, and such Selling Holder, on the other hand, in such proportion as is appropriate to reflect the relative fault of Parent, on the one hand, and of such Selling Holder, on the other, in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; *provided, however*, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds received by such Selling Holder (net of Selling Expenses) from the sale of Registrable Securities giving rise to such indemnification. The relative fault of Parent, on the one hand, and each Selling Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the first sentence of this paragraph. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss which is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.08 shall be in addition to any other rights to indemnification or contribution which an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.09 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the SEC that may permit the sale of the Registrable Securities to the public without registration, Parent agrees to use its reasonable best efforts to:

(a) make and keep public information regarding Parent available, as those terms are understood and defined in Rule 144 (or any successor rule or regulation to Rule 144 then in force) of the Securities Act, at all times from and after the date of this Agreement;

(b) file with the SEC in a timely manner all reports and other documents required of Parent under the Securities Act and the Exchange Act at all times from and after the date of this Agreement;

(c) so long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a copy of the most recent annual or quarterly report of Parent, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing such Holder to sell any such securities without registration; and

(d) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable the Holders to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 (or any successor rule or regulation to Rule 144 then in force) under the Securities Act.

Section 2.10 Transfer or Assignment of Registration Rights. The rights to cause Parent to include Registrable Securities in a Shelf Registration Statement may be transferred or assigned by any Holder to one or more transferee(s) or assignee(s) of such Registrable Securities; *provided* that (a) Parent is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee and identifying the securities with respect to which such registration rights are being transferred or assigned; (b) each such transferee or assignee assumes in writing responsibility for its portion of the obligations of such Holder under this Agreement by executing a Joinder in the form attached hereto as Exhibit A (the "Joinder"); and (c) unless any such transferee or assignee is (i) a Chisholm Stockholder or (ii) an Affiliate of such Holder or any other Chisholm Stockholder and after such transfer or assignment continues to be an Affiliate of such Holder or any other Chisholm Stockholder, the amount of Registrable Securities transferred or assigned to such transferee or assignee shall represent at least \$50 million of Registrable Securities (determined by multiplying the number of Registrable Securities owned by the Class A Common Stock Price); *provided further* that nothing in this Section 2.10 shall limit an Investor Holder's rights set forth in Section 2.01(b) and Section 2.02(a) in connection with a Member Distribution.

Section 2.11 Information by Holder. Any Holder or Holders of Registrable Securities included in any Registration Statement shall promptly furnish to Parent such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as Parent may reasonably request and as shall be required in connection with any registration, qualification or compliance referred to herein, including but not limited to information related to the number of Registrable Securities beneficially owned by the Holder.

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Section 2.12 Limitation on Subsequent Registration Rights. From and after the date of this Agreement, Parent shall not, without the prior written consent of the Holders, enter into any agreement with any current or future holder of any securities of Parent that would allow such current or future holder to require Parent to include securities in any Piggyback Offering by Parent for its own account on a basis that is superior in any material respect to the Piggyback Offering rights granted to the Holders pursuant to Section 2.02 of this Agreement.

**ARTICLE III.  
MISCELLANEOUS**

Section 3.01 Communications. All notices or other communications which are required or permitted hereunder shall be in writing and shall be deemed to have been given if (a) personally delivered, (b) sent by nationally recognized overnight courier, (c) sent by registered or certified mail, postage prepaid, return receipt requested, or (d) sent by email. Such notices and other communications must be sent to the following addresses or email addresses:

if to Parent to:

Earthstone Energy, Inc.  
1400 Woodloch Forest Drive, Suite 300  
The Woodlands, Texas 77380  
Attention: Robert J. Anderson, President and Chief Executive Officer  
Email: robert@earthstoneenergy.com

with a copy to:

Jones & Keller, P.C.  
1675 Broadway, 26<sup>th</sup> Floor  
Denver, Colorado 80202  
Attention: Reid A. Godbolt  
Adam J. Fogoros  
Email: rgodbolt@joneskeller.com  
adamf@joneskeller.com

if to Chisholm to:

Chisholm Energy Operating, LLC  
801 Cherry Street, Suite 1200  
Fort Worth, Texas 76102  
Attention: Aaron Gaydosik  
Email: agaydosik@chisholmenergy.com

*And with copies to (which will not constitute notice):*

Kirkland & Ellis LLP  
609 Main Street, Suite 4500  
Houston, Texas 77002  
Attention: Adam D. Larson, P.C.  
Christopher S.C. Heasley  
Email: adam.larson@kirkland.com  
christopher.heasley@kirkland.com

if to any Holder: at its address listed on the signature pages hereof or Joinder, if applicable;

or to such other address or email address as the party to whom notice is to be given may have furnished to such other party in writing in accordance herewith. Any such communication shall be deemed to have been received (a) when delivered, if personally delivered, (b) the next Business Day after delivery, if sent by nationally recognized, overnight courier, (c) on the second Business Day following the date on which the piece of mail containing such communication is posted, if sent by first-class mail or (d) on the date sent, if sent by email during normal business hours of the recipient or on the next Business Day, if sent by email after normal business hours of the recipient.

Section 3.02 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Assignment of Rights. All or any portion of the rights and obligations of the Holders under this Agreement may be transferred or assigned by the Holders only (a) in connection with a Member Distribution or (b) in accordance with Section 2.10 of this Agreement. Parent may not transfer or assign any portion of its rights and obligations under this Agreement without the prior written consent of the Holders holding one percent (1%) or more of the voting power of Parent's outstanding Equity Securities.

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Section 3.04 Change of Control. Parent shall not merge, consolidate or combine with any other Person unless the agreement providing for such merger, consolidation or combination expressly provides for the continuation of the registration rights specified in this Agreement with respect to the Registrable Securities or other Equity Securities issued pursuant to such merger, consolidation or combination.

Section 3.05 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity which such Person may have.

Section 3.06 Recapitalization, Exchanges, Etc. Affecting the Class A Common Stock. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all shares of capital stock of Parent or any successor or assign of Parent (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, recapitalizations and the like occurring after the date of this Agreement.

Section 3.07 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature or other electronic means and in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.08 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.09 Governing Law. This Agreement is governed by and construed and enforced in accordance with the Laws of the State of Delaware, without giving effect to any conflicts of law principles that would result in the application of any Law other than the Law of the State of Delaware.

Section 3.10 Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder shall be brought and determined exclusively in the Court of Chancery of the State of Delaware or, if such Court does not have subject matter jurisdiction, to the Superior Court of the State of Delaware or, if jurisdiction is vested exclusively in the Federal courts of the United States, the Federal courts of the United States sitting in the State of Delaware, and any appellate court from any such state or Federal court. Each of the parties hereby irrevocably and unconditionally agrees that all claims with respect to any such claim shall be heard and determined in such Delaware court or in such Federal court, as applicable. The parties agree that a final judgment in any such claim is conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Section 3.11 WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HEREBY IRREVOCABLY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON, OR IN CONNECTION WITH, THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 3.11 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 3.12 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.13 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by Parent set forth herein. This Agreement and the Purchase Agreement supersede all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.14 Amendment. This Agreement may be amended only by means of a written amendment signed by Parent and the Holders of a majority of the then outstanding Registrable Securities; *provided, however*, that no such amendment shall materially and adversely affect the rights of any Holder hereunder without the consent of such Holder, unless such Holder holds less than two percent of Parent's then-outstanding voting power (except as otherwise provided on Schedule 3.14).

Section 3.15 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

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Section 3.16 Obligations Limited to Parties to Agreement. Each of the Parties hereto covenants, agrees and acknowledges that no Person other than the Holders (and their transferees or assignees) and Parent shall have any obligation hereunder and that, notwithstanding that one or more of the Holders may be a corporation, partnership or limited liability company, no recourse under this Agreement shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or affiliate of any Holder or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or affiliate of any Holder or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or affiliate of any of the foregoing, as such, for any obligations of a Holder under this Agreement or for any claim based on, in respect of or by reason of such obligation or its creation.

Section 3.17 Independent Nature of Each Holder's Obligations. The obligations of each Holder under this Agreement are several and not joint with the obligations of any other Holder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder under this Agreement. Nothing contained herein, and no action taken by any Holder pursuant thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

Section 3.18 Further Assurances. Parent and each of the Holders shall cooperate with each other and shall take such further action and shall execute and deliver such further documents as may be reasonably requested by any other party in order to carry out the provisions and purposes of this Agreement.

Section 3.19 Termination of Registration Rights. After effectiveness in accordance with Section 2.01, this Agreement shall terminate with respect to each individual Holder, and such Holder and Parent shall have no further rights or obligations hereunder on the earlier of (a) the third anniversary of the date hereof (as may be extended pursuant to the following proviso, the "**Termination Date**"); *provided, however*, that such Termination Date shall automatically be extended for additional successive one-year periods with respect to any Holder that, together with its Affiliates, continues to hold at least two percent (2%) of the then-outstanding Class A Common Stock; or (b) on such earlier date on which both (i) such individual Holder, together with its Affiliates owns less than one percent (1%) of Parent's outstanding voting power and (ii) all Registrable Securities owned by such Holder may be sold without restriction pursuant to Rule 144.

[Signature pages follow]

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IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

**EARTHSTONE ENERGY, INC.**

By: /s/ Robert J. Anderson

Name: Robert J. Anderson  
Title: President and Chief Executive Officer

**CHISHOLM ENERGY OPERATING, LLC**

By: /s/ Scott Germann

Name: Scott Germann  
Title: Chief Executive Officer

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**EXHIBIT A**  
**FORM OF JOINDER AGREEMENT**

[DATE]

The undersigned hereby absolutely, unconditionally and irrevocably agrees to be bound by the terms and provisions of that certain Registration Rights Agreement, dated as of February 15, 2022, by and among Earthstone Energy, Inc., a Delaware corporation, Chisholm Energy Operating, LLC, a Delaware limited liability company, and the Persons identified on Schedule I thereto who become party thereto from time to time (the "**Registration Rights Agreement**"), and to join in the Registration Rights Agreement as a Holder with the same force and effect as if the undersigned were originally a party thereto.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date first written above.

Name:

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Address:

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FORM OF LOCK-UP AGREEMENT

[DATE]

Earthstone Energy, Inc.  
 1400 Woodloch Forest Drive, Suite 300  
 The Woodlands, Texas 77380

Ladies and Gentlemen:

This agreement is being delivered to Earthstone Energy, Inc., a Delaware corporation ("**Earthstone**"), in connection with the consummation of the transactions contemplated by that certain Purchase and Sale Agreement, dated as of December 15, 2021 (the "**Purchase Agreement**"), by and among Chisholm Energy Holdings, LLC ("**Chisholm**"), Chisholm Energy Agent, Inc., Earthstone and Earthstone Energy Holdings, LLC. Capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement.

1. (a) In order to induce Earthstone to consummate the transactions contemplated by the Purchase Agreement, and in light of the benefits that the Purchase Agreement will confer upon the undersigned ("**Investor**"), and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Investor agrees with Earthstone that, during the period beginning on and including the Closing Date through and including the date that is the 120<sup>th</sup> day after the Closing Date (the "**Lock-Up Period**"), Investor will not, without the prior written consent of Earthstone, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Class A common stock, par value \$0.001 per share of Earthstone (the "**Class A Common Stock**"), or any other class of Earthstone capital stock (collectively, "**Capital Stock**") or any other securities convertible into or exercisable or exchangeable for any Capital Stock, whether now owned or hereafter acquired by Investor during the Lock-Up Period or with respect to which Investor has or hereafter acquires the power of disposition during the Lock-Up Period, or

(ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequence of ownership of any Capital Stock or any securities convertible into or exercisable or exchangeable for any Capital Stock (the actions specified in clauses (i) and (ii), collectively, "**Transfers**"), whether any transaction described in clause (i) or (ii) above is to be settled by delivery of any Capital Stock, other securities, in cash or otherwise; *provided, however*, that the restrictions in the foregoing clauses (i) and (ii) shall not apply to:

- (I) in the case of an entity, Transfers to any stockholder, partner, limited partner, member, or affiliate of such entity, including by virtue of the laws of the state of the entity's organization and the entity's organizational documents upon dissolution of the entity or otherwise;
- (II) the entry by Investor into any trading plan providing for the sale of Class A Common Stock by Investor, which trading plan meets the requirements of Rule 10b-5 under the Securities Exchange Act of 1934, as amended, provided that such plan does not provide for, or permit, the sale of any Class A Common Stock during the Lock-Up Period and no public announcement or filing is voluntarily made or required regarding such plan during the Lock-Up Period;
- (III) Transfers or other transactions in the event of a liquidation, merger, tender offer, consolidation, equity exchange or other similar transaction which results in Earthstone's securityholders having the right to exchange their Capital Stock for cash, securities or other property; or
- (IV) Transfers as a bona fide gift; or
- (V) Transfers of Class A Common Stock pursuant to Section 2.02 of the Registration Rights Agreement in the event of Transfers of Class A Common Stock in an underwritten offering by any of Bold Energy Holdings, LLC, EnCap Energy Capital Fund VII, L.P., EnCap Energy Capital Fund IX, L.P., or any of their respective Affiliates;

provided, however, that in the case of clauses (I) and (IV), the applicable transferees must enter into a written agreement, in substantially the form of this agreement, agreeing to be bound by these Transfer restrictions until the expiration of the Lock-Up Period. For purposes of the foregoing, the term "affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act").

(b) Furthermore, nothing in this agreement shall prohibit Investor from receiving shares of Capital Stock or any other securities convertible into or exercisable or exchangeable for any Capital Stock by reason of a stock dividend, reclassification, recapitalization, split, combination, exchange of shares or similar event or transaction, and any such shares received will also be subject to the terms of this agreement.

(c) Except with respect to the provisions of Section 2, Investor further agrees that (i) it will not, during the Lock-Up Period make any demand for or exercise any right with respect to the registration under the Securities Act of any shares of any Capital Stock or any securities convertible into or exercisable or exchangeable for any Capital Stock, and (ii) Earthstone may, with respect to any Capital Stock or any securities convertible into or exercisable or exchangeable for any Capital Stock owned or held (of record or beneficially) by Investor that is subject to the restrictions set forth in this agreement, cause the transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-Up Period; provided, however, that nothing in the foregoing shall (x) reduce or eliminate Earthstone's obligations with respect to the preparation and filing of a registration statement under the Securities Act pursuant to Section 2.01 of the Registration Rights Agreement, or (y) prevent Investor from exercising any rights it may have under the Registration Rights Agreement. For the avoidance of doubt, to the extent Investor has demand and/or piggyback registration rights described in the Registration Rights Agreement, the foregoing shall not prohibit Investor from notifying Earthstone privately that it is or will be exercising its demand and/or piggyback registration rights following the expiration of the Lock-Up Period and undertaking non-public preparations related thereto.

2. Notwithstanding Section 1, (a) beginning on the date that is 60 days after the Closing Date, Investor shall not be subject to the restrictions placed on the Shares by Section 1 of this agreement with respect to up to [ ]% of the Shares, and (b) beginning on the date that is 90 days after the Closing Date, Investor shall not be subject to the restrictions placed on the Shares by Section 1 of this agreement with respect to an additional [ ]% of the Shares (which, for avoidance of doubt, such [ ]% shall be calculated based on the initial amount of Shares received by Investor as permitted by Section 1); provided that no Shares released from such restrictions prior to the end of the Lock-Up Period pursuant to this Section 2 shall be Indemnity Holdback Shares. The term "Shares" means the shares of Class A Common Stock received by Investor at the Closing or as permitted by Section 1.

3. Investor hereby represents and warrants that Investor has full power and authority to enter into this agreement and that this agreement has been duly authorized, executed and delivered by Investor and is a valid and binding agreement of Investor. This agreement and all authority herein conferred are irrevocable and shall be binding upon the applicable successors and assigns of Investor.

4. This agreement and all related proceedings shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of Delaware. THE PARTIES HERETO EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES HERETO EACH HEREBY AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

5. This agreement may be executed by facsimile or electronic (i.e., PDF) transmission, which is deemed an original.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed and delivered this agreement as of the date first set forth above.

[ \_\_\_\_\_ ]

By: \_\_\_\_\_  
Name:  
Title:

**Agreed and Acknowledged:**

Earthstone Energy, Inc.

By: \_\_\_\_\_  
Name: Robert J. Anderson  
Title: President and Chief Executive Officer

AMENDED AND RESTATED VOTING AGREEMENT

This AMENDED AND RESTATED VOTING AGREEMENT (this "Agreement") is dated as of February 15, 2022, by and among Earthstone Energy, Inc., a Delaware corporation ("Earthstone"), Warburg Pincus Private Equity (E&P) XI-A, L.P., a Delaware limited partnership, Warburg Pincus XI (E&P) Partners-A, L.P., a Delaware limited partnership, WP IRH Holdings, L.P., a Delaware limited partnership, Warburg Pincus XI (E&P) Partners-B IRH, LLC, a Delaware limited liability company, Warburg Pincus Energy (E&P)-A, L.P., a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-A, L.P., a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-B IRH, LLC, a Delaware limited liability company, WP Energy Partners IRH Holdings, L.P., a Delaware limited partnership, WP Energy IRH Holdings, L.P., a Delaware limited partnership, WP Energy Chisholm Holdings, L.P., a Delaware limited partnership, WP Energy Partners Chisholm Holdings, L.P., a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-B Chisholm, LLC, a Delaware limited liability company, Warburg Pincus Private Equity (E&P) XII (A), L.P., a Delaware limited partnership, WP XII Chisholm Holdings, L.P., a Delaware limited partnership, Warburg Pincus XII (E&P) Partners-2 Chisholm, LLC, a Delaware limited liability company, Warburg Pincus Private Equity (E&P) XII-D (A), L.P., a Delaware limited partnership, Warburg Pincus Private Equity (E&P) XII-E (A), L.P., a Delaware limited partnership, Warburg Pincus XII (E&P) Partners-1, L.P., a Delaware limited partnership, and WP XII (E&P) Partners (A), L.P., a Delaware limited partnership (collectively, the "Warburg Parties"), and EnCap Investments L.P., a Delaware limited partnership ("EnCap") and, collectively with the Warburg Parties, the "Stockholders"). Earthstone, the Warburg Parties and EnCap are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings given to such terms in the Purchase and Sale Agreement (as defined below).

WHEREAS, certain of the Stockholders are party to that certain Voting Agreement, dated as of January 7, 2021 (the "Original Effective Date"), by and among the Company and the parties thereto (the "Prior Agreement");

WHEREAS, pursuant to that certain Purchase and Sale Agreement, dated as of December 15, 2021 (the "Purchase and Sale Agreement"), by and among Earthstone, Earthstone Energy Holdings, LLC, a Delaware limited liability company ("EEH"), Chisholm Energy Operating, LLC, a Delaware limited liability company ("Chisholm Operating") and Chisholm Energy Agent, Inc., a Delaware corporation ("Chisholm Agent"), EEH purchased certain assets of Chisholm Operating and Chisholm Agent in exchange for (a) 19,417,476 newly issued shares of Class A common stock, par value \$0.001 per share, of Earthstone ("Class A Common Stock"), and (b) the Cash Consideration (such transaction is referred to as the "Transaction");

WHEREAS, each of the Stockholders is, as of the execution of this Agreement, the record and/or beneficial owner of that number of shares of (i) Class A Common Stock and/or (ii) Class B Common Stock, par value \$0.001 per share ("Class B Common Stock") and, together with Class A Common Stock, "Common Stock"), of Earthstone, in each case, as set forth opposite such Stockholder's name on Schedule A hereto; and

WHEREAS, in connection with the transactions contemplated by the Purchase and Sale Agreement, the Parties desire to amend and restate the Prior Agreement to reflect certain agreements of the Parties with respect to the matters set forth herein.

NOW, THEREFORE, in consideration of the execution and delivery by Earthstone, EEH, Chisholm Operating and Chisholm Agent of the Purchase and Sale Agreement and the mutual representations, warranties, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend and restate the Prior Agreement in its entirety as follows:

Section 1. Representations and Warranties of the Stockholders. As of the date hereof, each of the Stockholders hereby represents and warrants to Earthstone, severally and not jointly, as follows:

(a) Such Stockholder is the beneficial owner (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and unless otherwise indicated, the record owner of the shares of Common Stock (as may be adjusted from time to time pursuant to Section 4 hereof, the "Shares") set forth opposite such Stockholder's name on Schedule A to this Agreement, and such Shares represent all of the shares of Common Stock beneficially owned by such Stockholder as of the date hereof. For purposes of this Agreement, the term "Shares" shall include any shares of Common Stock issuable to such Stockholder upon exercise or conversion of any existing right, contract, option, or warrant to purchase, or securities convertible into or exchangeable for, Common Stock, as the case may be ("Stockholder Rights"), that are currently exercisable or convertible or become

exercisable or convertible and any other shares of Common Stock such Stockholder may acquire or beneficially own during the term of this Agreement.

(b) Such Stockholder has all requisite organizational power and authority to execute and deliver this Agreement and to perform its obligations contemplated hereby. This Agreement has been validly executed and delivered by such Stockholder and, assuming that this Agreement constitutes the legal, valid and binding obligation of Earthstone and the other Parties, constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms (except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

(c) The execution and delivery of this Agreement by such Stockholder does not, and the performance of this Agreement by such Stockholder will not, (i) conflict with the certificate of formation, certificate of limited partnership, limited liability company agreement, partnership agreement or similar organizational documents of such Stockholder as presently in effect, (ii) conflict with or violate any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to such Stockholder or by which it is bound or affected, (iii) (A) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, (B) give to any other person any rights of termination, amendment, acceleration or cancellation of, or (C) result in the creation of any pledge, claim, lien, charge, encumbrance or security interest of any kind or nature whatsoever upon any of the properties or assets of the Stockholder under, any agreement, contract, indenture, note or instrument to which such Stockholder is a party or by which it is bound or affected, except for such breaches, defaults or other occurrences that would not prevent or materially delay the performance by such Stockholder of any of such Stockholder's obligations under this Agreement, or (iv) except for applicable requirements, if any, of the Exchange Act, the Securities Act of 1933, as amended (the "Securities Act"), or the New York Stock Exchange (the "NYSE"), require any filing by such Stockholder with, or any permit, authorization, consent or approval of, any governmental or regulatory authority, except where the failure to make such filing or obtain such permit, authorization, consent or approval would not prevent or materially delay the performance by such Stockholder of any of such Stockholder's obligations under this Agreement.

(d) The Shares and any certificates representing the Shares owned by such Stockholder are held by such Stockholder, or by a nominee or custodian for the benefit of such Stockholder, free and clear of all pledges, liens, charges, claims, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other encumbrances whatsoever, except for any such encumbrances or proxies arising hereunder or under applicable federal and state securities laws or under the agreements set forth on Schedule B hereto. Such Stockholder owns of record or beneficially no shares of Common Stock other than such Stockholder's Shares as set forth on Schedule A.

(e) As of the date hereof, neither such Stockholder nor any of its respective properties or assets is subject to any order, writ, judgment, injunction, decree, determination or award that would prevent or delay the consummation of the transactions contemplated hereby.

Section 2. Representations and Warranties of Earthstone. Earthstone hereby represents and warrants to the Stockholders as follows:

(a) Earthstone is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Earthstone has all requisite corporate power and authority to execute and deliver this Agreement, to perform its respective obligations hereunder and to consummate the transactions contemplated hereby, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by Earthstone and, assuming that this Agreement constitutes the legal, valid and binding obligation of the other Parties, constitutes the legal, valid and binding obligation of Earthstone, enforceable against Earthstone in accordance with the terms of this Agreement (except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

(b) The execution and delivery of this Agreement by Earthstone does not, and the performance of this Agreement by Earthstone will not, (i) conflict with the certificate of incorporation or bylaws or similar organizational documents of Earthstone as presently in effect, or that certain Voting Agreement, dated as of May 9, 2017 (as amended), by and among Earthstone and the other parties thereto, (ii) conflict with or violate any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Earthstone or by which it is bound or affected, (iii) (A) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, (B) give to any other person any rights of termination, amendment, acceleration or cancellation of, or (C) result in the creation of any pledge, claim, lien, charge, encumbrance or security interest of any kind or nature whatsoever upon any of the properties or assets of Earthstone or any of its subsidiaries under, any agreement, contract, indenture, note or instrument to which Earthstone or any of its subsidiaries is a party or by

which Earthstone or any of its subsidiaries is bound or affected, except for such breaches, defaults or other occurrences that would not prevent or materially delay the performance by Earthstone of its obligations under this Agreement, or (iv) except for applicable requirements, if any, of the Exchange Act, the Securities Act or the NYSE, require any filing by Earthstone with, or any permit, authorization, consent or approval of, any governmental or regulatory authority, except where the failure to make such filing or obtain such permit, authorization, consent or approval would not prevent or materially delay the performance by Earthstone of its obligations under this Agreement.

(c) As of the date hereof, none of Earthstone, its subsidiaries or any of their respective properties or assets are subject to any order, writ, judgment, injunction, decree, determination or award that would prevent or delay the consummation of the transactions contemplated hereby.

Section 3. Board Designation Rights. The Stockholders, severally and not jointly, agree as follows:

(a) Subject to the other provisions of this Section 3, commencing on the Original Effective Date, the Warburg Parties shall have the option and right (but not the obligation) to designate one (1) nominee to be nominated by the Company at each applicable annual (or special) meeting of stockholders of the Company (adjusted as appropriate to take into account the classified Board structure) to serve as a director on the Board (the "Designated Director") in accordance with this Section 3. The Designated Director shall in the reasonable determination of the Board or any nominating and governance committee of the Board established from time to time ("Nominating and Governance Committee") (i) be suitable to serve on the Board in accordance with the customary standards of suitability for directors of NYSE-listed companies and (ii) not be prohibited from serving as a director pursuant to any rule or regulation of the U.S. Securities and Exchange Commission or any national securities exchange on which the Class A Common Stock is listed or admitted to trading.

(b) Earthstone, EnCap and the Board shall take all actions necessary or advisable to effect the provisions of Section 3(a). The Parties acknowledge and agree that as of the date of this Agreement, David S. Habachy serves as the Designated Director, with an initial term that will expire no earlier than the annual meeting of the stockholders of the Company (the "Public Stockholders") to be held in 2023.

(c) The Warburg Parties agree (i) upon Earthstone's request, to, and to cause the Designated Director designated by them to, timely provide Earthstone with accurate and complete information relating to such Designated Director as may be required to be disclosed by Earthstone under the Exchange Act and (ii) to cause the Designated Director designated by them to comply with the Section 16 filing obligations under the Exchange Act. At each applicable election of Directors, the Board shall nominate the Designated Director, which designee must meet the standards set forth in Section 3(a) above, as part of the slate of directors nominated by the Board for election by the Public Stockholders and shall recommend that the Public Stockholders vote for such Designated Director. Additionally, in the event of the resignation, death, or removal (for cause or otherwise) of the Designated Director, the Warburg Parties shall have the right for the ensuing sixty (60) days, subject to the other provisions of this Section 3, to designate in writing furnished to the Board or to the Nominating and Governance Committee, if applicable, the person to be appointed by the Board as the Designated Director to fill the resulting vacancy (subject to such designee meeting the standards set forth in Section 3(a) above).

(d) At all times while a Designated Director is serving as a member of the Board, and following any such Designated Director's death, resignation, removal or other cessation as a Director in such former Designated Director's capacity as a former Director, such Designated Director shall be entitled to all rights to indemnification and exculpation, in each case, as are then made available to any other member of the Board or any former Director, as the case may be. While serving as a Designated Director, such Designated Director shall be entitled to reimbursement for reasonable expenses consistent with Earthstone's policies applicable to other similarly situated Directors. Earthstone shall purchase and maintain (or reimburse the Designated Director for the cost of) insurance ("D&O Insurance"), on behalf of the Designated Director, against any liability that may be asserted against, or expense that may be incurred by, such Designated Director in connection with the activities of Earthstone and its subsidiaries or such Designated Director's activities on behalf of Earthstone and its subsidiaries, regardless of whether Earthstone or any of its subsidiaries would have the power to indemnify such Designated Director against such liability under the provisions of the organizational documents of Earthstone (as they may be amended from time to time). Such D&O Insurance shall provide coverage commensurate with that provided to independent directors of the Board and the Designated Director shall be entitled to all rights to insurance as are then made available to any other member (or former member, as applicable) of the Board by Earthstone and its subsidiaries.

(e) The option and right of the Warburg Parties to appoint a Designated Director under this Section 3 may not be transferred or assigned, in whole or in part, by the Warburg Parties without the prior written consent of Earthstone and the execution by such transferee of a joinder agreement in the form of Exhibit A hereto (a "Joinder"), provided that such option and right may be transferred or assigned, without the consent of Earthstone, to an Affiliate

of any of the Warburg Parties so long as such transferee executes a Joinder (each such transferee, a “Permitted Transferee”).

(f) The Warburg Parties shall take all necessary action to cause the Designated Director to resign promptly from the Board if such Designated Director, as determined by the Board in good faith after consultation with outside legal counsel, (i) is prohibited or disqualified from serving as a director of the Company under any rule or regulation of the SEC, NYSE, or by applicable law, (ii) has engaged in acts or omissions constituting a breach of the Designated Director’s fiduciary duties to the Company and the Public Stockholders, (iii) has engaged in acts or omissions that involve intentional misconduct or an intentional violation of law or (iv) has engaged in any transaction involving the Company from which the Designated Director derived an improper personal benefit that was not disclosed to the Board prior to the authorization of such transaction; *provided, however*, that the Warburg Parties shall have the right to replace such resigning Designated Director with a new Designated Director, such newly named Designated Director to be appointed promptly to the Board in place of the resigning Designated Director in the manner set forth in the Company’s governing documents for filling vacancies on the Board. Nothing in this Section 3(f) or elsewhere in this Agreement shall confer any third-party beneficiary or other rights upon any person designated hereunder as a Designated Director, whether during or after such person’s service on the Board.

(g) The Board shall not designate an executive committee or any other committee which has been delegated authority substantially similar to the authority of the Board unless the then serving Designated Director is also appointed as a member of such committee.

Section 4. Additional Covenants of the Stockholders. The Stockholders, severally and not jointly, agree as follows:

(a) Voting Agreement. For so long as this Agreement is in effect:

(i) each of the Parties (other than Earthstone) agrees that, provided that Earthstone is not in breach of its obligations under this Agreement (including Section 3), at any meeting of the Public Stockholders, however called, or at any adjournment or postponement thereof, or in connection with any written consent of the Public Stockholders or in any other circumstances upon which a vote, consent or other approval of all or some of the Public Stockholders is sought solely with respect to the matters described in this Section 4, such Party shall vote (or cause to be voted) or execute (or cause to be executed) consents with respect to, as applicable, all of the Common Stock (or other equity securities of Earthstone) owned (beneficially or of record) by such Party (or its Affiliates) as of the applicable record date in favor of (FOR) the election of the persons named in the Company’s proxy statement as the Board’s nominees for election as Directors, and against any other nominees;

(ii) with respect to any vote of the Public Stockholders held with respect to the matters set forth in Section 4(a), each of the Parties (other than Earthstone) shall, and shall cause its Affiliates which hold shares of Common Stock or other securities of Earthstone on any applicable record date to, appear at such meeting (in person or by proxy) or otherwise cause all of the shares of Common Stock or other securities of Earthstone held by such Party (or such Affiliates) to be counted as present thereat for purposes of establishing a quorum. Any vote required to be cast or consent required to be executed pursuant to this Section 4 shall be cast or executed in accordance with the applicable procedures relating thereto so as to ensure that it is duly counted for purposes of recording the results of that vote or consent; and

(iii) for so long as this Agreement is in effect, such Stockholder shall not, except as contemplated by the terms of this Agreement, take any action that would in any way restrict, limit or interfere with the performance of his, her or its obligations hereunder or the transactions contemplated hereby.

(b) Future Sales of Common Stock. Notwithstanding anything to the contrary in (A) that certain Registration Rights Agreement, dated as of January 7, 2021, by and among Earthstone, Independence Resource Holdings, LLC and the persons identified on Schedule I thereto (the “Independence RRA”), (B) that certain Registration Rights Agreement, dated as of the date hereof, by and among Earthstone, Chisholm Energy Operating, LLC and the persons identified on Schedule I thereto (the “Chisholm RRA”) and, together with the Independence RRA, the “Warburg RRAs” and each, a “Warburg RRA”), (C) that certain Registration Rights Agreement, dated July 20, 2021, by and among Earthstone, Tracker Resources Development III, LLC, EnCap Energy Capital Fund VIII, L.P., ZIP Ventures I, L.L.C., and Tracker III Holdings, LLC and the Persons identified on Schedule I attached thereto (the “Tracker RRA”), and (D) that certain Registration Rights Agreement, dated as of May 9, 2017, by and among Earthstone, Bold Energy Holdings, LLC, a Texas limited liability company (“Bold”), and the persons identified on Schedule I thereto (the “Bold RRA”) and, together with the Tracker RRA, the “EnCap RRAs” and each, an “EnCap RRA”; the EnCap RRAs together with the Warburg RRAs, the “Registration Rights Agreements”):

(i) In the event that one or more Warburg Parties, in their respective capacities as a "Holder" under the Independence RRA or the Chisholm RRA, as applicable (each, a "Warburg Holder"), elects to participate in an Underwritten Offering or Overnight Underwritten Offering (as each such term is defined in the applicable Warburg RRA) that is for the account of one or more EnCap Holders (as defined below) and the total amount of Class A Common Stock proposed to be included in such Underwritten Offering or Overnight Underwritten Offering exceeds the Maximum Number of Securities (as defined in the applicable Warburg RRA for purposes of this Section 4(b)(i)), then the "pro rata allocations" of the Maximum Number of Securities that the Independence Holder(s) and the EnCap Holders will include in such offering will be adjusted such that (A) the EnCap Holders will be entitled to 75% of the Total Sponsor Shares and (B) the Warburg Holders will be entitled to 25% of the Total Sponsor Shares.

(ii) In the event that Bold, EnCap Energy Capital Fund VII, L.P. or EnCap Energy Capital Fund IX, L.P., in their respective capacities as a "Holder" under the EnCap RRA, or EnCap Energy Capital Fund VIII, L.P., in its capacity as a "Holder" under the Tracker RRA (each, an "EnCap Holder"), elects to participate in an Underwritten Offering or Overnight Underwritten Offering (as each such term is defined in the applicable EnCap RRA) that is for the account of one or more Warburg Holders and the total amount of Class A Common Stock proposed to be included in such Underwritten Offering or Overnight Underwritten Offering exceeds the Maximum Number of Securities (as defined in the applicable EnCap RRA for purposes of this Section 4(b)(ii)), then the "pro rata allocations" of the Maximum Number of Securities that the EnCap Holders and the Warburg Holders will include in such offering will be adjusted such that (A) the Warburg Holders will be entitled to 75% of the Total Sponsor Shares and (B) the EnCap Holders will be entitled to 25% of the Total Sponsor Shares.

(iii) In the event that both (A) one or more Warburg Holders, on the one hand, and (B) one or more EnCap Holders, on the other hand, elect to participate in an Underwritten Offering or Overnight Underwritten Offering (as each such term is defined in the applicable Registration Rights Agreement) that is for the account of Earthstone or a Person other than the EnCap Holders or the Warburg Holders and the total amount of Class A Common Stock proposed to be included in such Underwritten Offering or Overnight Underwritten Offering exceeds the Maximum Number of Securities (as defined in the applicable Registration Rights Agreement), then the Total Sponsor Shares that will be allocated to the EnCap Holders and the Warburg Holders pursuant to the Registration Rights Agreements will be based on each such holder's respective proportionate share of the Class A Common Stock proposed to be offered by such holder in such offering compared to the total number of shares proposed to be included by all of the EnCap Holders and Warburg Holders in such offering.

(iv) Notwithstanding subsections (i) through (iii) above, (A) the Total Sponsor Shares in any applicable offering may be allocated in any different manner as mutually agreed by the EnCap Holders and the Warburg Holders, (B) the portion of the Total Sponsor Shares allocated to the Warburg Holders in any applicable offering may be allocated amongst the participating Warburg Holders in their sole discretion, and (C) the portion of the Total Sponsor Shares allocated to the EnCap Holders in any applicable offering may be allocated amongst the participating EnCap Holders in their sole discretion.

(v) For purposes of this Section 4(b), "Total Sponsor Shares" means, with respect to any Underwritten Offering or Overnight Underwritten Offering (as such terms are defined in the applicable Registration Rights Agreement), the total number of the Maximum Number of Securities (as defined in the applicable Registration Rights Agreement) that may be included by the Warburg Holders and the EnCap Holders in such offering.

Section 5. Additional Covenants of Earthstone. Earthstone agrees as follows:

(a) On January 6, 2021, the Board duly approved resolutions (the "Board Resolution") (i) renouncing any interest or expectancy of Earthstone in, or in being offered an opportunity to participate in, any business opportunities that are presented to the Designated Director or to any of the Warburg Parties or any of their respective Affiliates (the "Warburg Entities"), (ii) waiving any obligation on the part of any Designated Director to present any such business opportunity to Earthstone, in each case pursuant to Section 122(17) of the Delaware General Corporation Law and (iii) approving an amendment to the Code of Business Conduct and Ethics of Earthstone to include the Warburg Parties and their respective Affiliates as "Investor Parties" thereunder. For the avoidance of doubt, the Warburg Entities and the Designated Director shall be entitled to and may have business interests and engage in business activities in addition to those relating to Earthstone and its subsidiaries, including business interests and activities in direct competition with Earthstone and its subsidiaries. Neither Earthstone nor any of its subsidiaries shall have any rights by virtue of this Agreement in any business ventures of any Warburg Entity or any Designated Director. For so long as this Agreement is in effect, Earthstone shall not, and shall not permit the Board to, rescind or retract the Board Resolution, or take any other action that would reduce or eliminate the renunciation

or waivers included in the Board Resolution with respect to the Warburg Entities or the Designated Director or to which "Investor Parties" are entitled under Earthstone's Code of Business Conduct and Ethics.

(b) For so long as this Agreement is in effect, without the prior written approval of the Warburg Parties, Earthstone shall not, and shall cause each of its subsidiaries (including EEH) not to, amend or modify any organizational documents of Earthstone or any of its subsidiaries in a way that materially, adversely and disproportionately affects the rights or privileges of the Warburg Parties or any of their respective Affiliates that owns Common Stock or other equity interests in Earthstone in relation to any other owner of equity interests of Earthstone or any of its subsidiaries.

Section 6. Adjustments Upon Share Issuances, Changes in Capitalization. In the event of any change in Common Stock or in the number of outstanding shares of Common Stock by reason of a stock dividend, subdivision, reclassification, recapitalization, split, combination, exchange of shares or other similar event or transaction or any other change in the corporate or capital structure of Earthstone (including, without limitation, the declaration or payment of an extraordinary dividend of cash, securities or other property), and consequently the number of Shares changes or is otherwise adjusted, this Agreement and the obligations hereunder shall attach to any additional shares of Common Stock, stockholder rights or other securities or rights of Earthstone issued to or acquired by Stockholders.

Section 7. Further Assurances. Each Stockholder will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further endorsements, consents and other instruments as Earthstone may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement.

Section 8. Termination. This Agreement, and all rights and obligations of the Parties, shall terminate upon the earliest to occur of (a) the first date on which the Warburg Parties and their respective Permitted Transferees collectively beneficially own less than 8% of Earthstone's outstanding Class A Common Stock; (b) the first date on which the Warburg Parties and their respective Permitted Transferees collectively beneficially own less than 10% of Earthstone's outstanding Class A Common Stock as a result of a sale by the Warburg Parties or their respective Permitted Transferees of shares of Class A Common Stock (other than sales or transfers to one or more Affiliates of any of the Warburg Parties or their respective Permitted Transferees); and (c) the date on which the Warburg Parties or their respective Permitted Transferees, as applicable, deliver written notice to each of the other Parties terminating this Agreement in its entirety with respect to the Warburg Parties or their respective Permitted Transferees, as applicable. Notwithstanding the foregoing, Section 4(b) and Section 10 hereof shall survive any termination of this Agreement.

Section 9. Action in Stockholder Capacity Only. Each Stockholder signs solely in its capacity as the record holder or beneficial owner of, or as the trustee of a trust whose beneficiaries are the beneficial owners of, such Stockholder's Shares and nothing herein shall limit or affect any actions or omissions taken by or fiduciary duties of, a Stockholder or any of its affiliates, in such Stockholder's capacity as an officer or director of Earthstone to the extent permitted by applicable law.

Section 10. Miscellaneous.

(a) Assignment. Subject to Section 3(e), neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

(b) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated thereby shall be paid by the Party incurring such expenses.

(c) Amendments. This Agreement may not be amended except by Earthstone and all Stockholders by an instrument in writing signed by Earthstone and the Stockholders and in compliance with applicable law.

(d) Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly given if delivered personally, mailed by registered or certified mail (return receipt requested), delivered by Federal Express or other nationally recognized overnight courier service or sent via facsimile to the Parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to any of the Warburg Parties, to the address set forth under the name of such Warburg Party on Schedule A hereto with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP  
609 Main Street, Suite 4700  
Houston, Texas 77002  
Attention: Adam Larson, P.C.  
Kim Hicks, P.C.  
Facsimile: (713) 836-3601  
Email: adam.larson@kirkland.com  
kim.hicks@kirkland.com

if to EnCap, to the address set forth under the name of EnCap on Schedule A hereto with a copy (which shall not constitute notice) to:

Vinson & Elkins L.L.P.  
1001 Famin Street  
Suite 2500  
Houston, Texas 77002  
Attention: Matt Strock  
Facsimile: (713) 615-5650  
Email: mstrock@velaw.com

if to Earthstone:

Earthstone Energy, Inc.  
1400 Woodloch Forest Drive, Suite 300  
The Woodlands, Texas 77380  
Attention: Robert J. Anderson  
Facsimile: (832) 823-0478  
Email: robert@earthstoneenergy.com

with a copy (which shall not constitute notice) to:

Jones & Keller, P.C.  
1675 Broadway, 26th Floor  
Denver, CO 80202  
Attention: Reid A. Godbolt  
Adam J. Fogoros  
Facsimile: (303) 573-8133  
Email: rgodbolt@joneskeller.com  
adamf@joneskeller.com

(e) Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. In this Agreement, unless a contrary intention appears, (i) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision and (ii) reference to any Section means such Section hereof. No provision of this Agreement shall be interpreted or construed against any Party solely because such Party or its legal representative drafted such provision.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall be considered one and the same agreement. Delivery of an executed counterpart signature page of this Agreement by facsimile or by e-mail of a PDF document is as effective as executing and delivering this Agreement in the presence of the other Parties.

(g) Entire Agreement. This Agreement constitutes the entire agreement of the Parties and supersedes all prior agreements and undertakings, both written and oral, among the Parties, or between any of them, with respect to the subject matter hereof, including the Prior Agreement, and except as otherwise expressly provided herein, is not intended to confer upon any other person any rights or remedies hereunder.

(h) Governing Law; Consent to Jurisdiction; Waiver of Trial by Jury. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to laws that may be applicable under conflicts of laws principles. Each of the Parties irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement or any of the agreements delivered in connection herewith or the transactions contemplated hereby or thereby shall be brought in the state

courts of the State of Delaware (or, if such courts do not have jurisdiction or do not accept jurisdiction, in the United States District Court located in the State of Delaware), (ii) consents to the jurisdiction of any such court in any such suit, action or proceeding, and (iii) waives any objection that such Party may have to the laying of venue of any such suit, action or proceeding in any such court. Each of the Parties agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Party irrevocably consents to service of process in the manner provided for notices in Section 10(d). Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by law.

**EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10(h).**

(i) Specific Performance. The Parties agree that irreparable damage may occur in the event that any provision of this Agreement is not performed in accordance with the terms of this Agreement and that each Party shall be entitled to seek specific performance of the terms of this Agreement without the posting of any bond or security in addition to any other remedy at law or equity.

(j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

(k) Several Liability. Each Party enters into this Agreement solely on its own behalf, each such Party shall solely be severally liable for any breaches of this Agreement by such Party and in no event shall any Party be liable for breaches of this Agreement by any other Party.

(l) Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, agent, attorney, representative or affiliate of any Stockholder hereto or of any of their respective affiliates shall have any liability (whether in contract or in tort) for any obligations or liabilities of such party arising under, in connection with or related to this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby; *provided, however*, that nothing in this Section 10(l) shall limit any liability of any Stockholder hereto for its breaches of the terms and conditions of this Agreement.

(m) Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in Earthstone any direct or indirect ownership or incidence of ownership of or with respect to any Stockholder's Shares. All rights, ownership and economic benefits of and relating to each Stockholder's Shares shall remain vested in and belong to such Stockholder, and Earthstone shall have no authority to direct any Stockholder in the voting or disposition of any of such Stockholder's Shares, except as otherwise provided in this Agreement.

(n) Waiver. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by applicable law.

(o) Director Resignation. Upon termination of this Agreement, the Warburg Parties shall take all necessary action to cause the Designated Director to offer to promptly tender his or her resignation.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be signed by its officer thereunto duly authorized, all as of the date first written above.

**EARTHSTONE:**

EARTHSTONE ENERGY, INC.

By: /s/ Robert J. Anderson

Name: Robert J. Anderson

Title: President and Chief Executive Officer

*Signature Page to  
Amended and Restated Voting Agreement*

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**WARBURG PARTIES:**

**WARBURG PINCUS PRIVATE EQUITY (E&P) XI-A, L.P.**

By: Warburg Pincus (E&P) XI, L.P.,  
its general partner

By: Warburg Pincus (E&P) XI LLC,,  
its general partner

By: Warburg Pincus Partners (E&P) XI LLC,  
its sole member

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS XI (E&P) PARTNERS-A, L.P.**

By: Warburg Pincus (E&P) XI, L.P.,  
its general partner

By: Warburg Pincus (E&P) XI LLC,  
its general partner

By: Warburg Pincus Partners (E&P) XI LLC,  
its sole member

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS ENERGY (E&P)  
PARTNERS-B IRH, LLC**

By: Warburg Pincus Energy (E&P) Partners-B, L.P.,  
its managing member

By: Warburg Pincus (E&P) Energy GP, L.P.,  
its general partner

By: Warburg Pincus (E&P) Energy LLC,  
its general partner

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS XI (E&P) PARTNERS-B  
IRH, LLC**

By: Warburg Pincus XI (E&P) Partners-B, L.P.,  
its managing member

By: Warburg Pincus (E&P) XI, L.P.,  
its general partner

By: Warburg Pincus (E&P) XI LLC,  
its general partner

By: Warburg Pincus Partners (E&P) XI LLC,  
its sole member

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS ENERGY (E&P)-A, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P.,  
its general partner

By: Warburg Pincus (E&P) Energy LLC,  
its general partner

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP ENERGY PARTNERS IRH HOLDINGS, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P.,  
its general partner

By: Warburg Pincus (E&P) Energy LLC,  
its general partner

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS ENERGY (E&P)  
PARTNERS-A, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P.,  
its general partner

By: Warburg Pincus (E&P) Energy LLC,  
its general partner

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP ENERGY IRH HOLDINGS, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P.,  
its general partner

By: Warburg Pincus (E&P) Energy LLC,  
its general partner

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP IRH HOLDINGS, L.P.**

By: Warburg Pincus (E&P) XI, L.P.,  
its general partner

By: Warburg Pincus (E&P) XI LLC,  
its general partner

By: Warburg Pincus Partners (E&P) XI LLC,  
its sole member

By: Warburg Pincus Partners II (US), L.P.,  
its managing member

By: Warburg Pincus & Company US, LLC,  
its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP ENERGY CHISHOLM HOLDINGS, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P., its general partner

By: Warburg Pincus (E&P) Energy LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS ENERGY (E&P) PARTNERS-B CHISHOLM, LLC**

By: Warburg Pincus Energy (E&P) Partners-B, L.P., its managing member

By: Warburg Pincus (E&P) Energy GP, L.P., its general partner

By: Warburg Pincus (E&P) Energy LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP ENERGY PARTNERS CHISHOLM HOLDINGS, L.P.**

By: Warburg Pincus (E&P) Energy GP, L.P., its general partner

By: Warburg Pincus (E&P) Energy LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**Warburg Pincus Private Equity (E&P) XII (A), L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**Warburg Pincus XII (E&P) Partners-2 Chisholm, LLC**

By: Warburg Pincus XII (E&P) Partners-2, L.P., its managing member

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP XII Chisholm Holdings, L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**Warburg Pincus Private Equity (E&P) XII-D (A), L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**Warburg Pincus Private Equity (E&P) XII-E (A), L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WP XII (E&P) Partners (A), L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**WARBURG PINCUS XII (E&P) PARTNERS-1, L.P.**

By: Warburg Pincus (E&P) XII, L.P., its general partner

By: Warburg Pincus (E&P) XII LLC, its general partner

By: Warburg Pincus Partners II (US), L.P., its managing member

By: Warburg Pincus & Company US, LLC, its general partner

By: /s/ Harsha Marti  
Name: Harsha Marti  
Title: Authorized Signatory

**ENCAP:**

ENCAP INVESTMENTS, L.P.

By: EnCap Investments GP, L.L.C.,  
its general partner

By: /s/ Craig Friou  
Name: Craig Friou  
Title: Chief Financial Officer

*Signature Page to  
Amended and Restated Voting Agreement*

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**EXHIBIT A**

**FORM OF JOINDER AGREEMENT  
[DATE]**

The undersigned hereby absolutely, unconditionally and irrevocably agrees to be bound by the terms and provisions of that certain Amended and Restated Voting Agreement, dated as of February 15, 2022, by and among Earthstone Energy, Inc., a Delaware corporation, Warburg Pincus Private Equity (E&P) XI – A, L.P., a Delaware limited partnership, Warburg Pincus XI (E&P) Partners-A, L.P., a Delaware limited partnership, WP IRH Holdings, L.P., a Delaware limited partnership, Warburg Pincus XI (E&P) Partners – B IRH, LLC, a Delaware limited liability company, Warburg Pincus Energy (E&P)-A, LP, a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-A, LP, a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-B IRH, LLC, a Delaware limited liability company, WP Energy Partners IRH Holdings, L.P., a Delaware limited partnership, WP Energy IRH Holdings, L.P., a Delaware limited partnership, WP Energy Chisholm Holdings, L.P., a Delaware limited partnership, WP Energy Partners Chisholm Holdings, L.P., a Delaware limited partnership, Warburg Pincus Energy (E&P) Partners-B Chisholm, LLC, a Delaware limited liability company, Warburg Pincus Private Equity (E&P) XII (A), L.P., a Delaware limited partnership, WP XII Chisholm Holdings, L.P., a Delaware limited partnership, Warburg Pincus XII (E&P) Partners-2 Chisholm, LLC, a Delaware limited liability company, Warburg Pincus Private Equity (E&P) XII-D (A), L.P., a Delaware limited partnership, Warburg Pincus Private Equity (E&P) XII-E (A), L.P., a Delaware limited partnership, Warburg Pincus XII (E&P) Partners-1, L.P., a Delaware limited partnership, WP XII (E&P) Partners (A), L.P., a Delaware limited partnership, and EnCap Investments L.P., a Delaware limited partnership (the “Voting Agreement”), and to join in the Voting Agreement as a Stockholder (as defined in the Voting Agreement) with the same force and effect as if the undersigned were originally a party thereto.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of [DATE].

Name:

*Signature Page to Joinder Agreement*



## Earthstone Provides Update on Operations, 2022 Guidance and Proved Reserves

*Average Daily Production for the Fourth Quarter of 2021 Increased 104% Year Over Year*

*Closed Chisholm Acquisition on February 15, 2022*

**The Woodlands, Texas, February 16, 2022** – Earthstone Energy, Inc. (NYSE: ESTE) (“Earthstone”, the “Company”, “our” or “we”), today provided an operations update, released 2022 guidance and announced its year-end 2021 estimated proved reserves. The Company has estimated its oil and gas sales volumes for the fourth quarter of 2021 to be approximately 2.78 MMBoe or an average of approximately 30,244 Boepd (43% oil). For the year ended December 31, 2021, the Company estimates its annual sales volumes grew 62% to approximately 9.06 MMBoe, or an average of approximately 24,809 Boepd (48% oil) compared to 15,276 Boepd (57% oil) reported for 2020. The Company also announced its year-end 2021 SEC total estimated proved reserves of approximately 147.6 MMBoe and \$2.0 billion of PV-10 <sup>(1)</sup>. Incorporating the closing of the Chisholm Acquisition and the pending Bighorn Acquisition and utilizing NYMEX strip pricing, total reserves as of year-end were 330.2 MMBoe and \$3.9 billion of PV-10. <sup>(2)</sup>

Key highlights include:

- Average daily production for the fourth quarter of 2021 was 30,244 Boepd compared to 14,809 Boepd for the fourth quarter of 2020, representing an increase of 104% year over year <sup>(3)</sup>
- \$51.4 million and \$128.2 million of capital expenditures in the fourth quarter of 2021 and full year 2021, respectively, falling below the low end of our 2021 capital guidance
- Full year 2022 production guidance of 64,250 to 67,750 Boepd (~41% oil) and \$410-440 million of capital expenditures to support a four-rig operated program
- Completed the Chisholm Acquisition on February 15, 2022
- Plan to continue operating two rigs in the Midland Basin and two rigs in the Northern Delaware Basin throughout 2022
- Stand-alone year-end 2021 SEC total estimated proved PV-10 and reserves were \$2.0 billion and 147.6 MMBoe (63% Proved Developed; 41% oil), respectively <sup>(1)</sup>
- Strong balance sheet and liquidity position with the increased \$825 million borrowing base and elected commitments under our senior secured credit facility (the “Credit Facility”) with further commitments to increase it to \$1,325 million conditioned upon the closing of the previously announced Bighorn Acquisition

### **2022 Guidance**

The Company’s 2022 capital budget of \$410-440 million assumes a four-rig program consisting of two rigs operating in the Midland Basin and two rigs operating in the Delaware Basin. This program is expected to result in the spudding of 60 gross / 47.6 net operated wells and bringing 58 gross / 48.3 net operated wells

online and spudding 20 gross / 4.1 net non-operated wells and bringing 19 gross / 4.2 net non-operated wells online in 2022. The Company anticipates first quarter production to be 35-37 MBoepd (~44% oil). This estimate reflects ~45 days of production from the assets acquired in the Chisholm Acquisition. Furthermore, we expect production to double to 70-74 MBoepd (~41% oil) in the second quarter with an assumed ~75 days of contribution from the pending Bighorn Acquisition that is targeted to close in mid-April. We believe production in the second half of 2022 will be approximately 76-80 MBoepd (~41% oil) with the full impact of both acquisitions.

Based on our 2022 capital budget, operating plan, and existing service costs, along with current commodity prices and hedges, the Company expects to generate significant positive free cash flow (4) in 2022. The Company's capital budget does not include any acquisition activities.

2022 Production Guidance	Pro Forma Chisholm	Pro Forma Chisholm & Bighorn	Pro Forma Chisholm & Bighorn	Pro Forma Chisholm & Bighorn
	1Q 2022	2Q 2022	3Q 2022	FY 2022
Production (Boepd)	35,000 – 37,000	70,000 – 74,000	76,000 – 80,000	62,250 – 67,750
% Oil	~ 44%	~ 41%	~ 41%	~ 41%
% Liquids	~ 70%	~ 67%	~ 67%	~ 67%

2022 Operating Costs	Pro Forma Chisholm	Pro Forma Chisholm & Bighorn
	1Q 2022	FY 2022
Total Capital Expenditures (\$mm)	\$95 – \$100	\$410 – \$440
Lease Operating Expense (\$/Boe)	\$6.50 – \$7.00	\$7.25 – \$7.75
Production and Ad Valorem Taxes (% of Revenue)	7.25% – 7.75%	7.50% – 8.00%
Cash G&A (\$mm)	\$6 – \$7	\$31 – \$34

2022 Operating Costs	Capex (\$mm)	Gross / Net Operated Wells Spudded	Gross / Net Operated Wells On Line
	Op. D&C Capex - Midland Basin	\$265 – \$285	40 / 35.8
Op. D&C Capex - Delaware Basin	\$100 – \$105	20 / 11.8	18 / 11.6
Total Operated D&C Capex	\$365 – \$390	60 / 47.6	58 / 48.3
Non-Operated D&C Capex	\$20 – \$25	4.1	4.2
Land / Infrastructure	\$25		
Total	\$410 – \$440	80 / 51.7	77 / 52.5

Note: Guidance is forward-looking information that is subject to considerable change and numerous risks and uncertainties, many of which are beyond Earthstone's control. See "Forward-Looking Statements" section below. Cash G&A is defined as general and administrative expenses excluding stock-based compensation.

### Management Comments

Robert J. Anderson, President and Chief Executive Officer of Earthstone, stated, "We believe that scale matters in our business. Through the acquisition of the accretive and well-located assets throughout 2021 and early 2022, we have enhanced our ability to optimize our operations, create value by driving down operating and overhead per unit expenses, and increase shareholder value. Our 2021 acquisitions and drilling activities allowed us to more than double production in the fourth quarter of 2021 versus the prior year, and we are poised to increase production by over 150% in 2022 with the additions of the Chisholm

and Bighorn acquisitions. The six acquisitions we have closed or announced since the beginning of 2021 will expand our footprint by over 220,000 acres and increase our drilling inventory life to approximately 13 years at current commodity prices, while only adding minimal debt and keeping us positioned to achieve our targeted 1.0x Debt to EBITDAX ratio in 2022.

“With the closing of the Chisholm Acquisition, we have expanded our operations into the Delaware Basin with low cost, high margin assets that generate significant production from existing producing wells and we believe we can further drive value by implementing our proven operational strategies to lower lease operating expenses and optimize drilling and production. Continuing to operate two rigs on the acquired acreage will enable us to further unlock the potential in the Delaware Basin, and with the addition of over 414 drilling locations, we expect to generate substantial free cash flow.

“Additionally, we are excited about our plans to close on the Bighorn acquisition in mid-April and how that will transform our free cash flow profile in the second half of the year. Our ambitious 2022 operating plans, coupled with strong commodity prices, are expected to result in significant free cash flow. We remain focused on consolidation and adding accretive scale that we believe will result in continued improved cost structure and creation of shareholder value.

“Our near-term focus will be on successfully integrating the Chisholm assets and preparing to close upon and integrate the Bighorn assets. That said, we expect to continue our pursuit of accretive acquisitions in a prudent manner upon the successful integration of our most recently announced acquisitions.”

#### **Liquidity Update**

As of December 31, 2021, we had \$4 million in cash and \$320 million of long-term debt outstanding under our Credit Facility with a borrowing base of \$650 million. With the \$330 million of undrawn borrowing base capacity and \$4 million in cash, we had total liquidity of approximately \$334 million. Subsequent to year-end, Earthstone closed on its previously announced Chisholm Acquisition. When adjusted to include the additional borrowings to fund the actual cash consideration due at the closing of the Chisholm Acquisition, we had an estimated \$4 million in cash and \$604 million of debt outstanding under our Credit Facility with a borrowing base of \$825 million. With the \$221 million of undrawn borrowing base capacity and \$4 million in cash, we had total liquidity of approximately \$225 million on a combined basis. Furthermore, lenders under the Credit Facility have committed to increasing the borrowing base and elected commitments by an incremental \$500 million to \$1,325 million conditioned upon the closing of the Bighorn Acquisition, which is anticipated to occur in mid-April.

#### **Operational Update**

We have been operating two drilling rigs in the Midland Basin since the third quarter of 2021. Currently, one rig is drilling in each of Midland and Irion Counties. The Midland County rig is drilling a four-well pad in our Hamman project area in which we hold a 70% working interest and will average 7,200-foot laterals. The Irion County rig is drilling a five-well pad in our Barnhart project area in which we hold 100% working interest and will average ~9,900-foot laterals. Including wells in progress at year-end, we spud 26 gross / 23.3 net operated wells in 2021.

In the fourth quarter of 2021, we completed four gross (3.5 net) wells on our West Hartgrove pad in Reagan County where we targeted the Upper and Lower Wolfcamp B zones with average laterals of approximately 5,700 feet. We also completed three gross (2.2 net) wells on our Hamman 30 pad in Upton County where we targeted the Wolfcamp A and Lower Wolfcamp B zones with average laterals of approximately 4,500 feet. Including these completions which were turned to sales during the fourth quarter, we brought online a total 19 gross / 15.4 net operated wells in 2021.

Additionally, we are completing five gross (5.0 net) wells on our Nickel Saloon pad in Upton County. These wells targeted the Wolfcamp A, Wolfcamp B and Wolfcamp C zones with an average lateral length of approximately 10,100 feet and we expect to have these wells online in late February 2022. There are also nine gross (8.7 net) wells that are drilled and waiting on completions in the Midland Basin.

The Company is focused on efficiently integrating the newly acquired Chisholm assets into our operations. This includes the two rigs currently operating on the Chisholm acreage in the northern Delaware Basin of New Mexico. Currently, these rigs are drilling a two-well pad in our Anaconda project area in which we hold a 42% working interest and will average 10,000-foot laterals targeting the 3rd Bone Spring, and a two-well pad in our Minis project area in which we hold a 96% working interest and will average 7,500-foot laterals targeting the 3rd Bone Spring. The first well on each pad has been drilled and is awaiting completion with the drilling of the second well on each pad expected to be finished drilling by the end of the month and with the wells expected to be online in the early fourth quarter.

There are currently two gross (1.4 net) drilled but uncompleted wells located on the Chisholm acreage and a total of five gross (3.2 net) wells turned online this year so far. These five gross wells brought online were all located in Lea County and targeted the 2nd and 3rd Bone Spring zones.

#### **Year-End 2021 SEC Estimated Proved Reserves**

Earthstone Stand-Alone Year-End 2021 Estimated Proved Reserves Highlights:

- Proved Reserves of 147.6 MMBoe with corresponding PV-10 of \$2.02 billion
- Proved Reserves are 41.4% oil, 26.4% natural gas liquids, and 32.2% natural gas
- Proved Reserves are 63% Proved Developed and 37% Proved Undeveloped

As shown in the table below, the Company's estimated proved reserves at year-end 2021, which were prepared in accordance with Securities and Exchange Commission ("SEC") guidelines by Cawley, Gillespie & Associates, Inc. ("CGA"), an independent petroleum engineering firm, were approximately 147.6 million barrels of oil equivalent ("MMBoe").

Reserve Category	Oil (MBbbls)	Gas (MMcf)	NGL (MBbbls)	Total (MBoe)	PV-10 (\$ in thousands)
Proved Developed	35,825	190,999	25,917	93,576	1,371,697
Proved Undeveloped	25,250	93,882	13,114	54,011	644,989
<b>Total</b>	<b>61,075</b>	<b>284,881</b>	<b>39,031</b>	<b>147,587</b>	<b>2,016,686</b>

Note: PV-10 is a non-GAAP financial measure. See "Non-GAAP Financial Measure."

SEC rules require that calculations of economically recoverable reserves use the unweighted average price on the first day of the month for the prior twelve-month period. The resulting oil and natural gas prices used for the Company's 2021 year-end reserve report, prior to adjusting for quality and basis differentials, were \$66.56 per barrel and \$3.598 per million British Thermal Units ("MMBtu"), respectively. SEC prices net of differentials were \$65.64 per barrel and \$3.01 per Mcf.

#### **Alternative Year-End 2021 Estimated Proved Reserves at Strip Pricing**

To illustrate the impact of the Chisholm Acquisition and the pending Bighorn Acquisition, Earthstone is also providing an alternative summary of estimated proved reserves. This alternative summary as shown in the table below has been prepared in accordance with Society of Petroleum Engineers' 2018 Petroleum Resources Management System utilizing NYMEX Strip Pricing as of January 18, 2022.

Reserve Category	Oil (MBbls)	Gas (MMcf)	NGL (MBbls)	Total (MBoe)	PV-10 (\$ in thousands)
Proved Developed	70,635	516,206	66,710	223,379	2,843,672
Proved Undeveloped	57,405	162,136	22,378	106,806	1,085,510
<b>Total</b>	<b>128,040</b>	<b>678,342</b>	<b>89,088</b>	<b>330,185</b>	<b>3,929,182</b>

Note: See "Alternative Year-End 2021 Estimated Proved Reserves at Strip Pricing" section below for a breakdown of the above by entity.

(1) PV-10 is a non-GAAP financial measure. See "Non-GAAP Financial Measure" section below.

(2) See "Alternative Year-End 2021 Estimated Proved Reserves at Strip Pricing" section below.

(3) Average daily production represents preliminary sales volume estimates.

(4) As used in this news release, "free cash flow", a non-GAAP measure, means Adjusted EBITDAX (a non-GAAP measure), less interest expense, less accrual-based capital expenditures. As used in this news release "Adjusted EBITDAX", a non-GAAP measure means net income plus, when applicable, accretion of asset retirement obligations; impairment expense; depletion, depreciation and amortization; interest expense, net; transaction costs; loss (gain) on sale of oil and gas properties; unrealized (gain) loss on derivatives; stock-based compensation; and income tax expense.

#### **About Earthstone**

Earthstone Energy, Inc. is a growth-oriented, independent energy company engaged in developing and operating oil and gas properties. The Company's primary assets are located in the Midland Basin of west Texas and the Eagle Ford Trend of south Texas. Earthstone is traded on the NYSE under the symbol "ESTE." For more information, visit the Company's website at [www.earthstoneenergy.com](http://www.earthstoneenergy.com).

#### **Forward-Looking Statements**

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as "expects," "believes," "intends," "anticipates," "plans," "estimates," "forecast," "guidance," "target," "potential," "possible," or "probable" or statements that certain actions, events or results "may," "will," "should," or "could" be taken, occur or be achieved. Forward-looking statements are based on current expectations and assumptions and analyses made by Earthstone and its management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances that involve various risks and uncertainties that could cause actual results to differ materially from those reflected in the statements. These risks include, but are not limited to, those set forth in Earthstone's annual report on Form 10-K and as amended on Form 10-K/A, for the year ended December 31, 2020, quarterly reports on Form 10-Q, recent current reports on Form 8-K, and other Securities and Exchange Commission filings. Earthstone undertakes no obligation to revise or update publicly any forward-looking statements except as required by law.

**Contact**

Mark Lumpkin, Jr.  
Executive Vice President – Chief Financial Officer  
Earthstone Energy, Inc.  
1400 Woodloch Forest Drive, Suite 300  
The Woodlands, TX 77380  
281-298-4246  
[mark.lumpkin@earthstoneenergy.com](mailto:mark.lumpkin@earthstoneenergy.com)

Scott Thelander  
Vice President of Finance  
Earthstone Energy, Inc.  
1400 Woodloch Forest Drive, Suite 300  
The Woodlands, TX 77380  
281-298-4246  
[scott@earthstoneenergy.com](mailto:scott@earthstoneenergy.com)

**Earthstone Energy, Inc.**  
**Alternative 2022 Proved Reserves**

The information presented below includes the combination of the stand-alone reserve quantities and PV-10 for Earthstone and the Chisholm and Bighorn Acquisitions as of January 1, 2022 prepared utilizing NYMEX strip benchmark prices and basis differentials as of January 18, 2022.

Reserve Category	Earthstone		Chisholm		Bighorn		Combined		Total
	Proved Developed	Proved Undeveloped							
Oil (MBbls)	35,478	24,364	13,990	24,055	21,167	8,986	70,635	57,405	128,040
Gas (MMcf)	188,658	90,238	36,846	29,988	290,701	41,910	516,205	162,136	678,341
NGL (MBbls)	25,616	12,565	4,906	4,879	36,189	4,934	66,711	22,378	89,089
Total (MBoe)	92,536	51,969	25,038	33,932	105,806	20,905	223,380	106,806	330,186
PV-10 (\$ in thousands)	\$ 1,388,394	\$ 619,745	\$ 443,517	\$ 386,897	\$ 1,011,761	\$ 78,869	\$ 2,843,672	\$ 1,085,511	\$ 3,929,183

**Earthstone Energy, Inc.**  
**Non-GAAP Financial Measure Unaudited**

The non-GAAP financial measure of PV-10, as defined and presented below, is intended to provide readers with meaningful information that supplements our financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

PV-10 is derived from the standardized measure of discounted future net cash flows ("Standardized Measure"), which is the most directly comparable financial measure under GAAP. PV-10 is a computation of the Standardized Measure on a pre-tax basis. PV-10 is equal to the Standardized Measure at the applicable date, before deducting future income taxes, discounted at 10%. We believe that the presentation of PV-10 is relevant and useful to investors because it presents the discounted future net cash flows attributable to our estimated net proved reserves prior to taking into account future corporate income taxes, and it is a useful measure for evaluating the relative monetary significance of our oil and natural gas properties. Further, investors may utilize the measure as a basis for comparison of the relative size and value of our reserves to other companies. We use this measure when assessing the potential return on investment related to our oil and natural gas properties. PV-10, however, is not a substitute for the Standardized Measure. Our PV-10 measure and the Standardized Measure do not purport to present the fair value of our oil and natural gas reserves.

The following table provides a reconciliation of PV-10 of the Company's estimated proved properties to the Standardized Measure as of December 31, 2021 and not including the assets acquired in the Chisholm Acquisition (in thousands):

Present value of estimated future net revenues (PV-10)	\$	2,016,686
Future income taxes, discounted at 10%		(198,313)
Standardized measure of discounted future net cash flows	\$	<u>1,818,373</u>



# The Transformed Earthstone

Bigger, Better and Built to Last

February 16, 2022



# Disclaimer

## Forward-Looking Statements

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This presentation contains estimates of Earthstone's, Bighorn's and Chisholm's 2022 production, capital expenditures and expense guidance. The actual levels of production, capital expenditures and operating expenses may be higher or lower than these estimates due to, among other things, uncertainty in drilling schedules, oil and natural gas prices, changes in market demand for hydrocarbons and unanticipated delays in production. These estimates are based on numerous assumptions. All or any of these assumptions may not prove to be accurate, which could result in actual results differing materially from estimates. No assurance can be made that any new wells will produce in line with historical performance, or that existing wells will continue to produce in line with Earthstone's expectations. Earthstone's ability to fund its 2022 and future capital budgets is subject to numerous risks and uncertainties, including volatility in commodity prices and the potential for unanticipated increases in costs associated with drilling, production and transportation.

## Industry and Market Data

This presentation has been prepared by Earthstone and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Earthstone believes these third-party sources are reliable as of their respective dates, Earthstone has not independently verified the accuracy or completeness of this information. Some data are also based on Earthstone's good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

## The New Earthstone: Transformed SMID-Cap, Permian Producer

Top Investment Criteria		Earthstone's Qualifications
Greater Efficiency from Increased Critical Mass	✓	Six acquisitions since early 2021 increase production by >4x and improved cost and operating efficiencies <sup>(1)</sup>
Top Basins / Long Inventory Life	✓	Midland Basin and Delaware Basin asset base with ~13 years of high quality inventory life
High Free Cash Flow Generation with Low Reinvestment Needs	✓	Only ~50% of cash flow needed to maintain production levels, creates robust free cash flow generation <sup>(1,2)</sup>
Low Leverage	✓	Recent acquisitions approximately leverage neutral with year-end 2022 targeted <1x leverage
Progressing Towards Shareholder Returns	✓	"New Earthstone" provides for accelerated consideration of shareholder return program
Commitment & Focus	✓	"Do the right thing" commitment to stakeholders, employees and environment

(1) Including pending Bighorn Acquisition.

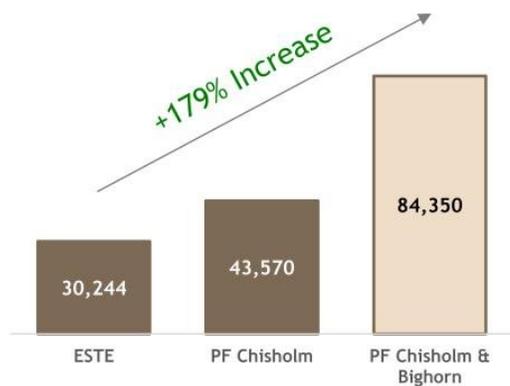
(2) Free cash flow defined as Adjusted EBITDAX less interest expense less capital expenditures (accrual basis).

# Company Overview

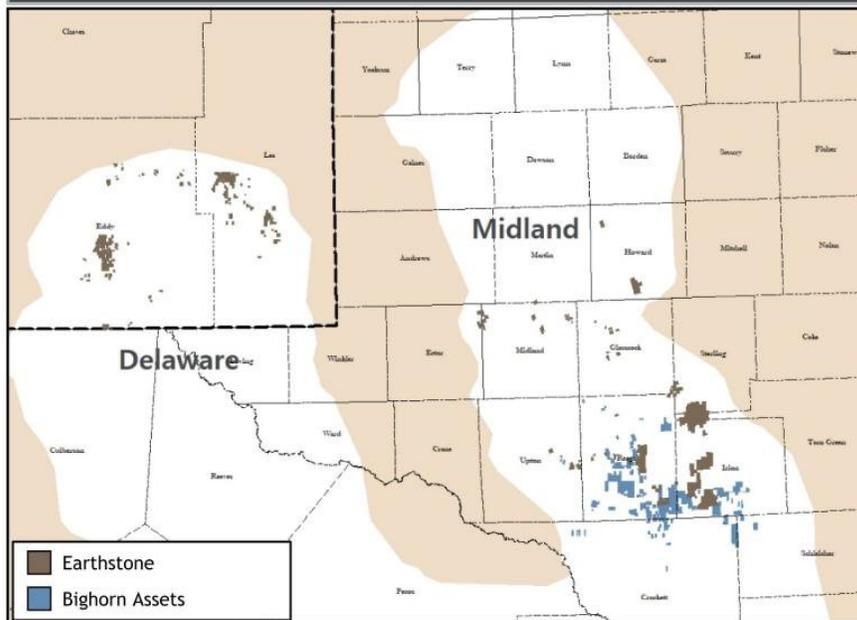
## Company Snapshot

- The Woodlands, Texas based E&P company focused on development and production of oil and natural gas in the Permian Basin with ~248,000 net acres<sup>(1)</sup>
- Recent string of six acquisitions<sup>(1)</sup> has established critical mass
- Earthstone standalone estimated 4Q21 production of 30,244 Boe/d (43% oil, 70% liquids) vs. over 84,000 Boe/d combined 4Q21 production<sup>(2)</sup>

## 4Q21 Daily Production (Boe/d)<sup>(2)</sup>



## Asset Overview



(1) Includes impact of pending Bighorn Acquisition.

(2) Reflects 4Q21 Earthstone estimated sales volumes; combined production includes Earthstone estimates of combined Chisholm and Bighorn three-stream production for 4Q21.

# Capital Structure and Liquidity Snapshot

## Market Statistics<sup>(1)</sup>

(\$ in millions, except share price)	As of 12/31/21	
	Pro Forma Chisholm	Pro Forma Chisholm & Bighorn
Class A Common Stock (MM)	72.7	104.8
Class B Common Stock (MM)	34.4	34.4
<b>Total Common Stock Outstanding (MM)</b>	<b>107.1</b>	<b>139.1</b>
Stock Price (as of 2/11/22)	\$13.82	\$13.82
<b>Market Capitalization</b>	<b>\$1,480.1</b>	<b>\$1,922.6</b>
Plus: Total Debt	\$604.2	\$1,094.2
Less: Cash	(4.0)	(4.0)
<b>Enterprise Value</b>	<b>\$2,080.2</b>	<b>\$3,012.7</b>

## Liquidity<sup>(1)</sup>

(\$ in millions)	As of 12/31/21	
	Pro Forma Chisholm	Pro Forma Chisholm & Bighorn
Cash	\$4.0	\$4.0
Revolver Borrowings	\$604.2	\$1,094.2
<b>Total Debt</b>	<b>\$604.2</b>	<b>\$1,094.2</b>
Revolver Borrowing Base	\$825.0	\$1,325.0
Less: Revolver Borrowings	(604.2)	(1,094.2)
Plus: Cash	4.0	4.0
<b>Liquidity</b>	<b>\$224.8</b>	<b>\$234.8</b>

(1) Class A and Class B Common Stock outstanding as of 1/24/22 pro forma the impact of Chisholm and Bighorn Acquisitions. Total debt represents ESTE actual debt of \$320 million as of 12/31/21, adjusted for Chisholm and Bighorn Acquisitions. Does not reflect \$70mm of deferred cash due within twelve months of the closing of the Chisholm Acquisition. Reflects actual cash paid to Chisholm at closing, including a \$25.3 million reduction due to purchase price adjustments; does not reflect any Bighorn Acquisition purchase price adjustments, which are expected to significantly reduce cash due at closing.

## Acquisitions Have Transformed Earthstone in 2021-22

- Earthstone production base up >400% vs. 2020 pending Bighorn Acquisition
- Mature base production profile and high quality inventory enables moderate production growth at ~50% reinvestment rate

### Pathway to Scale - Production (Boe/d)



Date Announced	FY 2020A	12/18/20	4/1/21	10/4/21	12/16/21	1/31/22	Acquisitions Total
Acquisition Price (\$MM) <sup>(1)</sup>		\$182.0	\$126.5	\$73.2	\$603.8	\$860.0	\$1,846
Consideration Mix (% Cash / % Stock)		72% / 28%	65% / 35%	67% / 33%	68% / 32%	57% / 43%	63% / 37%
Proved Developed PV-10 (\$mm) <sup>(2)</sup>		\$173	\$153	\$116	\$421	\$1,012	\$1,875
Acquired Net Acreage (000's)		43.4	20.3	10.0	36.1	110.6	220.4
Acquired Drilling Locations <sup>(3)</sup>		70	49	-	414	49	582

Note: See Appendix for footnotes.

# Northern Delaware Basin Asset Overview

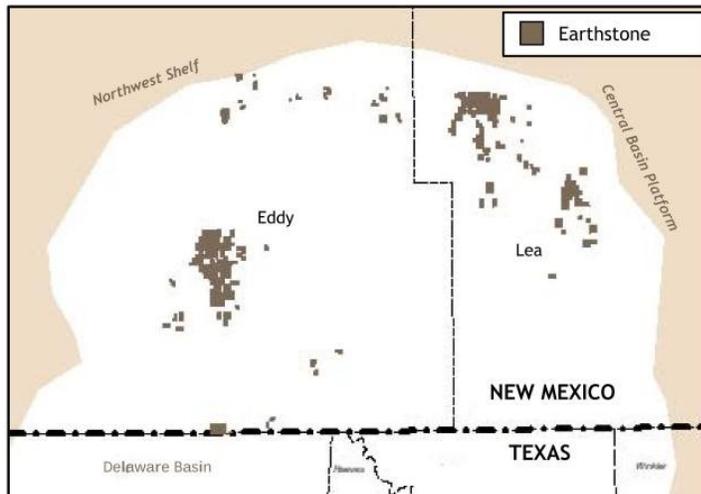
## Acquisition Highlights

- ESTE's recent acquisition in the Delaware Basin of the Chisholm assets brings significant production and cash flow
- High quality drilling inventory with high-graded operated location count of 414 gross (237 net) locations
- ESTE plans to maintain a 2-rig program in New Mexico (in addition to the 2-rigs in the Midland Basin)
- 73 federal/state drilling permits already in place and another 58 permits in process to support a 2-rig drilling program for the next several years

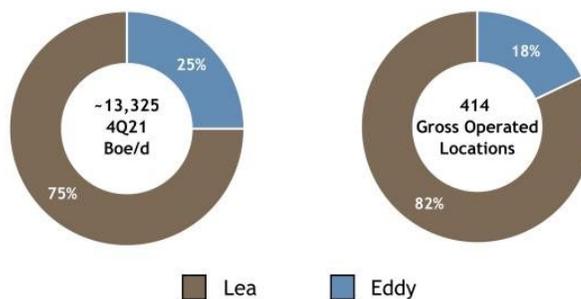
## Asset Highlights<sup>(1)</sup>

4Q21 Production (Boe/d)	~13,325
% Oil / % Liquids	65% / 81%
Proved Developed PV-10 (\$MM)	\$444
Proved Developed Reserves (MMBoe)	25.0
Total Net Acres	~36,100
% Operated / % HBP	92% / 85%
Avg. % WI / % NRI	55% / 44%

## Delaware Acreage Overview



## Delaware Production and Drilling Inventory by County



(1) Current Production is Earthstone management's estimate of Chisholm three stream sales volumes for the most recent available 30-day period. PV-10 is a non-GAAP measure 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. Proved Developed PV-10 value based upon NYMEX strip pricing as of 1/18/22 and an effective date of 1/1/22.

# Bighorn Asset Overview - Pending Closing

## Acquisition Highlights

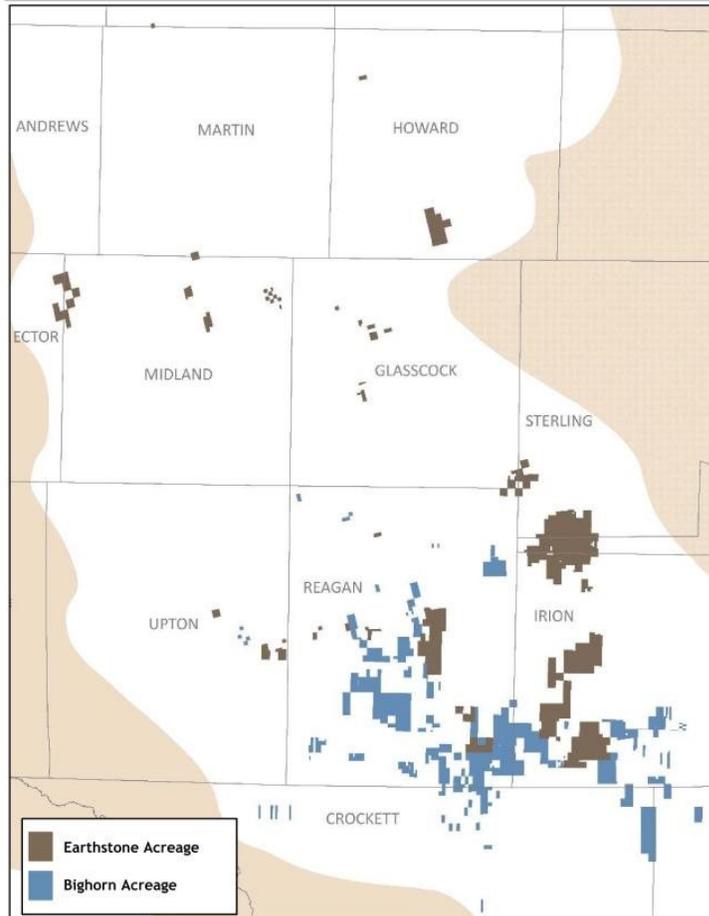
- PDP-weighted acquisition adds significant scale to Earthstone asset base at an attractive valuation relative to \$1,012 million PDP-PV10
- ~19% year 1 to year 2 PDP decline rate will reduce Earthstone's corporate decline rate
- Opportunity to drive LOE costs lower given Earthstone operating experience in the area
- No plans to increase 2022 drilling and completion activities on account of Bighorn Acquisition

## Asset Highlights<sup>(1)</sup>

4Q21 Production (Boe/d)	~40,775 (25% Oil / 57% Liquids)
PDP Reserves	106 MMBoe
PDP PV-10 (\$MM)	\$1,012
Total Net Acres	~110,600
% HBP / % Operated	99% / 98%
Horizontal / Vertical Producing Wells	647 / 3
Avg. WI / NRI	93% / 70%
Gross / Net Locations	49 / 35

(1) Assumes an 1/1/22 effective date and NYMEX strip pricing as of 1/18/22.

## Acreage Overview



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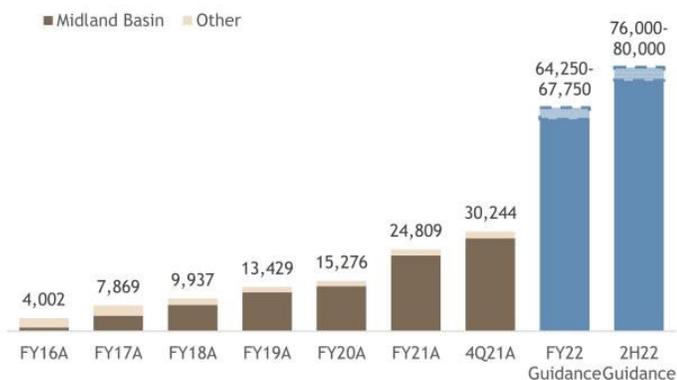
## Pro Forma Earthstone Overview

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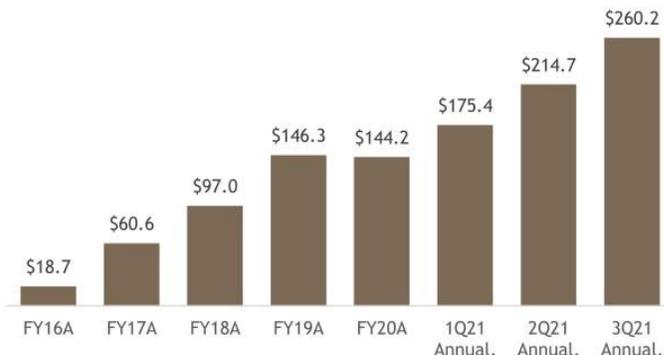
# Permian Basin Growth Story

- Since entering the Permian Basin in 2016, Earthstone has substantially increased production and decreased per unit cash expenses, resulting in increased Adjusted EBITDAX, while maintaining low leverage and preserving financial flexibility

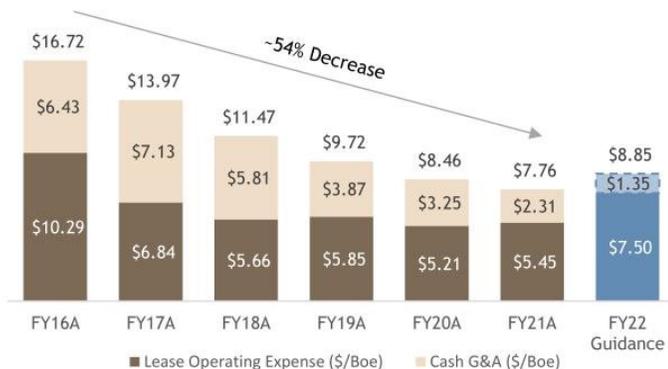
Average Daily Production (Boe/d)



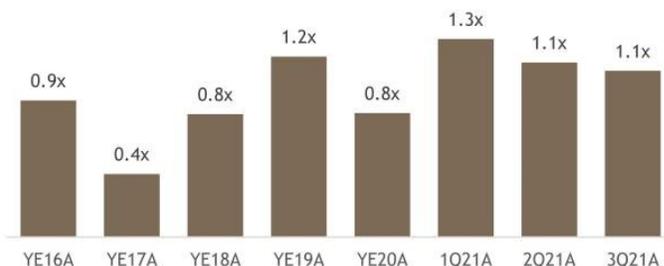
Adjusted EBITDAX (\$MM)



Lease Operating Expense and Cash G&A<sup>(1)</sup> (\$/Boe)



Debt / Adjusted LTM EBITDAX

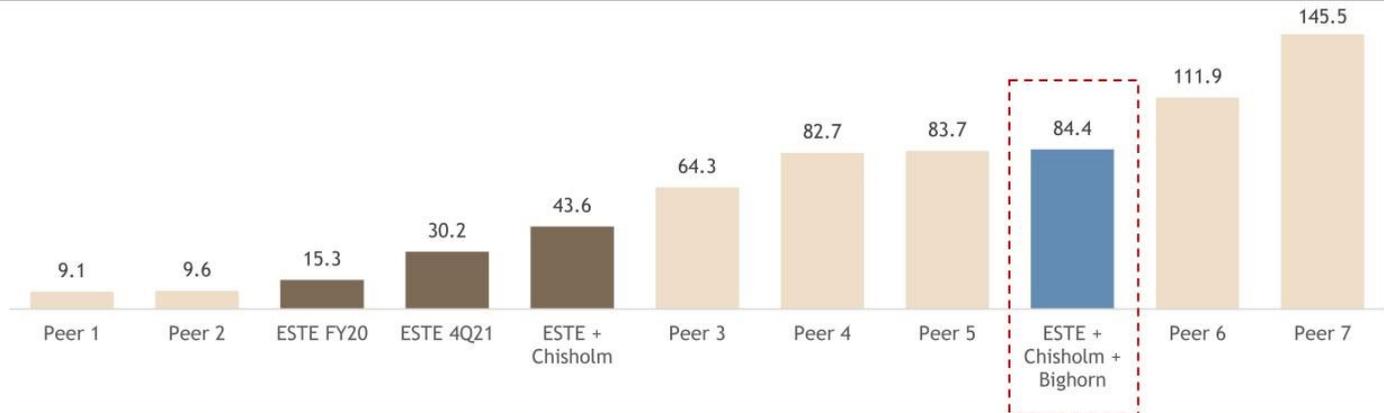


(1) Excludes stock-based compensation. FY22 guidance assumes midpoint of FY22 guidance.

# Earthstone's Significant Growth Transformation

Execution of acquisition strategy has increased base production by >400% from ~15,000 Boe/d in '20

4Q21 Production (Boe/d)



Enterprise Value (\$mm)



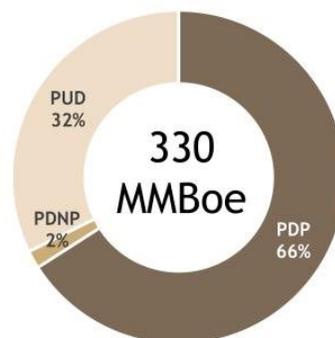
Source: Factset, Wall Street research. Market Data as of 2/11/22. Peers include: BATL, CDEV, CPE, LPI, MTD, REI, REPX and SM (BATL excluded in top chart due to lack of research coverage).

# Reserves and Inventory | Earthstone + Bighorn

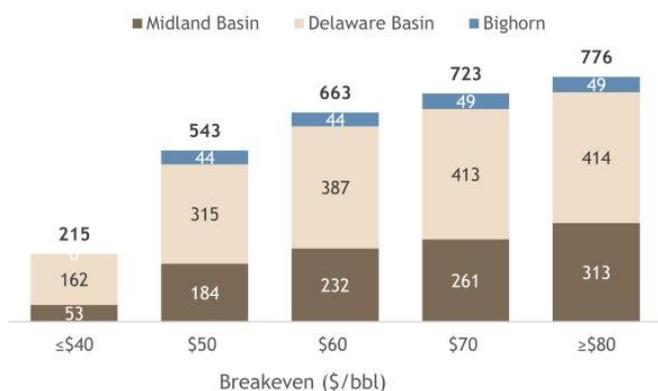
1P Reserves PV-10 Value as of 1/1/22<sup>(1)</sup>

	PV-10 Value (\$mm)
Proved Developed	\$2,844
Proved Undeveloped	\$1,086
<b>Total Proved</b>	<b>\$3,929</b>

1P Reserves as of 1/1/22<sup>(1)</sup>



≥25% IRR Op Location Count<sup>(2)</sup>



Inventory Life Calculation

$$\begin{aligned}
 &776 \text{ Locations} \\
 &\div \\
 &60 \text{ Wells per Year}^{(3)} \\
 &= \\
 &\boxed{\sim 13 \text{ years}}
 \end{aligned}$$

(1) Represents management's estimates for consolidated reserves of Earthstone, Chisholm and Bighorn as of 1/1/22 and NYMEX strip pricing as of 1/18/22.  
 (2) Includes all locations across reserve categories. Gas and NGL pricing scaled with WTI assuming \$60/bbl / \$3.00/MMbtu.  
 (3) Assumes 2 active Midland Basin and 2 active Delaware Basin rigs.

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## Financial Overview

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## 2022 Guidance

### Production Guidance<sup>(1)</sup>

Production Guidance	ESTE + Chisholm 1Q22		ESTE + Chisholm + Bighorn 2Q22		ESTE + Chisholm + Bighorn 3Q22 - 4Q22		ESTE + Chisholm + Bighorn FY22	
Production (Boe/d)	35,000	- 37,000	70,000	- 74,000	76,000	- 80,000	64,250	- 67,750
% Oil	~44%		~41%		~41%		~41%	
% Liquids	~70%		~67%		~67%		~67%	

### Expense & Capex Guidance<sup>(1)</sup>

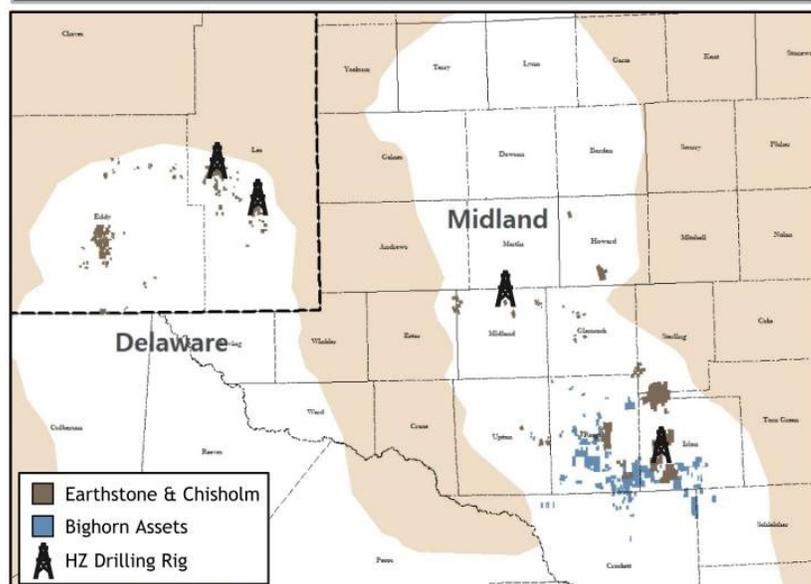
Expense & Capex Guidance	ESTE + Chisholm 1Q22		ESTE + Chisholm + Bighorn FY22	
Total Capital Expenditures (\$MM)	\$95	- \$100	\$410	- \$440
Lease Operating Expense (\$/Boe)	\$6.50	- \$7.00	\$7.25	- \$7.75
Production & Ad Valorem Taxes (% of Revenue)	7.25%	- 7.75%	7.5%	- 8.0%
Cash G&A (\$MM)	\$6	- \$7	\$31	- \$34

Note: Guidance is forward-looking information that is subject to considerable change and numerous risks and uncertainties, many of which are beyond Earthstone's control. See "Forward-Looking Statements". Cash G&A is defined as general and administrative expenses excluding stock-based compensation.

(1) Guidance assumes Bighorn Acquisition closes on 4/15/22.

# 2022 Capital Program | Earthstone + Chisholm + Bighorn

## Overview Map | 4 Rigs Total (2 Midland Basin, 2 Delaware Basin)



## Midland Basin - 2 Rigs

- 2 rigs running continuously
- 40 operated wells
  - 9,500' average LL, 90% average WI
- \$300mm capex including non-operated D&C and facilities
- No incremental capex on Bighorn in 2022 (first wells slated for 2023)

## Delaware Basin - 2 Rigs

- 2 rigs running continuously
- 20 wells
  - 6,000' average LL, 60% average WI
- \$100mm capex including facilities

## Combined Company

- Combined company estimated 2H22E production of -78,000 Boe/d (~41% oil; ~67% liquids)
- \$410mm - \$440mm combined capital investment

## ESTE FY 2022 Capital Budget

(\$ in millions)		Gross / Net Wells Spudded		Gross / Net Wells Online	
Op. D&C Capex - Midland Basin	\$265 - \$285	40	/ 35.8	40	/ 36.7
Op. D&C Capex - Delaware Basin	\$100 - \$105	20	/ 11.8	18	/ 11.6
<b>Total Operated D&amp;C Capex</b>	<b>\$365 - \$390</b>	<b>60</b>	<b>/ 47.6</b>	<b>58</b>	<b>/ 48.3</b>
Non-Operated D&C Capex	\$20 - \$25	20	/ 4.1	19	/ 4.2
Land / Infrastructure	\$25				
<b>Total</b>	<b>\$410 - \$440</b>	<b>80</b>	<b>/ 51.7</b>	<b>77</b>	<b>/ 52.5</b>

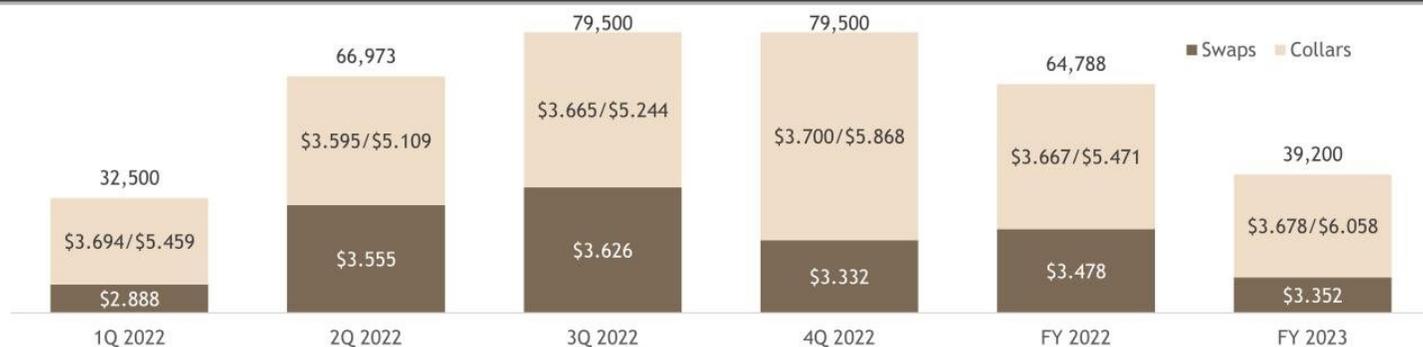
## Oil and Gas Hedging Summary

- Disciplined approach to hedging a portion of near-term volumes to provide cash flow visibility
- Reduced hedging percentage compared to prior years due to overall larger production base, corporate scale and use of collars provide increased commodity exposure in 2022+

### WTI Hedges (Bbls/d and \$/Bbl<sup>(1)</sup>)



### Henry Hub Hedges (MMBtu/d and \$/MMBtu<sup>(1)</sup>)



Note: Includes all WTI and Henry Hub hedges as of 2/11/22. Does not include basis swaps.

(1) Reflects weighted average swap price and weighted average collar floor / ceiling prices for each quarter.

## Analyst Coverage

Firm	Analyst Contact Info
Alliance Global Partners	Jeffrey Campbell / 888-543-4448 / jcampbell@allianceg.com
Benchmark	Subash Chandra / 212-312-6755 / schandra@benchmarkcompany.com
Johnson Rice	Charles Meade / 504-584-1274 / cmeade@jrco.com
RBC	Scott Hanold / 512-708-6354 / scott.hanold@rbccm.com
Roth	John White / 949-720-7115 / jwhite@roth.com
Truist	Neal Dingmann / 713-247-9000 / neal.dingmann@truist.com
Water Tower Research	Jeff Robertson / 469-343-9962 / jeff@watertowerresearch.com
Wells Fargo	Joseph McKay / 212-214-8007 / joseph.mckay@wellsfargo.com

## Contact Information

**Mark Lumpkin, Jr.** EVP, Chief Financial Officer

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**Scott Thelander** Vice President of Finance

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### Corporate Offices

**Houston** 1400 Woodloch Forest Drive | Suite 300 | The Woodlands, TX 77380 | (281) 298-4246

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**Midland** 600 N. Marienfeld | Suite 1000 | Midland, TX 79701 | (432) 686-1100

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**Website** [www.earthstoneenergy.com](http://www.earthstoneenergy.com)

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## Appendix

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## Pending Bighorn Acquisition

### Consideration & Funding

- Earthstone has entered into an agreement to acquire assets (the “Bighorn Acquisition”) from Bighorn Permian Resources, LLC (“Bighorn”)
- Cash and equity consideration of \$860 million prior to purchase price adjustment
  - \$770 million of cash consideration at closing (prior to purchase price adjustment)
  - \$90 million in Earthstone Class A shares based on a stock price of \$13.25
- Cash consideration to be funded via cash on hand, new debt and new common equity
  - Commitments received from current lenders to increase the borrowing base to \$1.325 billion upon closing of Chisholm and Bighorn
  - \$280 million raised from the issuance of Series A Convertible Preferred Stock which is expected to convert into 25.2 million shares of Class A Common Stock via a PIPE to affiliates of EnCap Investments LP (“EnCap”) and funds managed by Post Oak Energy Capital, LP (“Post Oak”)

### Impact on Equity Ownership

- Bighorn will receive 6.8 million Earthstone Class A Shares
- PIPE investors will receive 25.2 million shares, including 19.8 million shares to EnCap <sup>(1)</sup>
- ESTE shareholders (including impact of Chisholm) retain 77% of ESTE common equity

### Approval, Timing & Governance

- Transaction approved by the full Board of Earthstone and by the Board of Bighorn; PIPE also independently approved by the Audit Committee of Earthstone
- Effective date of 1/1/22 with anticipated close in early 2Q22
- Post Oak to receive one board seat

(1) Assuming conversion from Series A Convertible Preferred Stock to Class A Common Stock.

# Oil and Gas Hedges Summary

WTI Oil Hedges - Swaps			
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl
1Q 2022	683,500	7,594	\$56.60
2Q 2022	1,085,250	11,926	\$64.48
3Q 2022	1,081,000	11,750	\$66.70
4Q 2022	1,081,000	11,750	\$66.70
FY 2022	3,930,750	10,769	\$64.33
FY 2023	1,277,500	3,500	\$76.20

WTI Oil Hedges - Collars				
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl (Floor)	\$/Bbl (Ceiling)
1Q 2022	180,000	2,000	\$60.00	\$73.73
2Q 2022	273,000	3,000	\$60.00	\$77.52
3Q 2022	276,000	3,000	\$60.00	\$77.52
4Q 2022	276,000	3,000	\$60.00	\$77.52
FY 2022	1,005,000	2,753	\$60.00	\$76.84
FY 2023	803,000	2,200	\$55.00	\$76.30

WTI Midland Argus Crude Basis Swaps			
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl (Differential)
1Q 2022	945,000	10,500	\$0.51
2Q 2022	1,077,500	11,841	\$0.51
3Q 2022	1,150,000	12,500	\$0.51
4Q 2022	1,150,000	12,500	\$0.51
FY 2022	4,322,500	11,842	\$0.51
FY 2023	730,000	2,000	\$0.49

HH Gas Hedges - Swaps			
Period	Volume (MMBtu)	Volume (MMBtu/d)	\$/MMBtu
1Q 2022	720,000	8,000	\$2.888
2Q 2022	2,780,500	30,555	\$3.555
3Q 2022	3,266,000	35,500	\$3.626
4Q 2022	1,893,500	20,582	\$3.332
FY 2022	8,660,000	23,726	\$3.478
FY 2023	3,670,000	10,055	\$3.352

HH Gas Hedges - Collars				
Period	Volume (MMBtu)	Volume (MMBtu/d)	\$/MMBtu (Floor)	\$/MMBtu (Ceiling)
1Q 2022	2,205,000	24,500	\$3.694	\$5.459
2Q 2022	3,314,000	36,418	\$3.595	\$5.109
3Q 2022	4,048,000	44,000	\$3.665	\$5.244
4Q 2022	5,420,500	58,918	\$3.700	\$5.868
FY 2022	14,987,500	41,062	\$3.667	\$5.471
FY 2023	10,638,000	29,145	\$3.262	\$4.757

WAHA Differential Basis Swaps			
Period	Volume (MMBtu)	Volume (MMBtu/d)	\$/MMBtu
1Q 2022	3,600,000	40,000	(\$0.160)
2Q 2022	1,820,000	20,000	(\$0.327)
3Q 2022	1,840,000	20,000	(\$0.327)
4Q 2022	1,840,000	20,000	(\$0.327)
FY 2022	9,100,000	24,932	(\$0.261)
FY 2023	14,600,000	40,000	(\$1.256)
FY 2024	14,640,000	40,000	(\$1.034)

Note: Hedgebook as of 2/11/22.

## SEC Stand-Alone Reserves Summary & PV-10 - Year-End 2021

As shown in the table below, the Company's stand-alone estimated proved reserves at year end 2021 were independently estimated by Cawley, Gillespie & Associates, Inc. ("CGA"), independent petroleum engineers, and which prepared in accordance with Securities and Exchange Commission ("SEC") guidelines, were approximately 147.6 million barrels of oil equivalent ("MMBoe"). SEC rules require that calculations of economically recoverable reserves use the unweighted average price on the first day of the month for the prior twelve-month period. The resulting oil and natural gas prices used for the Company's stand-alone 2021 year end reserve report, prior to adjusting for quality and basis differentials, were \$66.56 per barrel and \$3.598 per million British Thermal Units ("MMBtu"), respectively. SEC prices net of differentials were \$65.64 per barrel, \$30.16 per equivalent barrel of NGL and \$3.01 per Mcf.

Stand-Alone Year-End 2021 SEC Proved Reserves					
Reserves Category	Oil (Mbbbls)	Gas (MMcf)	NGL (Mbbbls)	Total (Mboe)	PV-10 (\$ in thousands)
Proved Developed	35,825	190,999	25,917	93,576	\$1,371,697
Proved Undeveloped	25,250	93,882	13,114	54,011	\$644,989
<b>Total</b>	<b>61,075</b>	<b>284,880</b>	<b>39,031</b>	<b>147,587</b>	<b>\$2,016,686</b>

PV-10 is a measure not prepared in accordance with accounting principles generally accepted in the United States ("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 (in thousands):

Reconciliation of PV-10	
Present value of estimated future net revenues	\$2,016,686
Future income taxes, discounted at 10%	(\$198,313)
<b>Standardized measure of discounted future net cash flows</b>	<b>\$1,818,373</b>

## Alternative Reserves Summary - 1/1/22

The information presented below includes the combination of the stand-alone reserve quantities and PV-10 for Earthstone and for the Chisholm and Bighorn Acquisitions as of January 1, 2022. This alternative summary as shown in the table below has been prepared utilizing NYMEX strip benchmark prices and basis differentials as of January 18, 2022. The Chisholm and Bighorn reserve information was prepared by Earthstone Management.

### Alternative 1/1/22 Proved Reserves at NYMEX Strip Pricing as of 1/18/22

Reserves Category	Earthstone		Chisholm		Bighorn		Combined		Total
	Proved Developed	Proved Undeveloped							
Oil (MBbls)	35,478	24,364	13,990	24,055	21,167	8,986	70,635	57,405	128,040
Gas (MMcf)	188,658	90,238	36,846	29,988	290,701	41,910	516,206	162,136	678,342
NGL (MBbls)	25,616	12,565	4,906	4,879	36,189	4,934	66,710	22,378	89,088
<b>Total</b>	<b>92,536</b>	<b>51,969</b>	<b>25,038</b>	<b>33,932</b>	<b>105,806</b>	<b>20,905</b>	<b>223,380</b>	<b>106,806</b>	<b>330,185</b>
PV-10 (\$ in thousands)	\$1,388,394	\$619,745	\$443,517	\$386,897	\$1,011,761	\$78,869	\$2,843,672	\$1,085,510	\$3,929,182

## Reconciliation of Non-GAAP Financial Measure - Adjusted EBITDAX

Earthstone uses Adjusted EBITDAX, a financial measure that is not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Adjusted EBITDAX is a supplemental non-GAAP financial measure that is used by Earthstone's management team and external users of its financial statements, such as industry analysts, investors, lenders and rating agencies. Earthstone's management team believes Adjusted EBITDAX is useful because it allows Earthstone to more effectively evaluate its operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure.

Earthstone defines Adjusted EBITDAX as net (loss) income plus, when applicable, (gain) loss on sale of oil and gas properties, net; accretion of asset retirement obligations; impairment expense; depletion, depreciation and amortization; transaction costs; interest expense, net; rig termination expense; exploration expense; unrealized loss (gain) on derivative contracts; stock based compensation (non-cash); and income tax expense (benefit). Earthstone excludes the foregoing items from net income (loss) in arriving at Adjusted EBITDAX because these amounts can vary substantially from company to company within their industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net (loss) income as determined in accordance with GAAP or as an indicator of Earthstone's operating performance or liquidity. Certain items excluded from Adjusted EBITDAX are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDAX. Earthstone's computation of Adjusted EBITDAX may not be comparable to other similarly titled measures of other companies or to similar measures in Earthstone's revolving credit facility.

The following table provides a reconciliation of Net (loss) income to Adjusted EBITDAX for:

3Q 2021 Adjusted EBITDAX (\$ in 000s)		2Q 2021 Adjusted EBITDAX (\$ in 000s)	
	3Q 21		2Q 21
Net (loss) income	\$18,838	Net (loss) income	(\$15,831)
Accretion of asset retirement obligations	\$323	Accretion of asset retirement obligations	\$303
Depreciation, depletion and amortization	\$27,059	Depreciation, depletion and amortization	\$26,027
Impairment expense	\$0	Impairment expense	\$0
Interest expense, net	\$3,050	Interest expense, net	\$2,401
Transaction costs	\$293	Transaction costs	\$507
Loss (gain) on sale of oil and gas properties	(\$392)	Loss (gain) on sale of oil and gas properties	(\$348)
Exploration expense	\$296	Exploration expense	\$30
Unrealized loss (gain) on derivative contracts	\$12,244	Unrealized loss (gain) on derivative contracts	\$36,653
Stock based compensation (non-cash) <sup>(1)</sup>	\$2,880	Stock based compensation (non-cash) <sup>(1)</sup>	\$4,412
Income tax expense (benefit)	\$451	Income tax expense (benefit)	(\$486)
<b>Adjusted EBITDAX</b>	<b>\$65,042</b>	<b>Adjusted EBITDAX</b>	<b>\$53,668</b>

(1) Included in General and administrative expense in the Consolidated Statements of Operations.

# Footnotes

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- 1) IRM Acquisition price of \$186MM based on \$50.8MM of equity consideration (approximately 12.7MM shares and ESTE share price of \$3.99 on 12/16/20) and cash consideration of \$135.2MM. Tracker Acquisition price of \$126MM based on \$44.2MM of equity consideration (approximately 6.2MM shares and ESTE share price of \$7.24 on 3/30/21) and cash consideration of \$81.6MM. Includes assets from Tracker Resource Development III, LLC and from affiliates of Sequel Energy. Foreland Acquisition price of \$73.2MM consisting of \$49.2MM cash consideration and 2.6 MM shares and ESTE share price of \$9.20 on 9/30/21. Chisholm Acquisition price of \$604MM based on \$194MM of equity consideration (approximately 19.4MM shares and ESTE share price of \$9.98 on 12/15/21) and cash consideration of \$410MM.
- 2) Based on ESTE estimates; PV-10 as of 12/1/20 based on NYMEX strip pricing as of 11/30/20 for IRM, as of 3/1/21 based on NYMEX strip pricing as of 3/29/21 for Tracker, as of 7/1/21 based on NYMEX strip pricing as of 9/30/21 for Foreland, as of 11/1/21 based on NYMEX strip pricing as of 12/8/21 for Chisholm, and as of 1/1/22 based on NYMEX strip pricing as of 1/18/22 for Bighorn.
- 3) ESTE estimated gross operated drilling locations exceeding ESTE rate of return threshold based on 11/30/20 NYMEX strip pricing for IRM, \$50/bbl flat oil pricing for Tracker, 12/8/21 NYMEX strip pricing for Chisholm, and on NYMEX strip pricing as of 1/18/22 for Bighorn.
- 4) Reflects midpoint of 2H22 estimated production guidance.

