# Investor Presentation
# August 2024

EPSILON Energy

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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.

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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.

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# Epsilon Overview

## Investment Highlights

### NEPA Marcellus position

- Core NE PA Marcellus working interest position – majority operated by CHK
- Pending growth wedge (7 gross (0.7 net) wells completed in Q1 2024 – delayed TILs due to prices, expected to increase net gas production >70% over initial twelve months
- Substantial undeveloped Marcellus inventory: ~400-500K ft. CLL gross
- Supported by 35% ownership in the Auburn Gas Gathering System (AGGS)

### Permian Barnett position

- Oil weighted growth area with Barnett development in the Permian Basin
- $36 million invested since Jan 2023 (75% of total capital investment)
- Forecasting >140% increase in liquids production (75% crude) YoY (2023 – 2024)
- 7 gross (1.75 net) wells currently on production
- Substantial undeveloped Barnett inventory: 30-40 gross 2-mile locations[3]
- Expecting additional development starting in 2025

### Strong Balance Sheet

- $9.5 million cash and short-term investments (6/30)
- Debt free, with $45 million of capacity on undrawn revolver
- Allows for a flexible and opportunistic approach to capital allocation

### Commitment to Shareholder Returns

- $0.25 per share regular annual dividend (paid quarterly, 5% current yield)
- New buyback program approved (3/24) for up to 2.2 million shares
- Repurchased 1.7 million shares since 6/30/22 @ $5.26 AVG price p/share

## Statistics

| |
|---|
| **Q2 2024 Total Sales Volumes: 3,280 BOE/d (21% Liquids)[1]** |
| **Q2 2024 Gas Sales Volumes: 15.5 MMcf/d[1]** |
| **Q2 2024 Liquids Sales Volumes: 704 BOE/d (70% oil)** |
| **Current Oil Production: 650 BOPD[2]** |
| **23,608 net acres** |
| **Ticker: EPSN (Nasdaq)** |
| **Dividend: $0.25 per share** |
| **90 Day ADTV: 35,000 shares / d** |

1. *Impacted by production curtailments in PA (est. 3-4 MMcf/d)*
2. *Trailing 7-day average from 8/12/24*
3. *Assumes 3-4 wells per section spacing*

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# Capital Spending

## Capital Allocation

**LTM Capital Spending + Shareholder Returns (Q323 – Q224): $45.3mm**

| Permian (TX) | PA Marcellus | Dividends | Share Buybacks | Other |
|---|---|---|---|---|
| ***$26.1mm \| 58%*** | ***$8.2mm \| 18%*** | ***$5.5mm \| 12%*** | ***$4.2mm \| 9%*** | ***$1.3mm \| 3%*** |

- **Permian**
  - Established new growth asset in Ector Co. TX (currently producing 730 BOE/D from 7 gross wells[1])
  - $5mm invested in new wells that came on production in June & August 2024
  - $8mm of investment (Q223-Q224) is in undeveloped leasehold, not yet contributing to results
  - >80% of leasehold remains undeveloped
- **PA Marcellus**
  - $7.5mm invested in new wells pending TIL, not yet contributing to results

1. *Trailing 7-day average from 8/12/24*

# Assets

## Overview and Locations

**1** **Marcellus Basin Upstream (Susquehanna Co, PA) | Auburn**

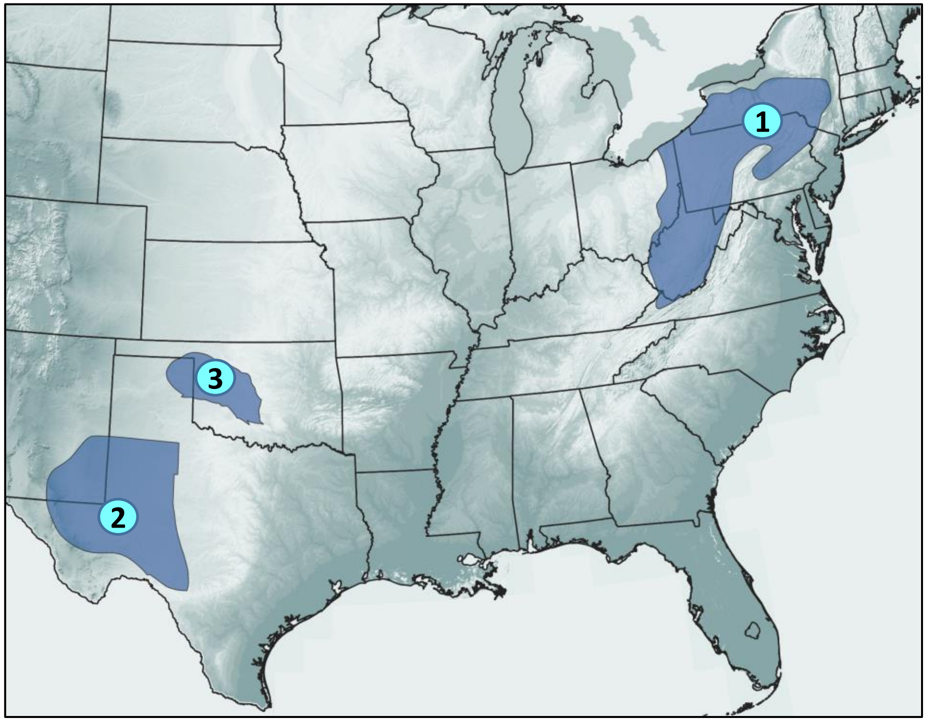
- 11,605 gross acres (5,142 net acres)
- Operated by Chesapeake Energy
- 14.1 MMcf/d NRI production (137 producing wells) in Q2 2024[1]
- 213.3 Bcf net Proved + Probable[2] reserves (12/31/23)
- Undeveloped inventory of ~400-500K gross CLL ft.

**1** **Marcellus Basin Midstream (Susquehanna Co, PA) | Auburn GGS**

- 35% ownership in 45 mile gathering system
- Operated by the Williams Companies
- 220 MMcf/d capacity
- 105 MMcf/d gathered in Q2 2024, including 17 MMcf/d of cross-flow[3]

**2** **Permian Basin Upstream (Ector Co. TX & Eddy Co. NM)**

- TX working interest (25% WI in 16,693 gross acres)
- Partnered with basin-focused private operator
- 2 gross (0.5 net) TX wells put on production in Q2/Q3 2024
- 9 gross (2.0 net) wells currently on production (incl 0.2 net wells in NM)




**3** **Anadarko Basin Upstream (Dewey Co, OK)**

- 60,065 gross acres (7,021 net acres) | 100% HBP
- 1.2 MMcfe/d NRI production in Q2 2024 (42% Liquids)
- 6.2 Bcfe net Proved reserves (12/31/23)

1. *Impacted by production curtailments in PA (est. 4 MMcf/d)*
2. *~70% of reserves designated as Probable due to limited visibility on development timing*
3. *Cross-flow are volumes initially gathered in adjacent systems*

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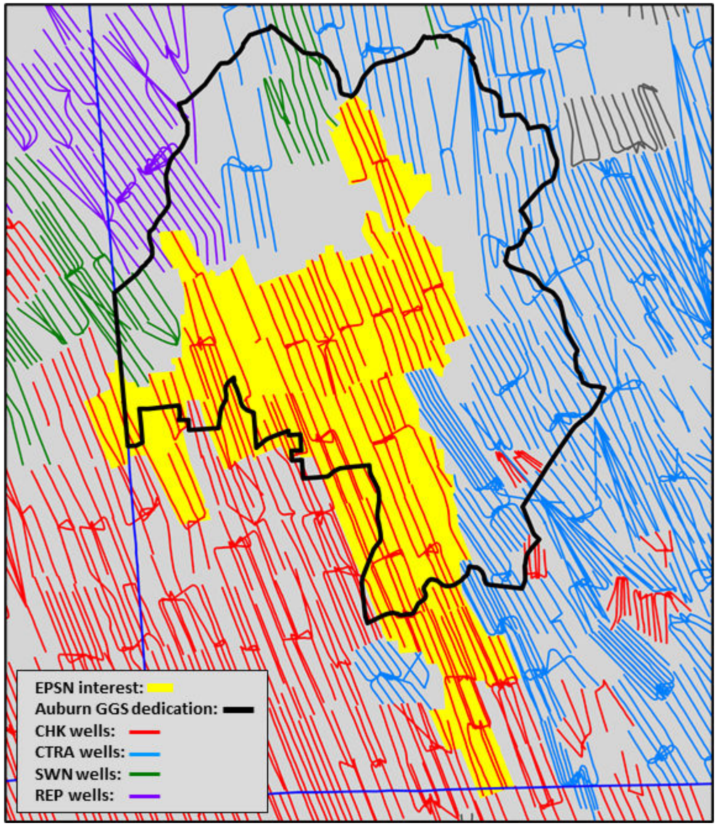
# NE PA Marcellus – Upstream Overview

## Summary

- 5,142 net acres in Susquehanna County, PA
  - » Majority operated by Chesapeake Energy
- 137 gross (25.6 net) working interest producing wells
- 19% average WI / 87% average NRI per well
- 7 (gross, 0.74 net) wells recently drilled and completed, expected online in early 2025 (delayed due to price environment)
  - » Once online, expected to increase initial twelve months net PA gas production by >70%
- Estimated 400K-500K gross CLL ft. of undeveloped inventory, depending on the minimum CLL ft. per well assumed
- 61.8 Bcf proved reserves at YE 2023
- 151.5 Bcf probable reserves at YE 2023[1]
- Located in the core of the one of the lowest cost natural gas basins in the country, in partnership with one of the largest natural gas operators in the country
- "Call option" on improving natural gas prices, 25+ years of reserve life[2]

## Material Interest in Core NE PA Marcellus




1. *Reserves developed beyond 5 years are designated probable (Company has limited visibility on long-term development timing and assumes reserves are developed over 20 years)*
2. *7.9 Bcf (2023 NRI prod.) / 213.3 Bcf (YE23 Proved + Probable reserves)*

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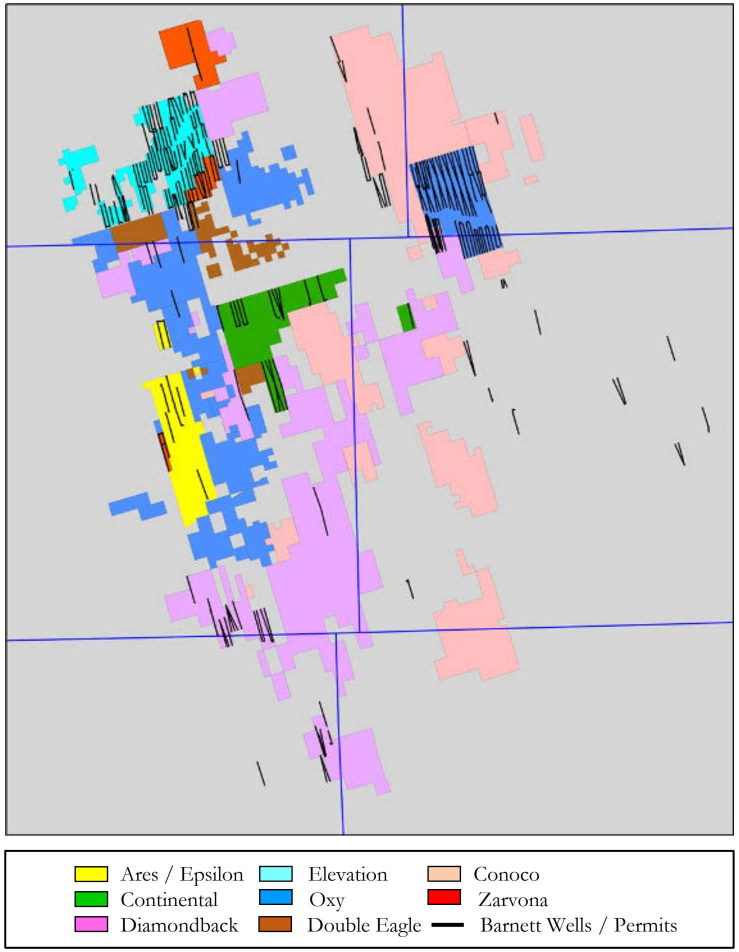
# Permian Basin Overview

## Summary

- Ector Co. TX working interest
  - » Scaled position in one of the hottest emerging plays in the basin
  - » 25% working interest in 16,693 gross acres
  - » Barnett type curve: EUR 112 BOE/ft (86% Oil); 12 mos: 177,000 BOE
  - » All 7 wells drilled to date on the position are out-performing pre-drill estimates
  - » 7 gross (1.75 net) wells currently on production as of August 2024
- 13,967 gross acres remain undeveloped
  - » 30 estimated additional gross undeveloped Barnett locations, assuming 3 wells per section spacing
- Additional potential in the Woodford
  - » Encouraging offset well and recent core sample exhibits promising geologic characteristics

## Ector Co. (CBP) Position



# NE PA Marcellus – Midstream Overview

## Summary

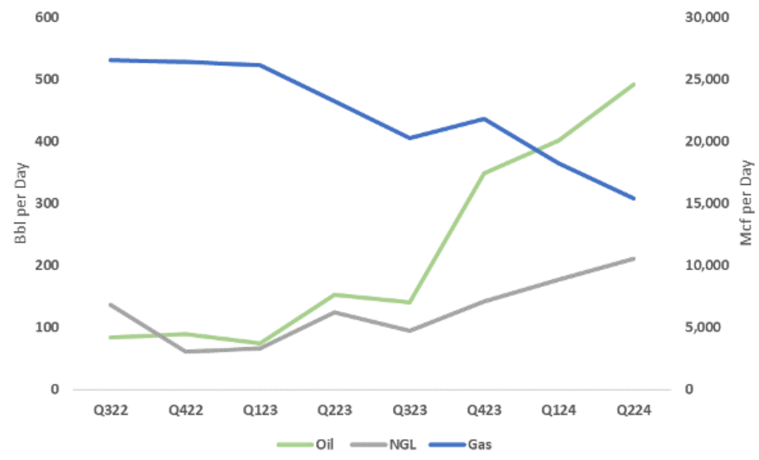
- 35% interest in the Auburn Gas Gathering System (GGS)
- Partners: Williams Companies (operator) & Equinor
- 45 miles of gathering pipelines
- Compression facility capacity of 220,000 MMcf/d (at current suction pressure configuration)
- Discharging into Tennessee Gas Pipeline, Zone 4
- Reserves dedications from shippers Chesapeake, Equinor & Epsilon
  - » System supports >1 TCF of 8/8ths dedicated reserves[1]
- Fixed rate contract a/o Jan 2024 – gathering fee set at $0.475 p/MMBTU[2]
- Steady, high margin gathering revenue through the natural gas price cycle (20+ years useful life remaining)
- 105 MMcf/d gathered in Q2 2024
  - » Includes 17 MMcf/d of cross-flow[3]
  - » >100 MMcf/d of excess capacity for Auburn volumes[4]
- ***Large upside to midstream earnings with incremental Auburn area development***

## Auburn Compression Facility: Susquehanna Co., PA

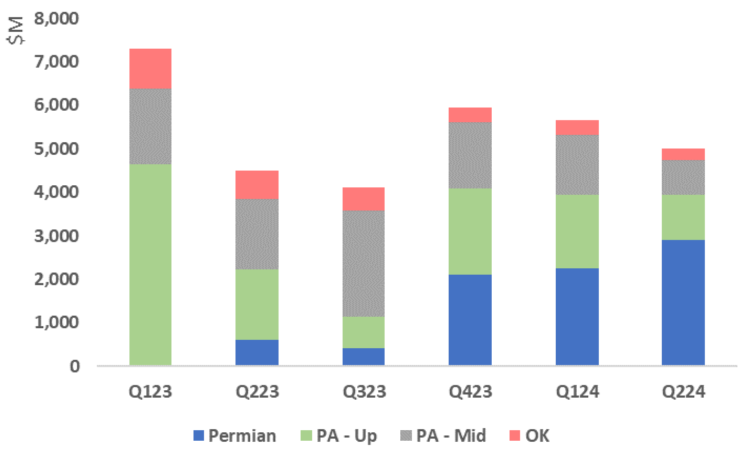
1. *Per 2023 year-end third-party reserves report completed by DeGolyer & MacNaughton (Proved + Probable, including reserves dropped out due to SEC pricing)*
2. *Escalates annually at CPI-U*
3. *Cross-flows are volumes initially gathered in adjacent systems, charged 25% of contract fees*
4. *Dedicated volumes from the Auburn area have a contractual priority over cross-flow*

# Financial Information

## Sales Volumes - Daily Rates by Product




## Segment Operating CF[1]




**Go Forward:**
- **Leverage to higher natural gas prices with pending volumes and substantial drillable inventory in PA**
- **Permian contribution increasing with incremental development of the substantial drillable inventory**
- **Focus on adding additional areas to deploy capital at attractive returns, complementing the existing portfolio**

| Period | Revenue - Upstream | Realized Gas Price ($/Mcf)[2] | Realized Liquids Price ($/Boe)[2,3] | Revenue – Midstream[4] | Adjusted EBITDA | Capex[5] | Cash + STI | RBL Avail.[6] |
|---|---|---|---|---|---|---|---|---|
| Q2 2024 | $5.9mm | $1.39 | $60.95 | $1.7mm | $3.9mm | $5.7mm | $9.5mm | $45mm |

1. *Segment Revenue - Segment Operating Expenses (excludes hedge realizations)*
2. *Excludes hedge realizations*
3. *Realized oil price ($78.44 p/bbl), realized NGL price ($20.21 p/bbl) - 70% oil*
4. *Excludes offsetting elimination entry*
5. *63% Permian (TX), 19% (PA – Upstream), 18% (Other)*
6. *Redetermined in June 2024*

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# 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.

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net income** | $ 815,660 | $ 430,589 | $ 2,322,556 | $ 3,960,416 |
| Add Back | | | | |
| Interest income, net | (100,184) | (398,779) | (357,696) | (861,104) |
| Income tax expense | 459,016 | 246,142 | 513,066 | 1,573,064 |
| Depreciation, depletion, amortization, and accretion | 2,048,403 | 1,615,728 | 4,428,829 | 3,388,734 |
| Stock based compensation expense | 313,589 | 179,748 | 635,158 | 359,496 |
| Gain on sale of assets | — | 1,449,871 | — | 1,449,871 |
| Loss (gain) on derivative contracts net of cash received or paid on settlement | 367,148 | 641,380 | 956,159 | (63,980) |
| Foreign currency translation loss | — | (5) | 570 | (987) |
| **Adjusted EBITDA** | **$ 3,903,632** | **$ 4,164,674** | **$ 8,498,642** | **$ 9,805,510** |

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