Vital Energy

January 2023
Investor Presentation

January 8, 2023

Forward-Looking / Cautionary Statements

This presentation, including any oral statements made regarding the contents of this presentation, contains forward-looking statements as defined under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, that address activities that Vital Energy, Inc. (together with its subsidiaries, the “Company”, “Vital” or “VTLE”) assumes, plans, expects, believes, intends, projects, indicates, enables, transforms, estimates or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events. Such statements are not guarantees of future performance and involve risks, assumptions and uncertainties.

General risks relating to Vital include, but are not limited to, the decline in prices of oil, natural gas liquids and natural gas and the related impact to financial statements as a result of asset impairments and revisions to reserve estimates, the ability of the Company to execute its strategies, including its ability to successfully identify and consummate strategic acquisitions at purchase prices that are accretive to its financial results and to successfully integrate acquired businesses, assets and properties, oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries and other producing countries (“OPEC+”), the outbreak of disease, such as the coronavirus (“COVID-19”) pandemic, and any related government policies and actions, changes in domestic and global production, supply and demand for commodities, including as a result of the COVID-19 pandemic, actions by OPEC+ and the Russian-Ukrainian military conflict, long-term performance of wells, drilling and operating risks, the increase in service and supply costs, including as a result of inflationary pressures, increases to interest rates as a result of the Federal Reserve’s tightening monetary policy, tariffs on steel, pipeline transportation and storage constraints in the Permian Basin, the possibility of production curtailment, hedging activities, the impacts of severe weather, including the freezing of wells and pipelines in the Permian Basin due to cold weather, possible impacts of litigation and regulations, the impact of the Company’s transactions, if any, with its securities from time to time, the impact of new laws and regulations, including those regarding the use of hydraulic fracturing, the impact of new environmental, health and safety requirements applicable to the Company’s business activities, the possibility of the elimination of federal income tax deductions for oil and gas exploration and development and other factors, including those and other risks described in its Annual Report on Form 10-K for the year ended December 31, 2021, and those set forth from time to time in other filings with the Securities and Exchange Commission (“SEC”). These documents are available through Vital’s website at www.vitalenergy.com under the tab “Investor Relations” or through the SEC’s Electronic Data Gathering and Analysis Retrieval System at www.sec.gov. Any of these factors could cause Vital’s actual results and plans to differ materially from those in the forward-looking statements. Therefore, Vital can give no assurance that its future results will be as estimated.

Any forward-looking statement speaks only as of the date on which such statement is made. Vital does not intend to, and disclaims any obligation to, correct, update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

The SEC generally permits oil and natural gas companies, in filings made with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, and certain probable and possible reserves that meet the SEC’s definitions for such terms. In this presentation, the Company may use the terms “resource potential,” “resource play,” “estimated ultimate recovery,” or “EURs,” “type curve” and “standardized measure,” each of which the SEC guidelines restrict from being included in filings with the SEC without strict compliance with SEC definitions. These terms refer to the Company’s internal estimates of unbooked hydrocarbon quantities that may be potentially discovered through exploratory drilling or recovered with additional drilling or recovery techniques. “Resource potential” is used by the Company to refer to the estimated quantities of hydrocarbons that may be added to proved reserves, largely from a specified resource play potentially supporting numerous drilling locations. A “resource play” is a term used by the Company to describe an accumulation of hydrocarbons known to exist over a large areal expanse and/or thick vertical section potentially supporting numerous drilling locations, which, when compared to a conventional play, typically has a lower geological and/or commercial development risk. “EURs” are based on the Company’s previous operating experience in a given area and publicly available information relating to the operations of producers who are conducting operations in these areas. Unbooked resource potential and “EURs” do not constitute reserves within the meaning of the Society of Petroleum Engineer’s Petroleum Resource Management System or SEC rules and do not include any proved reserves. Actual quantities of reserves that may be ultimately recovered from the Company’s interests may differ substantially from those presented herein. Factors affecting ultimate recovery include the scope of the Company’s ongoing drilling program, which will be directly affected by the availability of capital, decreases in oil, natural gas liquids and natural gas prices, well spacing, drilling and production costs, availability and cost of drilling services and equipment, lease expirations, transportation constraints, regulatory approvals, negative revisions to reserve estimates and other factors, as well as actual drilling results, including geological and mechanical factors affecting recovery rates. “EURs” from reserves may change significantly as development of the Company’s core assets provides additional data. In addition, the Company’s production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases. “Type curve” refers to a production profile of a well, or a particular category of wells, for a specific play and/or area. The “standardized measure” of discounted future new cash flows is calculated in accordance with SEC regulations and a discount rate of 10%. Actual results may vary considerably and should not be considered to represent the fair market value of the Company’s proved reserves.

This presentation includes financial measures that are not in accordance with generally accepted accounting principles (“GAAP”), such as Consolidated EBITDAX and Free Cash Flow. While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For definitions of such non-GAAP financial measures, please see the Appendix.
Unless otherwise specified, references to “average sales price” refer to average sales price excluding the effects of the Company’s derivative transactions. All amounts, dollars and percentages presented in this presentation are rounded and therefore approximate.

We are Vital Energy

Our Company	We strive to make energy available, sustainable and abundant to power people's prosperity, security and dreams for the future.
Our Legacy	Since our founding we have sought new and better ways to responsibly produce energy to sustain our world.
Engaging Communities	We are committed to being great neighbors and supporting the communities that surround our operations.
Better Decisions	We embrace digital transformation like no other company in our space. We believe the potential for profound progress in our industry is limitless.
Leading Energy	Our executive team and board are committed to setting the standard for the advancement of our industry.

Vital Energy

We exist to energize human potential.

Fourth-Quarter 2022 Updates

#1

Solid Fourth-Quarter ’22 Execution

- Oil production expected to be ~35.5 MBO/d, above high end of guidance (32.0-34.0 MBO/d)
- Total production expected to be ~77.5 MBOE/d, above high end of guidance (72.5-75.5 MBOE/d)
- Capital investments expected to be within guidance range ($135-$145 million)

#2

Continue to Strengthen Capital Structure

- Repurchased ~$100 million of face value of term debt during the quarter (~$285 million YTD[1])
- Repurchased ~$11 million of equity during the quarter (~$37 million YTD[1])

#3

Published ESG and Climate Risk Report

- Advancing key ESG initiatives across the enterprise
- Outlined aggressive methane reduction and water recycling targets
- Goals linked to NEO compensation

#4

Creating Value through Technology

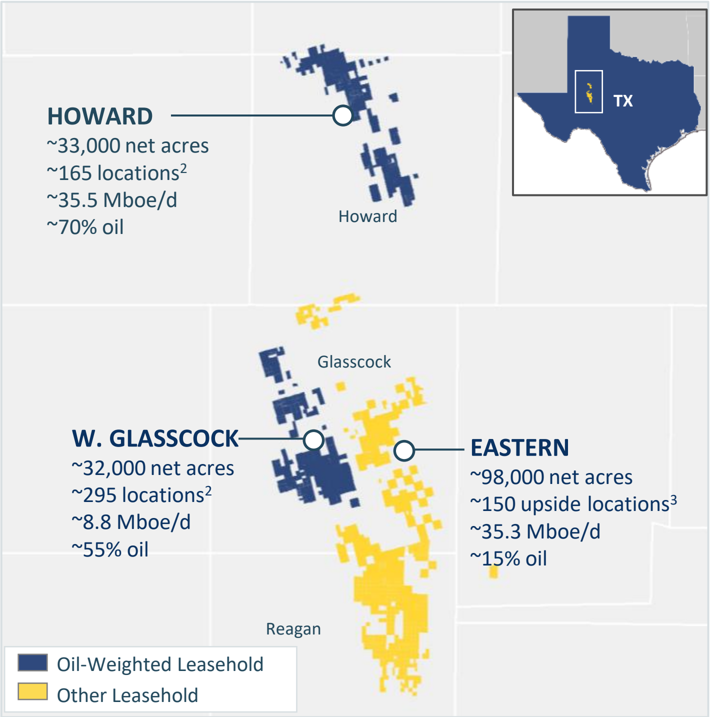
- Intelligent well and ESP optimization digital initiatives benefitting production
- Implementation of proprietary technologies

[1]As of December 31, 2022

Disciplined Strategy Underpins Long-Term Value Creation

- **Maintain** Capital Discipline
- **Generate** Free Cash Flow[1]
- **Reduce** Debt and Leverage
- **Repurchase** Shares Opportunistically
- **Advance** Sustainability and Responsible Production

Pure-Play Midland Basin Producer



[1]See Appendix for definitions of non-GAAP financial measures; [2]Gross operated locations as of January 2022; [3]Locations may require the formation of drilling units to develop

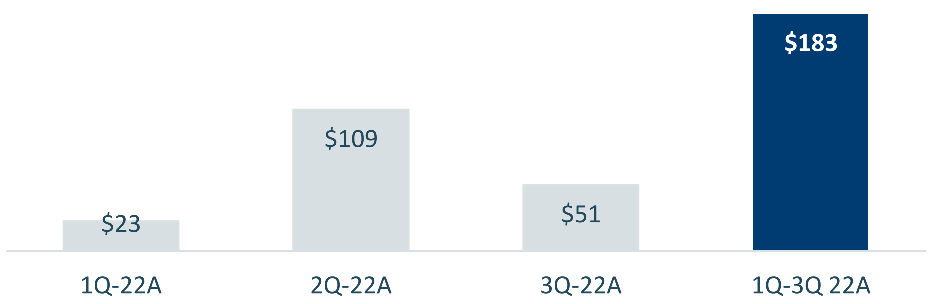
Stronger Company Built on Strategic Execution

Key Metrics	YE-19A	YTD-22A	Change
Enterprise Value	$1.8 B	$1.9 B[1]	+$0.1 B
Net Acres	~133,500	~163,000	+29,500
Oil Production	27.3 MBO/D	35.0 MBO/D[2]	+7.7 MBO/D
Free Cash Flow[4]	$60 MM	$183 MM[3]	+$123 MM
Leverage Ratio	2.02x	1.25x[2]	-0.77x
Net Debt per Share	$96	$65[1]	-$31
Liquidity	~$651 MM	~$965 MM[1]	+$314 MM
Flaring Percentage	1.95%	0.74%	-1.21%

[1]As of January 5, 2023; [2]3Q-22A; [3]1Q-3QA; [4]See Appendix for definitions of non-GAAP financial measures

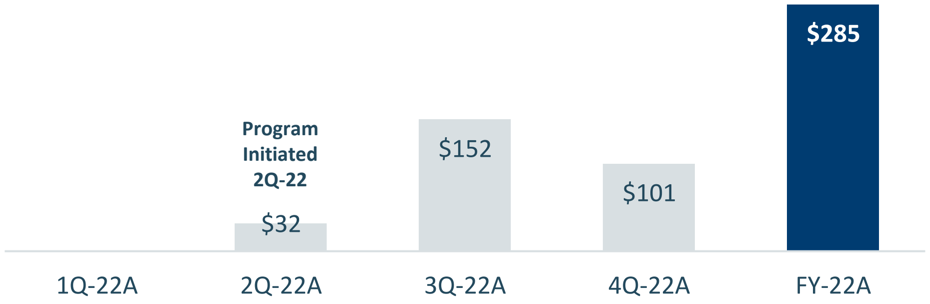
Delivering on Our Plan

✓ Free Cash Flow[1]



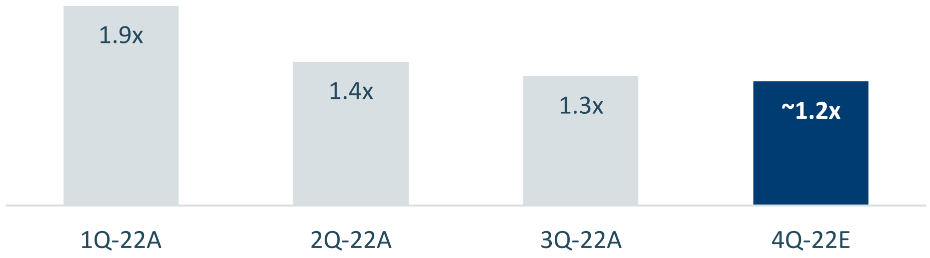
(Units in $ millions)

✓ Repurchasing Debt



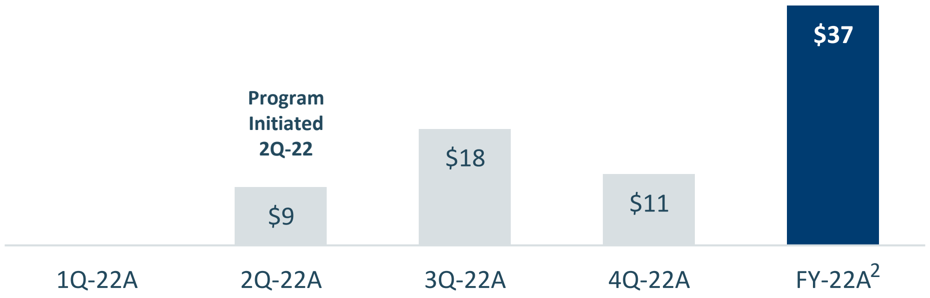
(Units in $ millions @ Face Value)

✓ Deleveraging



(Net Debt to Consolidated EBITDAX[1] Multiple)

✓ Repurchasing Shares

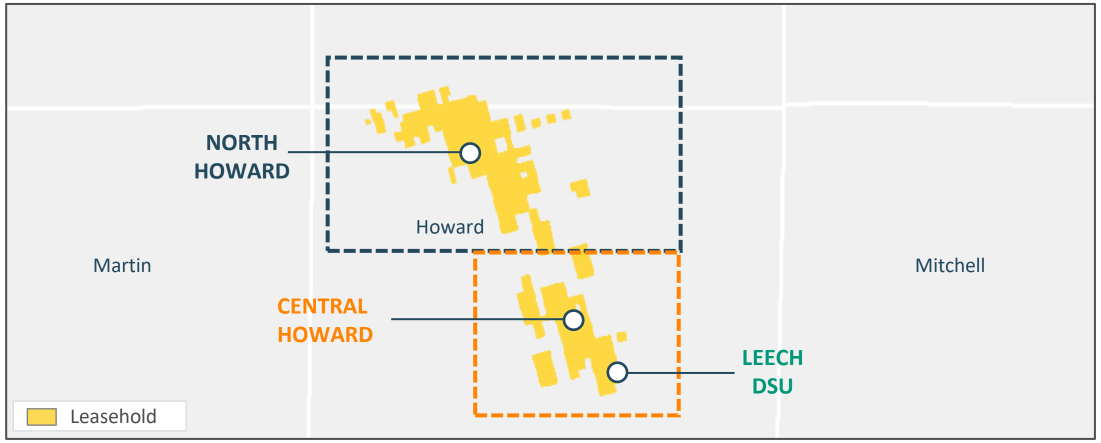


(Units in $ millions)

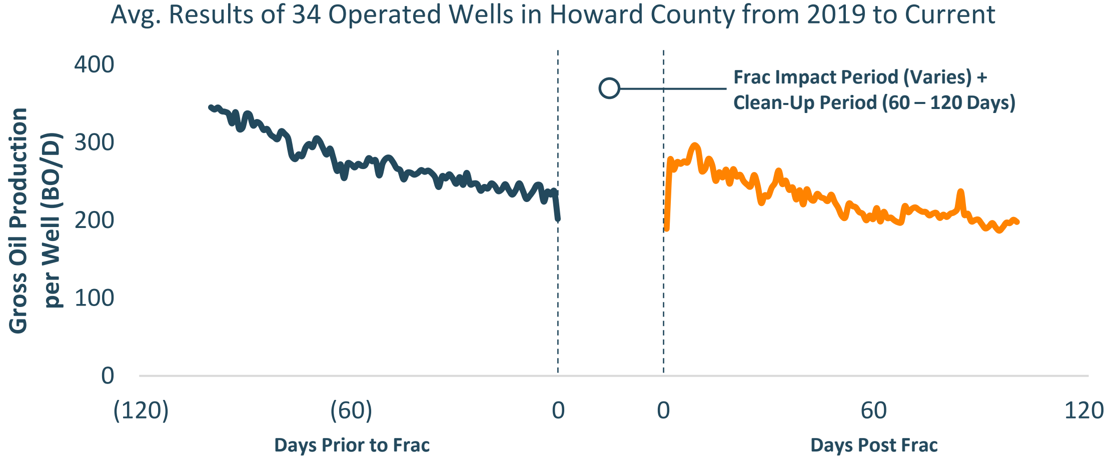
[1]See Appendix for definitions of non-GAAP financial measures; [2]FY-22A may not add due to rounding

Current Development Plan Focused on Howard County

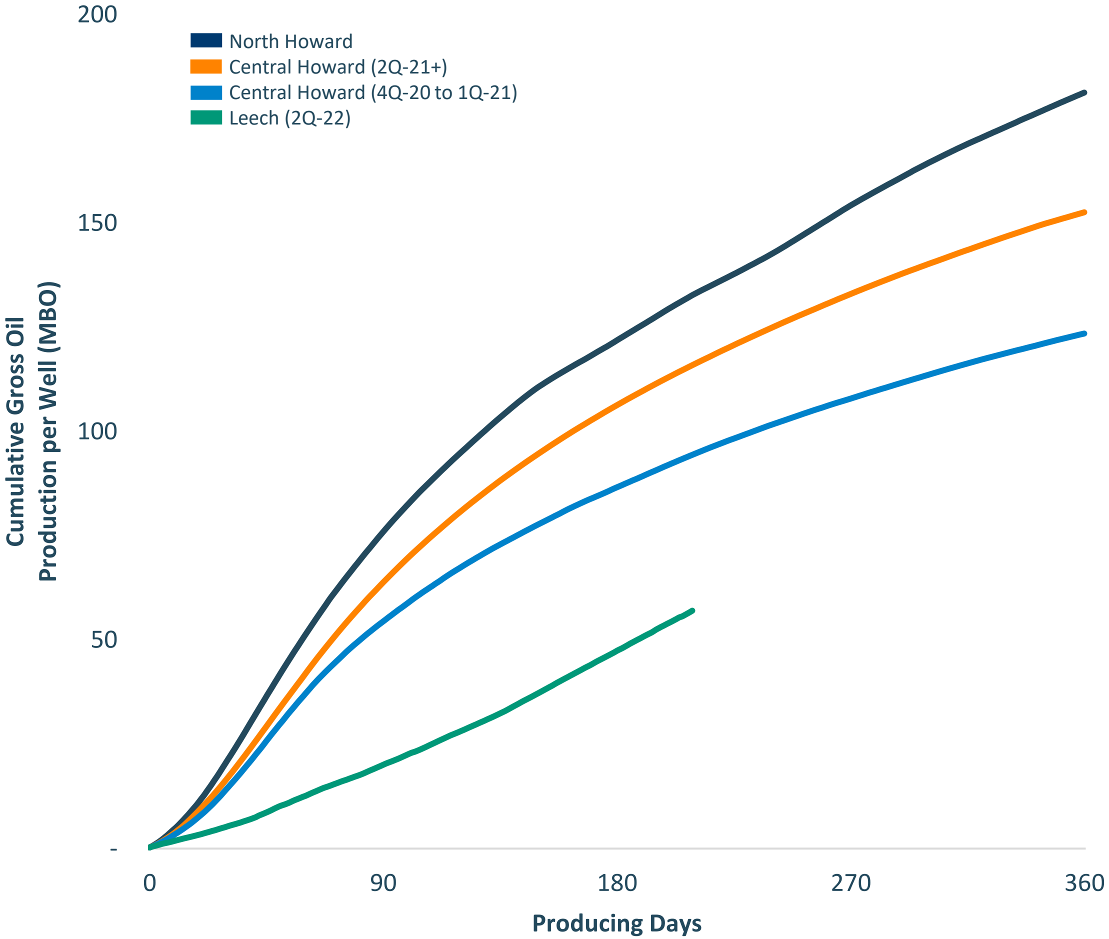
Near-Term Development Program Focused in North Howard



Well Performance After Offset Completions



Average Well Performance[1]



[1]Production data normalized for 10,000' lateral length and downtime

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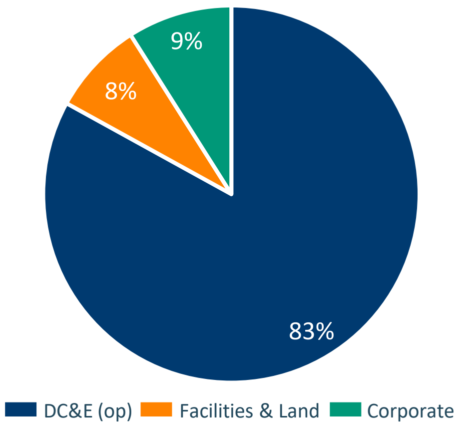
Disciplined, Capital Efficient Development Program

4Q-22E Capital Program

	Guidance
Capital Expenditures ($MM)	$135 - $145
Avg. Rig Count (Op)	2.0
Avg. Frac Crews (Op)	1.0
Completions	13 Gross (12.8 Net)
Turn-in-Lines	11 Gross (10.8 Net)
Production (MBOE/D)	72.5 – 75.5
Oil Production (MBO/D)	32.0 – 34.0

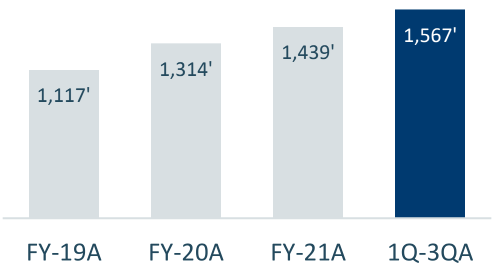
Expected to Be Above High-End of Guidance Range

4Q-22E Capital Expenditures by Category

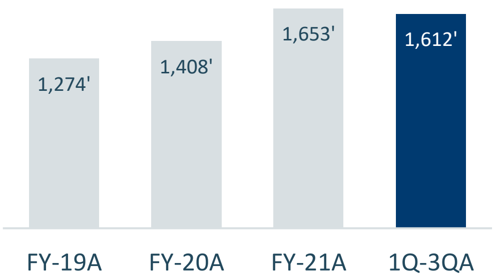


Continuous Improvement Drives Capital Efficient Drilling and Completion Program

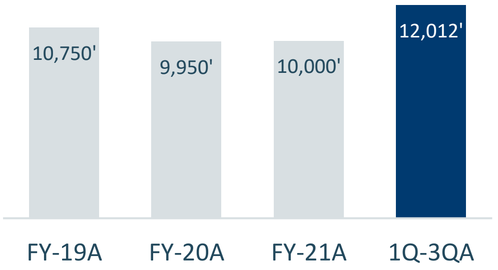
Drilling Ft. Per Day Per Rig



Fractured Ft. Per Day Per Crew



Avg. Completed Lateral Length



Company Owned Sand Mind Reduces Well Costs and Protects Against Inflation

>$400K

Per Well Savings[1]

~4 Yrs.

Current Sand Inventory[2]

- Located on Vital owned surface acreage
- Operated by a third party
- Reduces emissions by:
  - Elimination of truck traffic
  - Utilization of wet sand

[1]Based on Howard County 10,000’ lateral length completions as of November 2, 2022; [2]Based on current pace of development

Free Cash Flow Driving Return of Capital and Debt Reductions

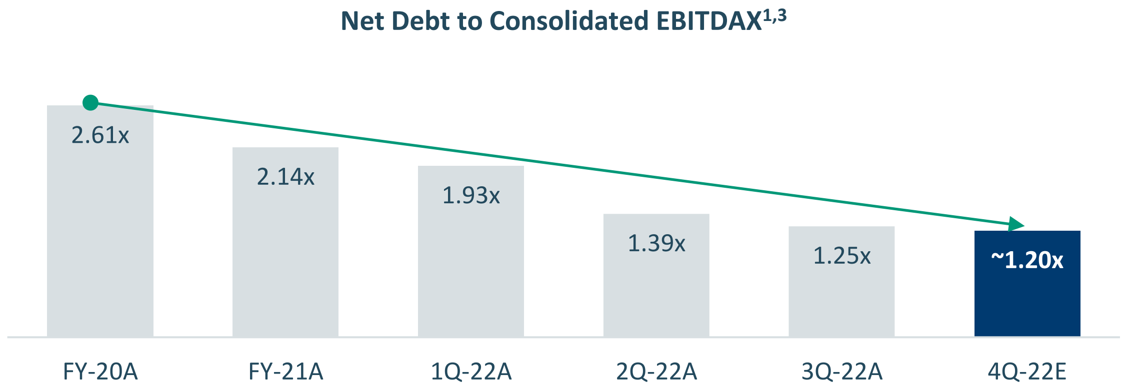
1Q-3Q 22A Free Cash Flow[1]
$183 million

Term Debt[2] Reduced FY-22
~$285 million

Current Liquidity[4]
~$965 million

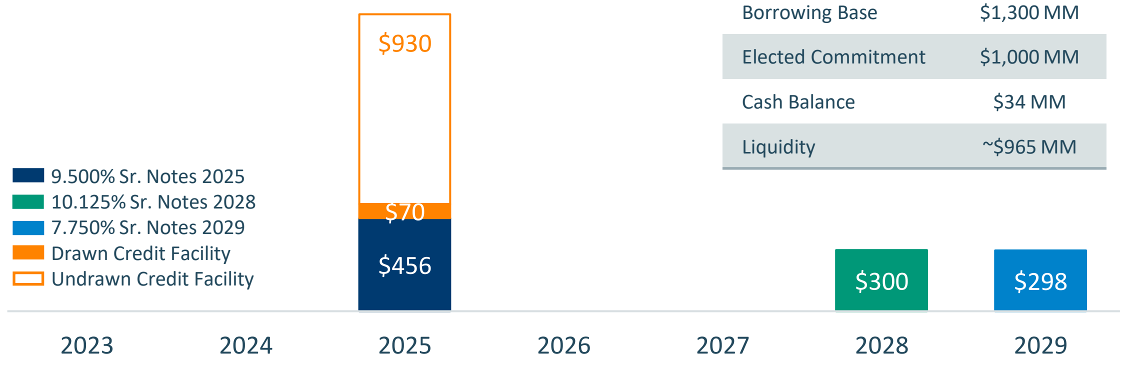
Total Stock Repurchased FY-22
$37 million

Deleveraging through Free Cash Flow[1] Generation



2022 Opportunistic Debt Repurchases

Current Debt Maturity Profile[4]



Borrowing Base	$1,300 MM
Elected Commitment	$1,000 MM
Cash Balance	$34 MM
Liquidity	~$965 MM

[1]See Appendix for definitions of non-GAAP financial measures; [2]Includes Sr. Notes; [3]Assumes 4Q-22E WTI oil price / HH gas price of $86 / $6.15; [4]As of January 5, 2023

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Leadership in a Low-Carbon Future

OUR ENVIRONMENTAL TARGETS

<12.5 MTCO2e/MBOE
SCOPE 1 GHG EMISSIONS INTENSITY
BY 2025

ZERO ROUTINE FLARING
BY 2025

<0.20% METHANE EMISSIONS
BY 2025
(AS A PERCENT OF NATURAL GAS PRODUCTION)

SCOPE 1 AND 2 GHG EMISSIONS INTENSITY < 10 MTCO2e/MBOE
BY 2030

50% RECYCLED WATER FOR COMPLETION OPERATIONS BY 2025

2021 TO 2022 ESG PROGRESS

62% REDUCTION IN FLARING SINCE 2019

34% REDUCTION in SCOPE 1 GHG EMISSIONS INTENSITY SINCE 2019[1]

63% REDUCTION IN METHANE INTENSITY SINCE 2019

FIRST PERMIAN OPERATOR TO ACHIEVE THE TRUSTWELL™ CERTIFICATION FOR RESPONSIBLE OPERATIONS

FOCUSED SHORT-TERM INCENTIVE PROGRAM SO THAT ENVIRONMENTAL GOALS MAKE UP 20% AND IMPLMENTED A LONG-TERM INCENTIVE PROGRAM METRIC TIED TO ACHIEVING 2025 EMISSIONS REDUCTION GOALS

INCREASED ACTIVE MANAGEMENT AND HIGH GRADING OF OUR VENDORS BASED ON SAFETY METRICS

CONDUCTED FIRST SUPPLIER ESG SURVEY TO BETTER UNDERSTAND THE DIVERSITY OF OUR SUPPLY BASE AND THE ESG POLICIES THEY HAVE IN PLACE

INCREASED BOARD GENDER AND ETHNIC DIVERSITY TO 60%, A 270% INCREASE SINCE 2019

CONDUCTED COMPANY-WIDE UNCONSCIOUS BIAS TRAINING

43% OF 2021 NEW HIRES WERE DIVERSE

[1] In 2021, we closed on two acquisitions. The 2019 and 2020 emissions data published in this report has been calculated to include emissions for these acquisitions.

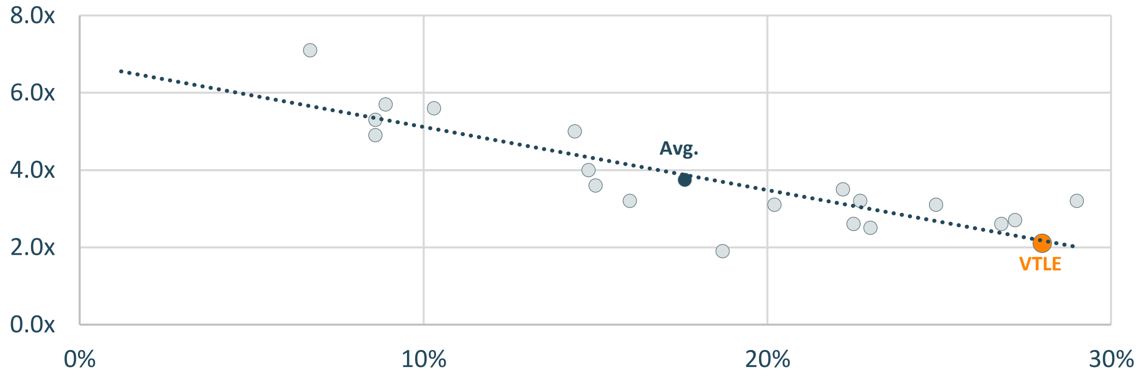
Compelling Investment Opportunity

Generating
Free Cash Flow[1]

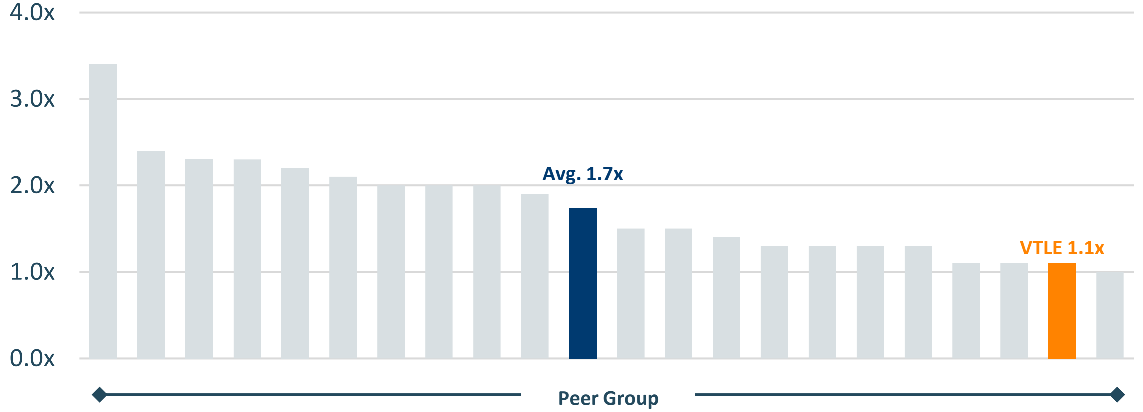
Reducing
Debt and Leverage

Returning
Capital to Shareholders

2023E EV / EBITDAX vs. FCF Field – Peer Comparison[2,3]



Enterprise Value / PDP – Peer Comparison[2,3]



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[1]See Appendix for definitions of non-GAAP financial measures;
[2]Peer group (PXD, CTRA, DVN, EOG, HES, CPE, SM, MRO, RRC, FANG, MTDR, AR, CNX, EQT, PDCE, APA, CHK, MUR, SWN, OVV); [3]Source Capital One Research as of 10/26/2022

Appendix

4Q-22 Guidance

Guidance

	4Q-22
Production:	-
Total Production (MBOE/D)	72.5 - 75.5
Crude Oil Production (MBO/D) *Expected to Be Above High-End of Guidance Range*	32.0 - 34.0
Incurred Capital Expenditures ($MM):	$135 - $145
Average Sales Price Realizations (excluding derivatives):	-
Crude Oil (% of WTI)	103%
Natural Gas Liquids (% of WTI)	25%
Natural Gas (% of Henry Hub)	47%
Net Settlements Received (Paid) for Matured Commodity Derivatives ($MM):	-
Crude Oil ($MM)	($68)
Natural Gas Liquids ($MM)	($3)
Natural Gas ($MM)	($5)
Operating Costs and Expenses ($/BOE):	-
Lease Operating Expenses	$6.50
Production and Ad Valorem Taxes (% of Oil, NGL & Natural Gas Revenues)	7.3%
Transportation and Marketing Expenses	$1.80
General and Administrative Expenses (excluding LTIP)	$2.15
General and Administrative Expenses (LTIP Cash)	$0.40
General and Administrative Expenses (LTIP Non-Cash)	$0.45
Depletion, Depreciation and Amortization	$11.00

Commodity Prices Used for 4Q-22

	Oct-22	Nov-22	Dec-22	4Q-22 Avg.
Crude Oil:	-	-	-	-
WTI NYMEX ($/BBO)	$87.03	$86.21	$84.97	$86.07
Brent ICE ($/BBO)	$93.50	$92.73	$90.88	$92.37
Natural Gas:	-	-	-	-
Henry Hub ($/MMBTU)	$6.87	$5.19	$6.36	$6.15
Waha ($/MMBTU)	$3.28	$3.08	$4.83	$3.74
Natural Gas Liquids:	-	-	-	-
C2 ($/BBL)	$16.99	$17.01	$16.91	$16.97
C3 ($/BBL)	$35.62	$36.86	$36.75	$36.40
IC4 ($/BBL)	$44.82	$44.47	$43.47	$44.25
NC4 ($/BBL)	$41.31	$42.21	$42.26	$41.92
C5+ ($/BBL)	$68.35	$68.04	$68.09	$68.16
Composite ($/BBL)[1]	$32.30	$32.77	$32.67	$32.58

Note: Supports average sales price realizations and derivatives guidance

[1]Current NGL composition C2 (42%), C3 (33%), IC4 (3%), NC4 (11%) and C5+ (11%)

Current Hedge Program

	1Q-23	2Q-23	3Q-23	4Q-23	FY-23
Crude Oil (Volume in MBO: Price in $/BBO):					
WTI Collars	1,890	1,911	644	644	**5,089**
WTD Floor Price	$68.10	$68.10	$70.00	$70.00	**$68.58**
WTD Ceiling Price	$83.78	$83.78	$88.12	$88.12	**$84.88**
Natural Gas Liquids (Volume in MBBL: Price in $/BBL):					
Ethane Swaps	-	-	-	-	-
WTD Price	-	-	-	-	-
Propane	-	-	-	-	-
WTD Price	-	-	-	-	-
Butane Swaps	-	-	-	-	-
WTD Price	-	-	-	-	-
Isobutane Swaps	-	-	-	-	-
WTD Price	-	-	-	-	-
Pentane Swaps	-	-	-	-	-
WTD Price	-	-	-	-	-
Natural Gas (Volume in MMBTU: Price in $/MMBTU):					
Henry Hub Collars	6,300,000	6,370,000	6,440,000	6,440,000	**25,550,000**
WTD Floor Price	$4.14	$4.14	$4.14	$4.14	**$4.14**
WTD Ceiling Price	$8.43	$8.43	$8.43	$8.43	**$8.43**
Waha Basis Swaps	6,300,000	6,370,000	6,440,000	6,440,000	**25,550,000**
WTD Price	($1.65)	($1.65)	($1.65)	($1.65)	**($1.65)**

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[1]Hedges executed as of January 5, 2023

Supplemental Non-GAAP Financial Measures

Consolidated EBITDAX (Credit Agreement Calculation Unaudited)

Consolidated EBITDAX is a non-GAAP financial measure defined in the Company's Senior Secured Credit Facility as net income or loss (GAAP) plus adjustments for share-settled-equity-based compensation, depletion, depreciation and amortization, impairment expense, gains or losses on disposal of assets, mark-to-market on derivatives, accretion expense, interest expense, income taxes and other non-recurring income and expenses. Consolidated EBITDAX is used by the Company's management for various purposes, including as a measure of operating performance and compliance under the Company's Senior Secured Credit Facility. Additional information on the calculation of Consolidated EBITDAX can be found in the Company's Eighth Amendment to the Senior Secured Credit Facility as filed with the SEC on April 19, 2022.

The following table presents a reconciliation of net income (loss) (GAAP) to Consolidated EBITDAX (non-GAAP) for the periods presented:

	Three Months Ended			
(in thousands, unaudited)	9/30/2022	6/30/2022	3/31/2022	12/31/2021
Net Income (loss)	$337,523	$262,546	($86,781)	$216,276
Plus:				
Share-settled equity-based compensation, net	1,638	2,604	2,053	2,066
Depletion, depreciation and amortization	74,928	78,135	73,492	74,592
Organizational restructuring expenses	10,420	-	-	-
(Gain) loss on disposal of assets, net	(4,282)	(38)	260	8,903
Mark-to-market on derivatives:				
(Gain) loss on derivatives, net	(100,748)	65,927	325,816	(15,372)
Settlements paid for matured derivatives, net	(124,289)	(174,009)	(125,370)	(129,361)
Settlements received for contingent consideration	-	1,555	-	-
Accretion expense	954	973	1,019	1,026
Interest expense	30,967	32,807	32,477	31,163
(Gain) loss on extinguishment of debt, net	(553)	798	-	-
Income tax (benefit) expense	(3,768)	7,092	(877)	3,052
Consolidated EBITDAX (non-GAAP)	**$222,790**	**$278,390**	**$222,089**	**$192,345**

Supplemental Non-GAAP Financial Measures

PV-10 (Unaudited)

PV-10 is a non-GAAP financial measure that is derived from the standardized measure of discounted future net cash flows, which is the most directly comparable GAAP financial measure. PV-10 is a computation of the standardized measure of discounted future net cash flows on a pre-tax basis. PV-10 is equal to the standardized measure of discounted future net cash flows at the applicable date, before deducting future income taxes, discounted at 10 percent. Management believes that the presentation of PV-10 is relevant and useful to investors because it presents the discounted future net cash flows attributable to the Company's estimated proved reserves prior to taking into account future corporate income taxes, and it is a useful measure for evaluating the relative monetary significance of the Company's proved oil, NGL and natural gas assets. Further, investors may utilize the measure as a basis for comparison of the relative size and value of proved reserves to other companies. The Company uses this measure when assessing the potential return on investment related to proved oil, NGL and natural gas assets. However, PV-10 is not a substitute for the standardized measure of discounted future net cash flows. The PV-10 measure and the standardized measure of discounted future net cash flows do not purport to present the fair value of the Company's oil, NGL and natural gas reserves of the property.

(in millions)	**December 31, 2021**
Standardized measure of discounted future net cash flows	$3,425
Less present value of future income taxes discounted at 10%	(291)
PV-10 (non-GAAP)	$3,716

Supplemental Non-GAAP Financial Measures

Net Debt (Unaudited)

Net Debt, a non-GAAP financial measure, is calculated as the face value of long-term debt plus any outstanding letters of credit, less cash and cash equivalents. Management believes Net Debt is useful to management and investors in determining the Company's leverage position since the Company has the ability, and may decide, to use a portion of its cash and cash equivalents to reduce debt. Net Debt as of September 30, 2022 was $1.14 billion.

Net Debt to Consolidated EBITDAX (Unaudited)

Net Debt to Consolidated EBITDAX, a non-GAAP financial measure, is calculated as Net Debt divided by Consolidated EBITDAX, for the previous four quarters, as defined in the Company's Senior Secured Credit Facility. Net Debt to Consolidated EBITDAX is used by the Company's management for various purposes, including as a measure of operating performance, in presentations to its board of directors and as a basis for strategic planning and forecasting.

Free Cash Flow (Unaudited)

Free Cash Flow is a non-GAAP financial measure that the Company defines as net cash provided by operating activities (GAAP) before changes in operating assets and liabilities, net, less incurred capital expenditures, excluding non-budgeted acquisition costs. Management believes Free Cash Flow is useful to management and investors in evaluating operating trends in its business that are affected by production, commodity prices, operating costs and other related factors. There are significant limitations to the use of Free Cash Flow as a measure of performance, including the lack of comparability due to the different methods of calculating Free Cash Flow reported by different companies.

The Company is unable to provide a reconciliation of the forward-looking Free Cash Flow projection contained in this presentation to net cash provided by operating activities, the most directly comparable GAAP financial measure, because we cannot reliably predict certain of the necessary components of net cash provided by operating activities, such as changes in working capital, without unreasonable efforts. Such unavailable reconciling information may be significant.