

A large, light pink outline of a horse's head is positioned on the left side of the page, facing right. It is a simple, stylized line drawing that captures the basic shape of the horse's head, including the ears, eye, and jawline.

## Maverick Natural Resources, LLC Company Overview

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July 2020

Maverick's Mission Statement:

Maverick is an oil and gas company focused on delivering value through best-in-class operations and aggregating high-quality producing assets. We empower our people to embrace technology, drive efficiency and take action. We will succeed while demonstrating an unwavering commitment to safety, trust and respect.

## Clear Vision for the Future

**Best-in-Class  
Operator**

**We will be the most effective and efficient operator in all of the areas we operate.**

**Aggregator**

**We will aggregate high-quality, producing assets while implementing our cost-savings processes and automation.**

# Leadership Team



## **Chris Heinson, Chief Executive Officer**

- Former Senior Vice President and Chief Operating Officer of Sanchez Energy Corporation and Sanchez Oil & Gas Corporation
- Began career at Occidental Petroleum Corporation
- Holds a BS in Petroleum Engineering from the University of Texas at Austin



## **John Brawley, EVP and Chief Financial Officer**

- Former Senior Vice President of Capital Markets, M&A, and Treasurer at Sandridge Energy
- Held numerous senior leadership roles in public companies, including Chief Financial Officer of both midstream and upstream companies
- Co-led Guggenheim's Houston Mezzanine Debt and Equity Energy office
- Holds a BA in Economics and Biological Sciences from Rice University and an MBA from Rice University



## **Greet Gatlin, SVP Operations**

- Former Vice President of Surface Operations of Sanchez Oil & Gas Corporation
- Began career as District Manager at International Lift Systems/Lufkin
- Led multiple Field, Engineering, and Analyst teams at Occidental Oil and Gas



## **Ben Paul, SVP and General Counsel**

- Former Assistant General Counsel at Newfield Exploration Company
- Previously held positions at LINN Energy, Latham & Watkins, Baker Botts, and Deloitte Consulting
- Holds a BA in Political Science from the University of Chicago and a JD from the University of Virginia

# Winning Culture Enables Nimbleness and Efficiency



Our culture reflects the personality of our company—it's who and what we are and where we want to go. Maverick culture consists of the values, beliefs, attitudes and behaviors that Maverick employees share and use on a daily basis in their work.

## *We Are*

TEAM-ORIENTED

INNOVATIVE

STRATEGIC THINKING

ADAPTABLE



ACTION-ORIENTED

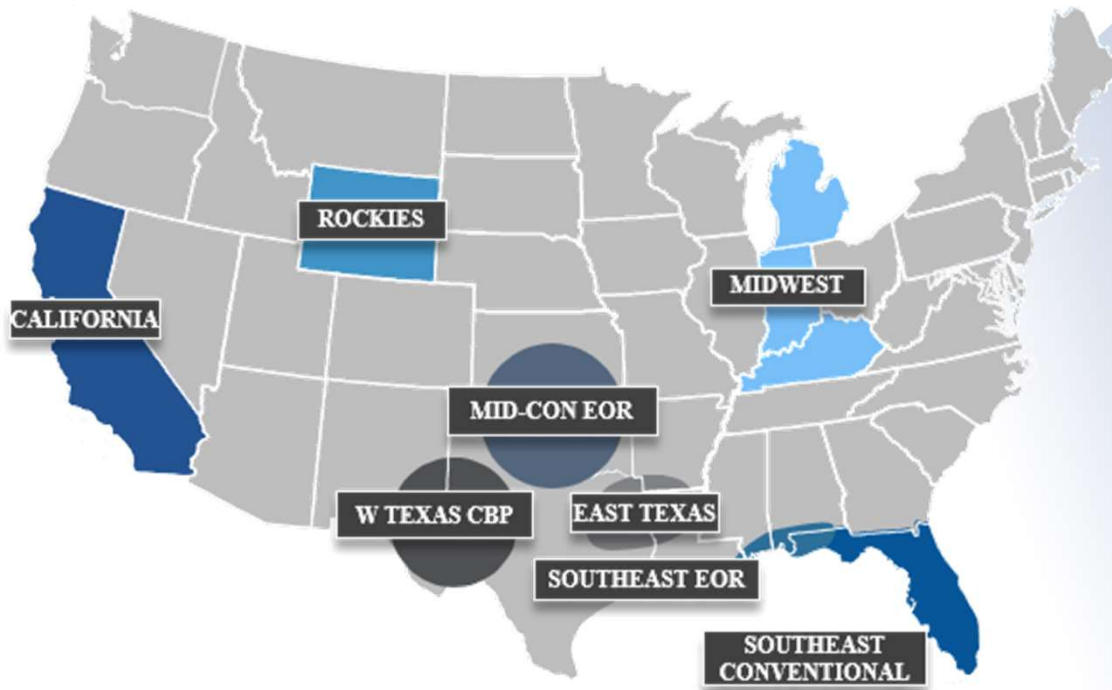
ACCOUNTABLE

COMMERCIAL  
THINKING

CELEBRATORY OF  
WINS

# Where We Operate

Q1 2020 Average Daily Net Production: ~35.0 Mboe/d, (50% liquids)



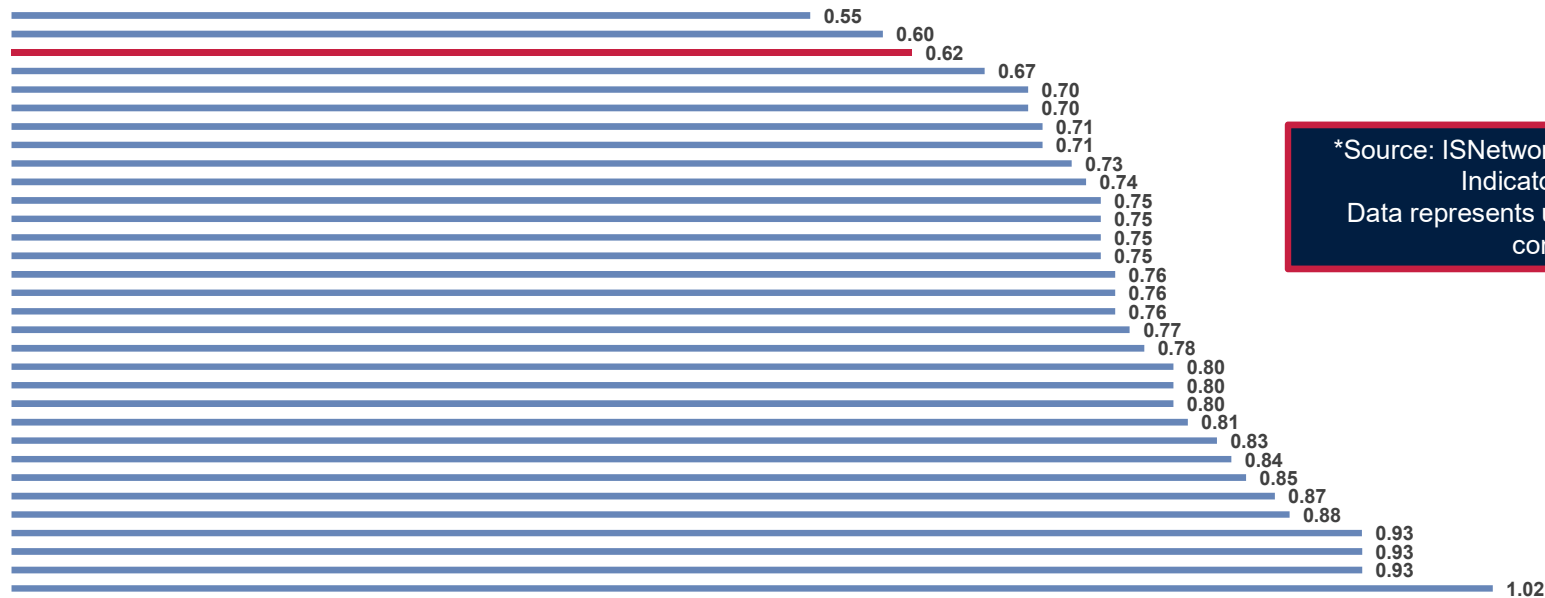
<b>ArkLaTex</b>	Q1 2020 Avg. Daily Production	~12,800 Boe/d
<b>Midwest</b>	Q1 2020 Avg. Daily Production	~5,800 Boe/d
<b>Rockies</b>	Q1 2020 Avg. Daily Production	~4,100 Boe/d
<b>Mid-Con EOR</b>	Q1 2020 Avg. Daily Production	~3,800 Boe/d
<b>Southeast EOR</b>	Q1 2020 Avg. Daily Production	~3,200 Boe/d
<b>West Texas</b>	Q1 2020 Avg. Daily Production	~2,700 Boe/d
<b>California</b>	Q1 2020 Avg. Daily Production	~1,500 Boe/d
<b>Southeast Conventional</b>	Q1 2020 Avg. Daily Production	~1,000 Boe/d

# Committed to Safety



## Maverick far exceeds peers in safety performance.

- In May 2020, Maverick reached over **1 Million** consecutive employee and contractor hours worked with **zero** OSHA recordable injuries, an achievement accomplished by less than 1% of Maverick's peer group
- Since its inception, Maverick recorded **zero employee OSHA recordable injuries**
- Maverick's contractor total recordable incident rate (TRIR) in 2019 was **0.62**, moving from bottom quartile in past years to top quartile within Maverick's peer group\*

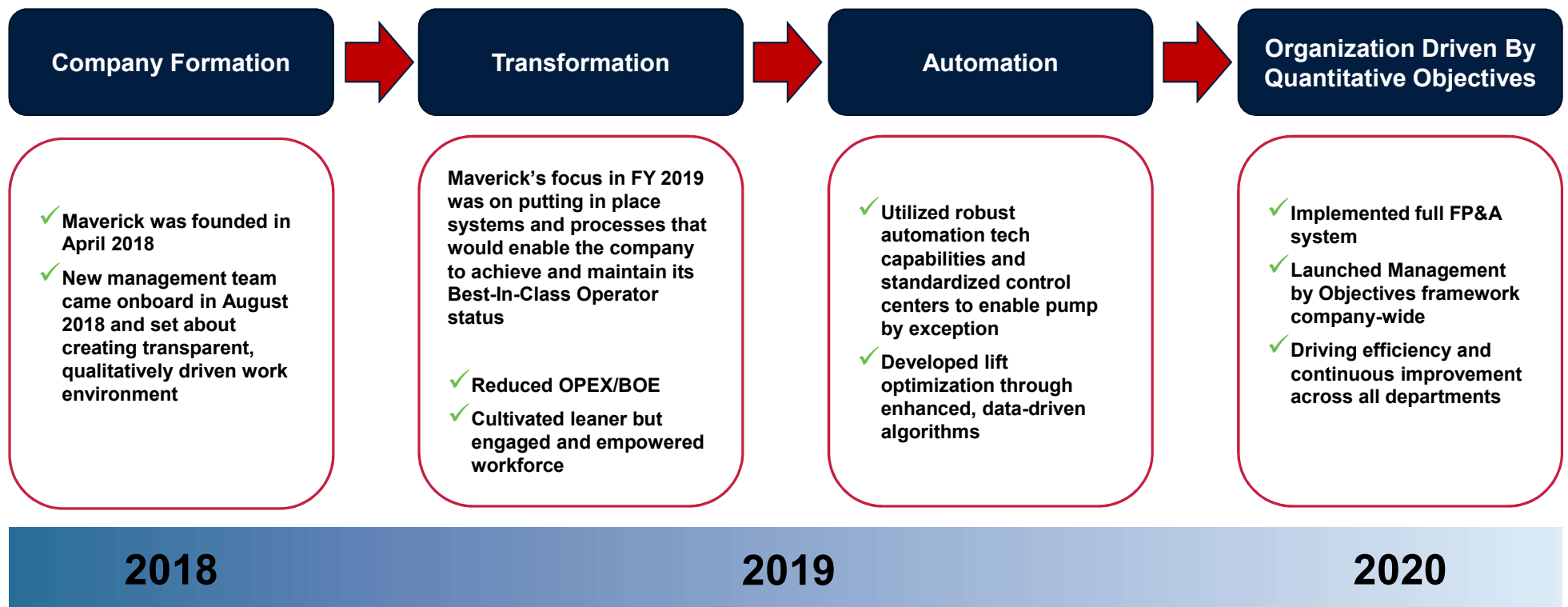


\*Source: ISNetwork Health & Safety Performance Indicators (2019 US Energy)  
Data represents upstream companies with >700 contract companies

# Maverick's Evolution



## History in the Making



# Transformation Results



In 2019, Maverick mobilized to completely transform its asset profile in a matter of months.

## Illustrative Examples of Discrete Actions

- Empowered field leadership and field-level accountability
- Fostered teamwork among technical teams
- Incentivized creative thinking to boost production
- Optimized pumper routes
- Conducted well-level cash flow analysis on all wells
- Shut in hundreds of uneconomic wells, reducing footprint and overall cost structure
- Enhanced production through extensive workover program—completed over 250 workovers in three months
- Divested \$168MM of non-core assets

## Outcomes

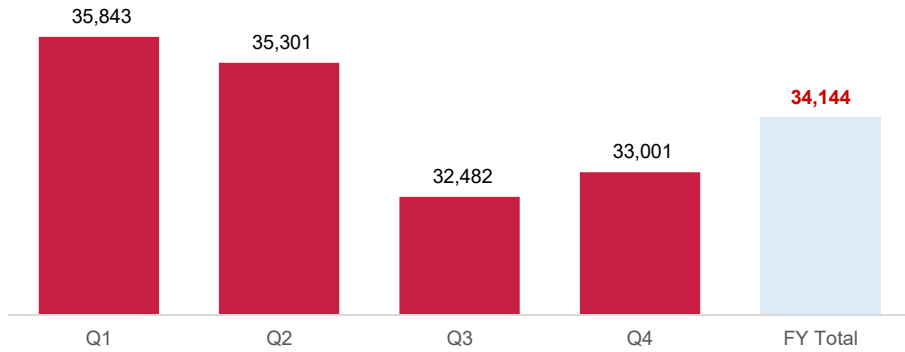
- **Achieved 35% reduction in Opex/BOE** (from \$23.50 to \$16.00)
- **Replaced uneconomic production at \$59/BOE for \$10/BOE**
- **Improved annualized cash flow by \$25MM in less than six months**
  - \$12MM improvement from returning to production economic production
  - \$11MM in annualized savings from shutting in uneconomic production
  - \$2MM in annualized EBITDA improvement from divesting uneconomic assets
- **Realized 33% EBITDA improvement** (\$52.4MM increase to 2019E EBITDA)



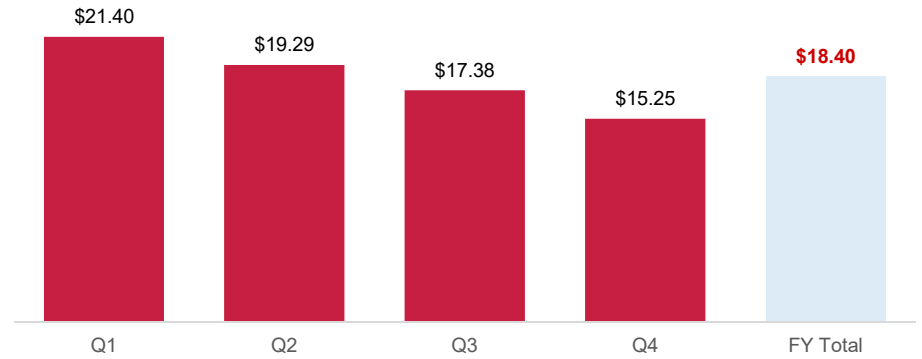
# 2019 Financial Results



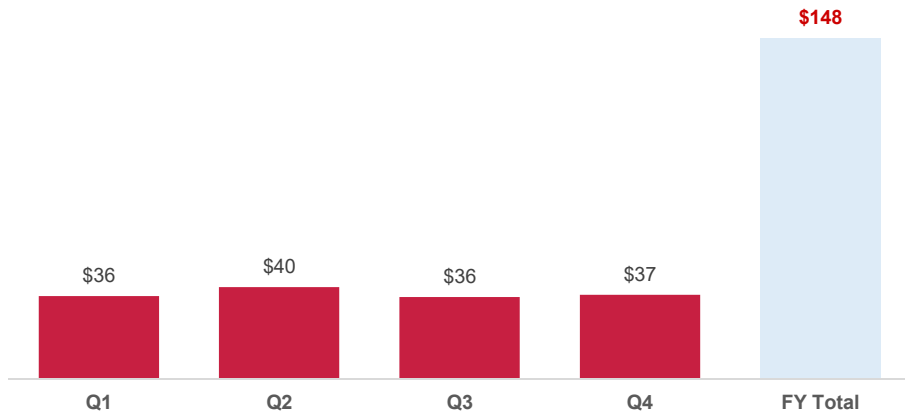
2019 Daily Production (BOE/d)



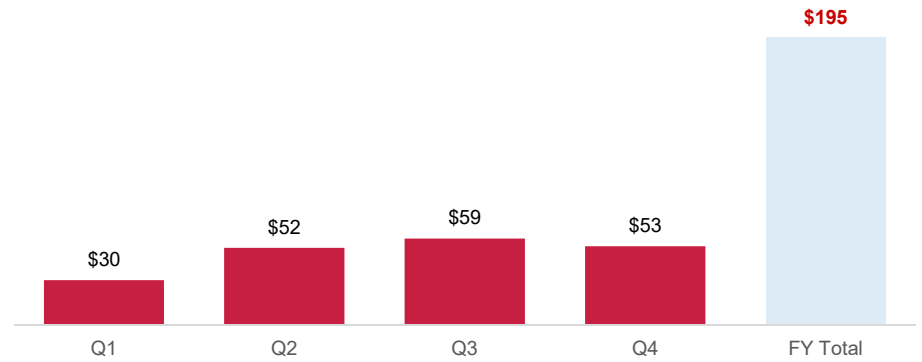
LOE \$ / BOE



Adjusted EBITDA (\$MM)



Total Capex (\$MM)



## Swift Response to Current Market

In Spring 2020, Maverick acted decisively to immediately reduce costs and manage volatility.

*Maverick reapplied the unique capabilities honed in Transformation to tackle new challenges, which resulted in a three-phase plan and cost savings of nearly \$66MM in approximately six weeks.*

### Strategic Shut-Ins

Took over 750 wells offline and reduced 2020 run rate costs by \$52MM, while only reducing revenue by \$8MM, resulting in a net increase in free cash flow of \$44MM through shut-ins

### Unit Cost Reductions

Further reduced 2020 run rate costs by an additional \$13.3MM through implementation of third-party cost-reduction strategies

### G&A Reductions

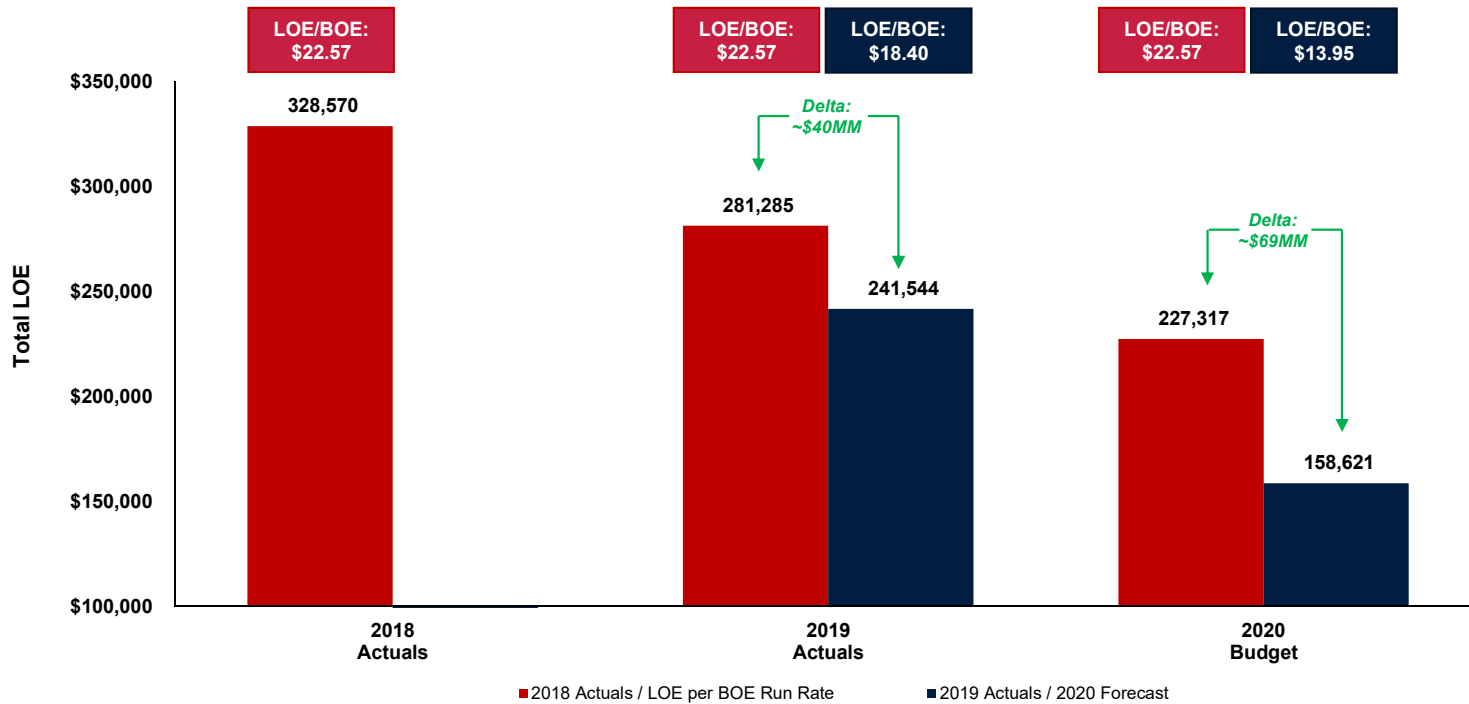
Reduced G&A by 29% versus FY 2019, continuing downward trend of G&A costs since 2H 2018 and attaining a 55% reduction versus 2H 2018

Additionally, Maverick reduced 2020 budgeted Capex by more than 80%—from \$195MM to less than \$40MM.

# Continuing Impact of Transformation on Total Opex



Applying 2018's LOE/BOE to 2019 actual and 2020 budget projection, LOE would have been ~\$55MM higher per year on average



Efforts resulted in cost savings for 2019 and 2020 of **~\$110MM**

## In Summary: The Organization at a Glance



- **Headquartered in Houston, Texas, Maverick is a private, upstream company with strong support of its sponsor EIG Global Energy Partners.**
- **Maverick's eight business units operate in 13 onshore basins across the United States.**
- **Maverick's assets are diversified, oil-rich, and long-lived.**
- **Maverick benefits from a clean balance sheet, conservative leverage, and robust hedge book.**
- **Maverick's standout culture drives extraordinary change and best-in-class results.**
- **Relentlessly focused on cost reduction, efficient operations, and safety — especially in low and volatile price environments — Maverick is matchlessly equipped to thrive in the downturn.**