

A black and white photograph of an industrial site, likely an oil or gas field. In the center, a tall drilling rig stands prominently. Surrounding it are various storage tanks, pipes, and industrial buildings. The site is situated in a hilly, wooded area. A dark blue horizontal bar is overlaid across the middle of the image, containing the text "Investor Presentation August 2023".

Investor Presentation August 2023

Disclaimers

Certain statements contained in this presentation constitute forward looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated. Forward-looking statements are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct. There are a number of important factors that could cause actual results to differ materially from those suggested or indicated by the forward-looking statements. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in our filings with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Reports on Form 10-Q for subsequent periods.

The reserves and associated future net revenue information set forth in this presentation are estimates only. In general, estimates of oil and natural gas reserves and the future net revenue therefrom are based upon a number of variable factors and assumptions, such as production rates, ultimate reserves recovery, timing and amount of capital expenditures, ability to transport production, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the oil and natural gas reserves attributable to any particular group of properties, as well as the classification of such reserves and estimates of future net revenues associated with such reserves prepared by different engineers (or by the same engineers at different times) may vary. Our actual reserves may be greater or less than those calculated. In addition, our actual production, revenues, development and operating expenditures will vary from estimates thereof and such variations could be material.

Statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. There is no assurance that forecast price and cost assumptions will be attained and variances could be material.

Proved reserves are those reserves which are most certain to be recovered. Probable reserves are those additional reserves that are less certain to be recovered than Proved reserves but which, together with Proved reserves, are as likely as not to be recovered. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved or Probable) to which they are assigned.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation. The estimated future net revenues contained in this presentation do not necessarily represent the fair market value of our reserves.

Viewers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise, and as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, and accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or, if any of them do, what benefits that we will derive therefrom. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation is neither an offer to sell nor a solicitation of any offer to buy any securities. This presentation does not contain all of the information necessary to make an investment decision.

The contents of this presentation are based upon conditions as they exist on the date of this presentation, and, except where otherwise indicated, reflect information as at the date of this presentation. By delivering this presentation we do not undertake to update any of the information, representations, or conclusions contained herein. The information and comments provided are strictly for information purposes only, and are not to be construed in any way as invitations to purchase securities, nor distributed to others for said purpose.

Epsilon Overview

Investment Highlights

» Quality Legacy Asset Base (Core NE PA Marcellus)

- Auburn area upstream working interest position – operated by Chesapeake Energy
- Some of the lowest cost natural gas reserves in the L48
- Auburn area midstream (gas gathering) ownership – provides steady cash-flows

» Strong Balance Sheet / Liquidity Position (\$72mm at 6/30)

- \$37 million cash and short-term investments (June 30, 2023)
- Debt free, with \$35 million of capacity on undrawn revolver
- Allows for a flexible and opportunistic approach to capital allocation
- Well positioned for organic / inorganic growth investments

» Commitment to Shareholder Returns

- \$0.25 per share regular annual dividend (paid quarterly, 5% current yield)
- Approved buyback program for up to 2.9 million shares (1.4 million share remaining)
- Repurchased 5.6 million shares since 12/31/19 (18% reduction to 12/31/19 shares o/s)

» Focused on Accretive Growth

- Well positioned given liquidity position (business development efforts continue)
- Recent liquids-focused transactions in the Permian Basin
- Substantial undeveloped location inventory in PA and TX
- Adding commodity and operator diversity

Statistics

Q2 2023 Production: 24.9 MMcfe/d

2022 YE Proved Reserves: 94.3 Bcfe¹

2022 YE 2P Reserves: 383.2 Bcfe¹

Net Acreage: 15,419 acres

Ticker: EPSN (Nasdaq)

Dividend: \$0.25 per share

90 Day ADTV: 109,369 shares / d

1) Does not include impact of May transactions

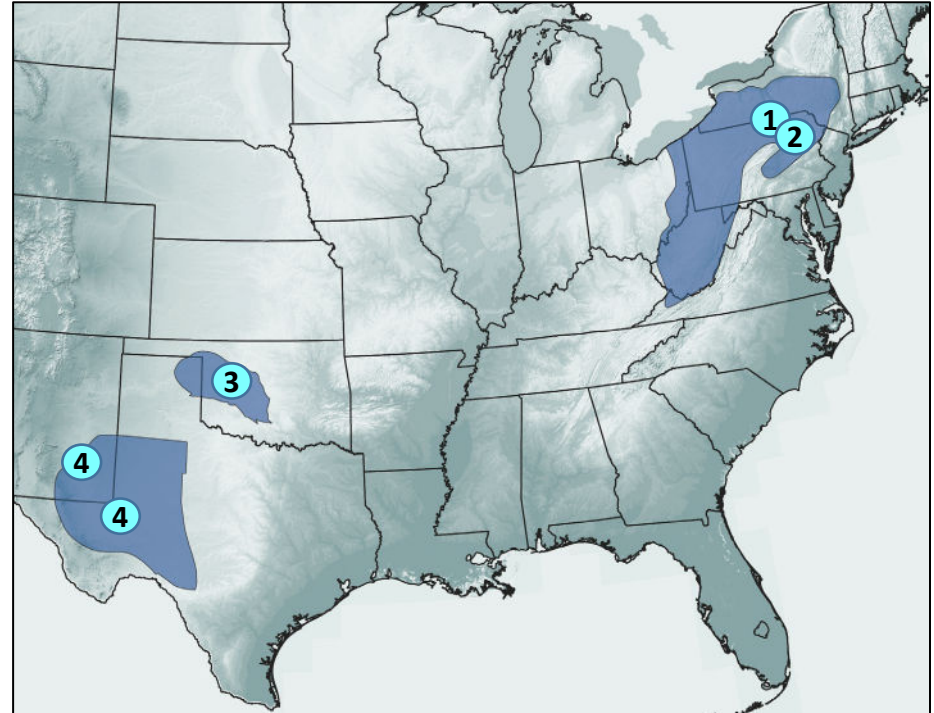
Assets

Overview and Locations

- 1 Marcellus Basin Upstream (Susquehanna Co, PA) | Auburn**
- 13,298 gross acres (5,098 net acres)
 - Operated by Chesapeake Energy
 - 22.0 MMcf/d NRI production (139 producing wells) in Q2 2023
 - 84.5 Bcf net Proved reserves (12/31/22)
 - Estimated 81 undeveloped locations (660K gross CLL ft.)

- 2 Marcellus Basin Midstream (Susquehanna Co, PA) | Auburn GGS**
- 35% ownership in 45 mile gathering system
 - Operated by the Williams Companies
 - 220 MMcf/d capacity
 - 174 MMcf/d gathered in Q2 2023

- 3 Anadarko Basin Upstream (Dewey Co, OK)**
- 60,705 gross acres (7,228 net acres) | 100% HBP
 - Majority of production operated by private operator
 - 1.9 MMcfe/d NRI production in Q2 2023 (46% Liquids)
 - 9.5 Bcfe Proved reserves (12/31/22)



- 4 Permian Basin Upstream (Eddy Co. NM & Ector Co. TX)**
- NM wellbore interests (10% interest in 2 wells, 0.2 net wells)
 - TX working interest (25% WI in 12,373 gross acres)
 - Partnered with basin-focused private operators (2)
 - 2 gross (0.2 net) wells on production in May 2023 (NM)
 - 480 BOE/d NRI production in May-June (78% Liquids)
 - 2 gross (0.5 net) additional wells expected on production by YE2023 (TX)

Core NE PA Marcellus – Upstream Overview

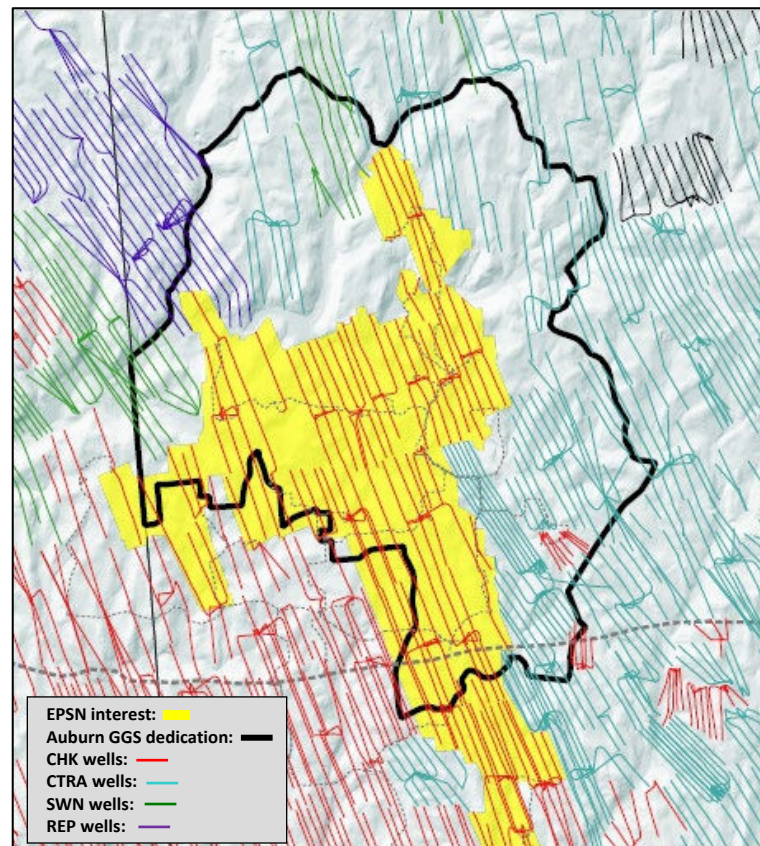
Summary

- 5,098 net acres in Susquehanna County, PA
 - » Operated by Chesapeake Energy
- 4,763 net acres held by production
- 139 gross (25.5 net) working interest producing wells
- 94 gross (0.22 net) ORRI producing wells
- 19.2% average wellbore working interest
- 86.8% average net revenue interest
- Estimated 81 undeveloped locations (660K gross CLL ft.)
- 84.5 Bcf proved reserves at YE 2022
- 248 Bcf probable reserves at YE 2022¹

Low-Cost Gas: Marginal Cost Structure

Pennsylvania LOE – 1H 2023	(\$/Mcf)
Gathering & Compression	\$0.43
Other LOE	\$0.19
Total Operating Expense	\$0.62

Material Interest in Core NE PA Marcellus



1. Development timing beyond 5 years a significant factor for designation of probable reserves

Core NE PA Marcellus – Midstream Overview

Summary

- 35% interest in the Auburn Gas Gathering System (GGS)
- Partners: Williams Companies (operator) & Equinor
- 45 miles of gathering pipelines
- Compression facility capacity of 220,000 MMcf/d
- Discharging into Tennessee Gas Pipeline, Zone 4
- Reserves dedications from shippers Chesapeake, Equinor & Epsilon
- Operates under a contractual rate of return on invested capital model (Cost of Service (COS))
- Prolific Marcellus reserves result in a competitive gathering rate for Shippers
- Steady, high margin gathering revenue through the natural gas price cycle
- \$7.3mm Operating Income + DD&A¹ in 2022 net to EPSN's ownership (before elimination of revenues earned from Epsilon's produced volumes)

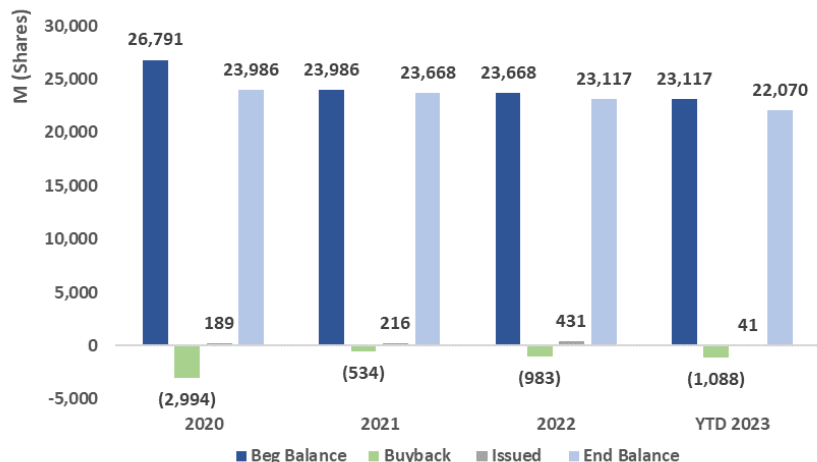
Auburn Compression Facility: Susquehanna Co., PA



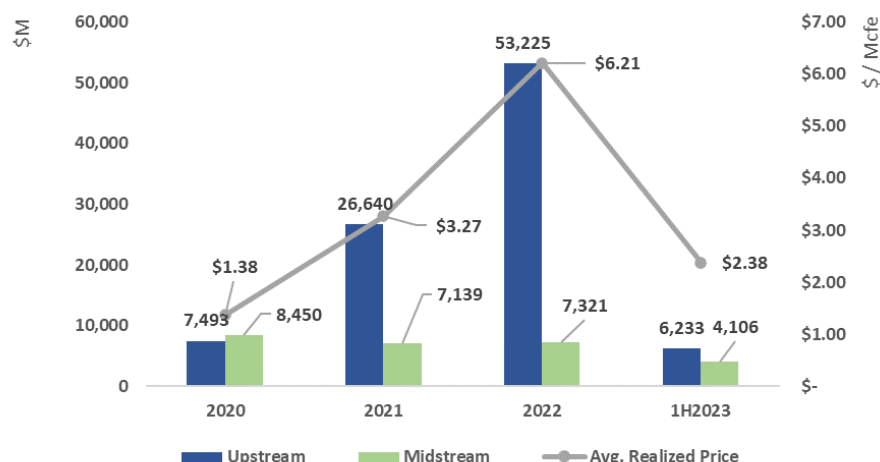
1. Segment Operating Income + Segment DD&A Expense (excludes offsetting elimination entry)

Financial Information

Shares Outstanding



Operating Income + DD&A¹ 2020 – 1H2023



Shares Outstanding down 18% since 12/31/19

Steady fee-based cash flow (midstream)
Leverage to increasing gas prices (upstream)

Period	Revenue - Upstream	Realized Price ² (\$/Mcf)	Revenue – Midstream ³	Adjusted EBITDA	FCF Excl. WC	Capex	Cash + STI	Period End RBL Avail.
FY 2022	\$61.9mm	\$6.09	\$8.1mm	\$53.1mm	\$35.0mm	\$7.0mm	\$45.8mm	\$14mm
1H 2023	\$11.3mm	\$2.73	\$4.6mm	\$9.8mm	\$(1.4)mm	\$13.6mm	\$36.8mm	\$35mm

Available Liquidity

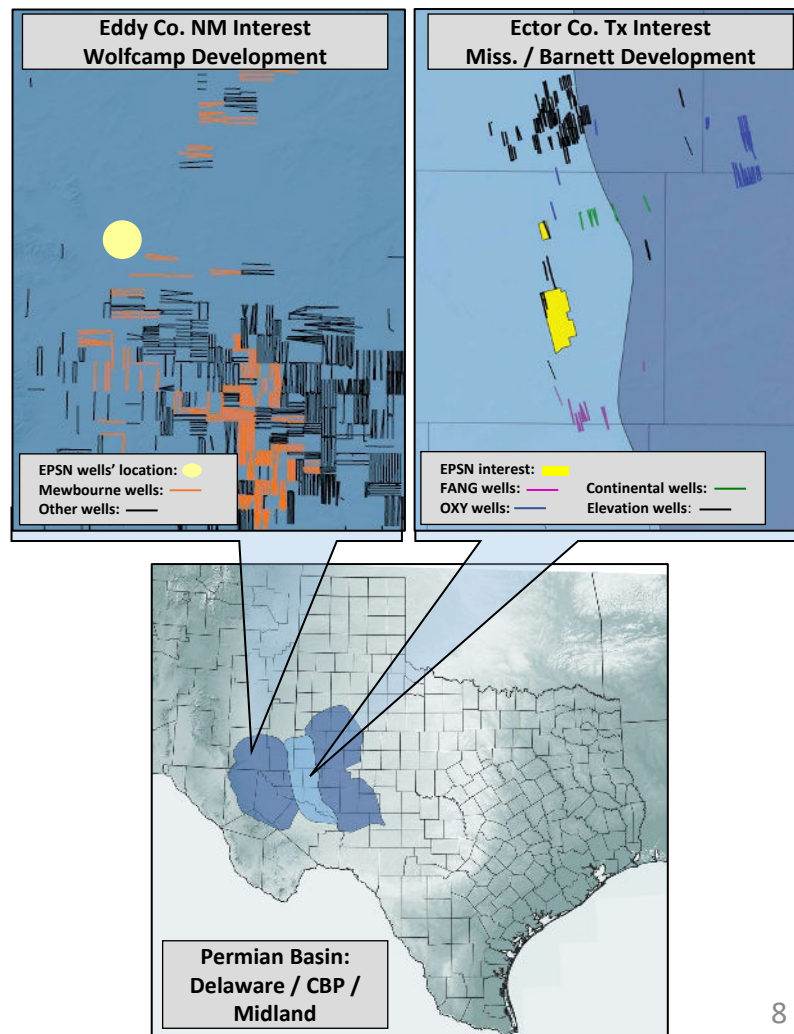
1. Segment Operating Income + Segment DD&A Expense (excludes offsetting elimination entry and hedge realizations)
2. Includes realized hedge gains / losses
3. Excludes revenues from EPSN's produced volumes (offsetting elimination entry)

Recent Permian Basin Transactions – May / June 2023

Summary

- Eddy Co. NM wellbore interests (0.2 net wells)
 - » Wolfcamp A-XY (on production in May 2023)
 - Producing ~850 Bbls / day (oil), 2.1 MMcf/d (gas)
 - Pre-drill est. EUR 124 BOE/ft (62% Oil); 12 mos: 224,000 BOE
 - » Wolfcamp M (on production in May 2023)
 - Producing ~750 Bbls/day (oil), 4.7 MMcf/d (gas)
 - Pre-drill est. EUR 109 BOE/ft (28% Oil); 12 mos: 298,000 BOE
- Ector Co. TX working interest
 - » 25% working interest in 12,373 gross acres
 - » Mississippian / Barnett development
 - » EUR 110 BOE/ft (86% Oil); 12 mos: 176,000 BOE
 - » 2 gross (0.5 net) wells expected on production in 2023
 - » First well drilled, second well currently drilling
- Total estimated 2023 investment (incl. leasehold): \$16.7mm
- Aligned with basin – expert private operators
- Potential investment runway for 2024+
 - » Notional plan for 2-4 additional wells in 2024

Permian Basin Interests in Active Areas



Non-GAAP Financial Measures

Epsilon defines Adjusted EBITDA as earnings before (1) net interest expense, (2) taxes, (3) depreciation, depletion, amortization and accretion expense, (4) impairments of natural gas and oil properties, (5) non-cash stock compensation expense, (6) gain or loss on derivative contracts net of cash received or paid on settlement, and (7) other income. Adjusted EBITDA is not a measure of financial performance as determined under U.S. GAAP and should not be considered in isolation from or as a substitute for net income or cash flow measures prepared in accordance with U.S. GAAP or as a measure of profitability or liquidity.

Additionally, Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Epsilon has included Adjusted EBITDA as a supplemental disclosure because its management believes that EBITDA provides useful information regarding its ability to service debt and to fund capital expenditures. It further provides investors a helpful measure for comparing operating performance on a "normalized" or recurring basis with the performance of other companies, without giving effect to certain non-cash expenses and other items. This provides management, investors and analysts with comparative information for evaluating the Company in relation to other natural gas and oil companies providing corresponding non-U.S. GAAP financial measures or that have different financing and capital structures or tax rates. These non-U.S. GAAP financial measures should be considered in addition to, but not as a substitute for, measures for financial performance prepared in accordance with U.S. GAAP.

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Net income	\$ 35,354,679	\$ 11,627,517
Add Back:		
Net interest expense	(402,095)	62,517
Income tax expense	12,157,487	4,440,508
Depreciation, depletion, amortization, and accretion	6,438,511	6,627,016
Impairment expense	—	153,058
Stock based compensation expense	1,021,026	956,084
(Gain) loss on derivative contracts net of cash received or paid on settlement	(1,461,914)	239,824
Foreign currency translation loss	(845)	1,454
Adjusted EBITDA	<u>\$ 53,106,849</u>	<u>\$ 24,107,978</u>

	<u>Three months ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Net income	\$ 3,677,349	\$ 5,805,888
Add Back:		
Net interest expense	(398,210)	98
Income tax expense	1,326,922	2,181,898
Depreciation, depletion, amortization, and accretion	1,561,369	1,389,219
Stock based compensation expense	179,748	142,302
Gain on derivative contracts net of cash received or paid on settlement	(705,360)	(239,824)
Foreign currency translation loss	(983)	5,402
Adjusted EBITDA	<u>\$ 5,640,835</u>	<u>\$ 9,284,983</u>