Vital Energy

January 2024 Investor Presentation

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 Energy include, but are not limited to, continuing and worsening inflationary pressures and associated changes in monetary policy that may cause costs to rise; changes in domestic and global production, supply and demand for commodities, including as a result of actions by the Organization of Petroleum Exporting Countries and other producing countries ("OPEC+") and the Russian-Ukrainian or Israel-Hamas military conflicts, 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, reduced demand due to shifting market perception towards the oil and gas industry; competition in the oil and gas industry; 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, pipeline transportation and storage constraints in the Permian Basin, the effects and duration of the outbreak of disease and any related government policies and actions, long-term performance of wells, drilling and operating risks, the possibility of production curtailment, the impact of new laws and regulations, including those regarding the use of hydraulic fracturing, and under the Inflation Reduction Act (the “IRA"), including those related to climate change, the impact of legislation or regulatory initiatives intended to address induced seismicity on our ability to conduct our operations; hedging activities, tariffs on steel, 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 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 imposition of any additional taxes under the IRA or otherwise, and other factors, including those and other risks described in its Annual Report on Form 10-K for the year ended December 31, 2022 and those set forth from time to time in other filings with the Securities and Exchange Commission ("SEC").

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 Free Cash Flow and Consolidated EBITDAX. 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 and their reconciliations to the most comparable GAAP 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.

Disciplined Permian Basin Producer

GENERATE
FREE CASH FLOW[1]

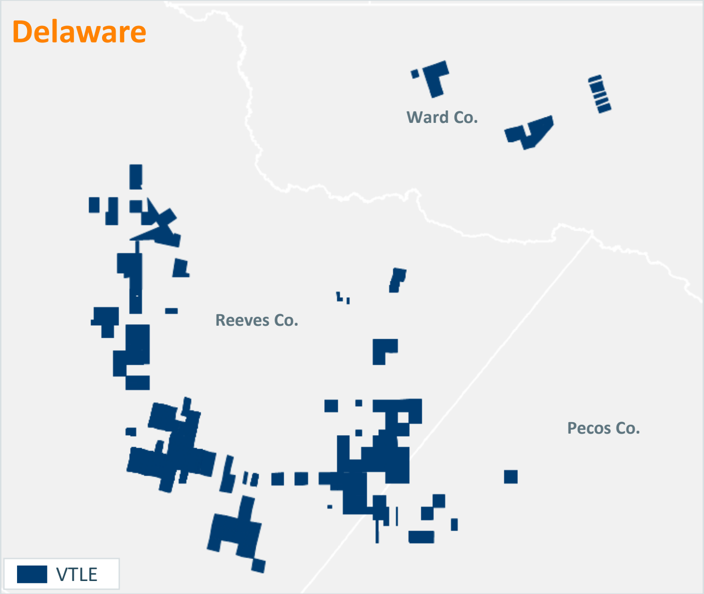
REDUCE
DEBT AND LEVERAGE

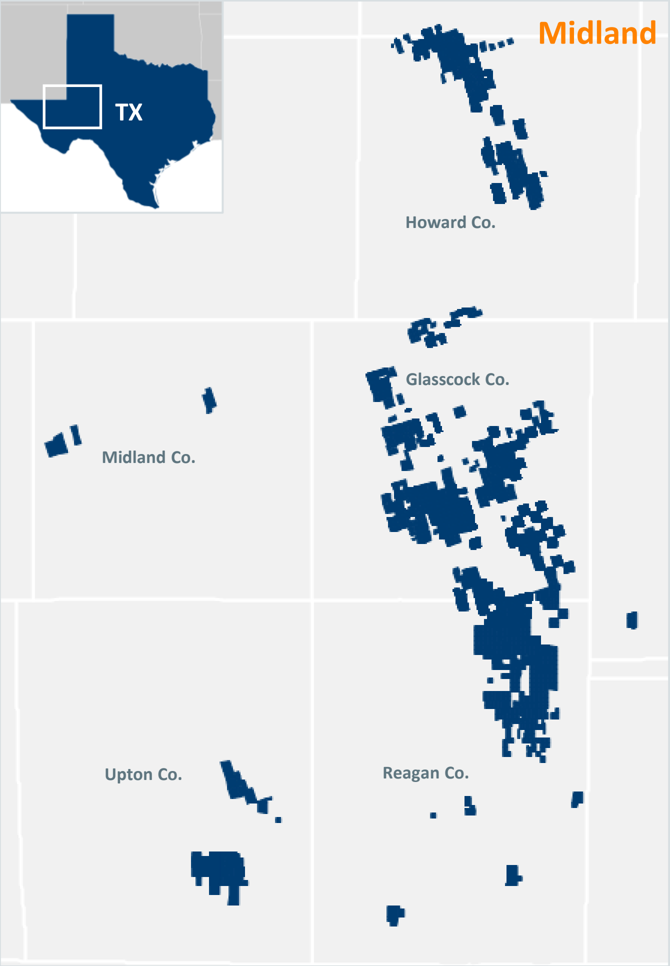
TARGET
ACCRETIVE TRANSACTIONS

ADVANCE
SUSTAINABILITY

INTEGRATE
DIGITAL SOLUTIONS

Company Summary	
Net Acres	~253,000
4Q-23E Total Production	101.8 – 105.8 MBOE/d
% Oil	48%
Inventory Locations	725





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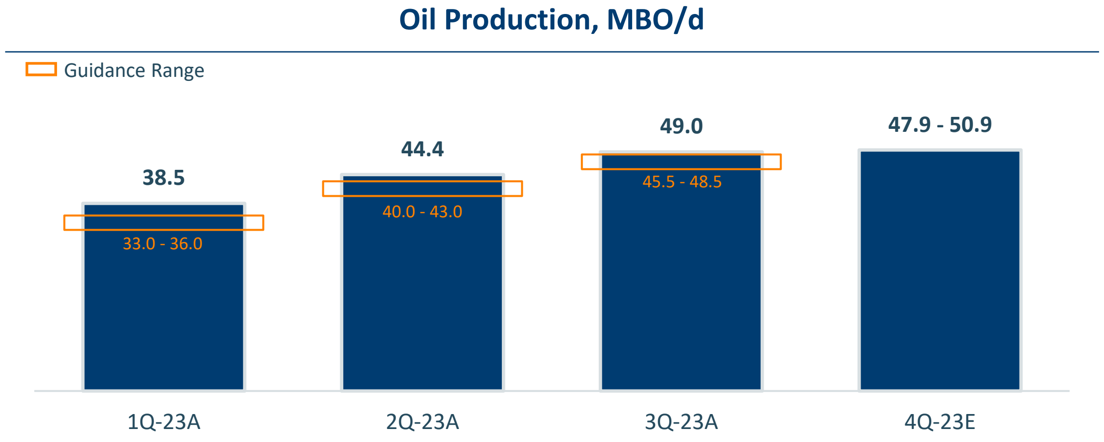
[1]See Appendix for definitions and reconciliations of non-GAAP financial measures.

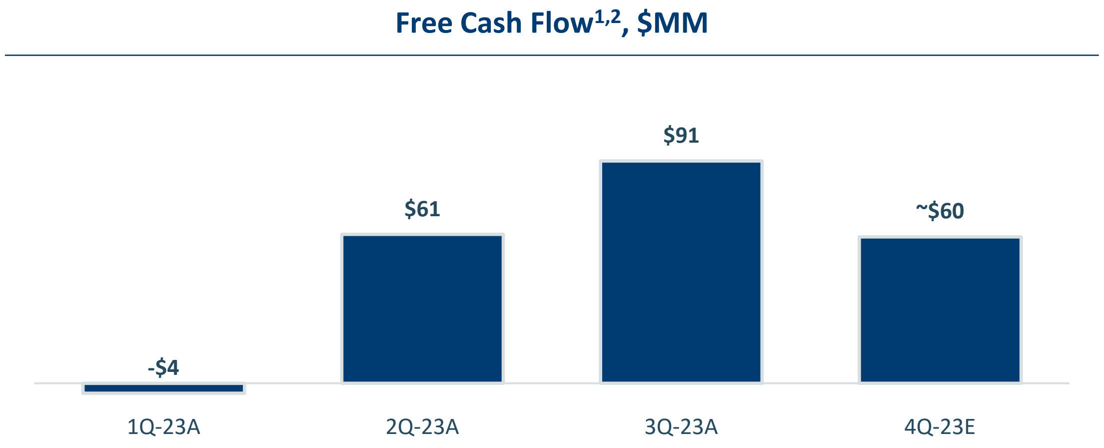
Exceptional Operational and Financial Performance Throughout 2023

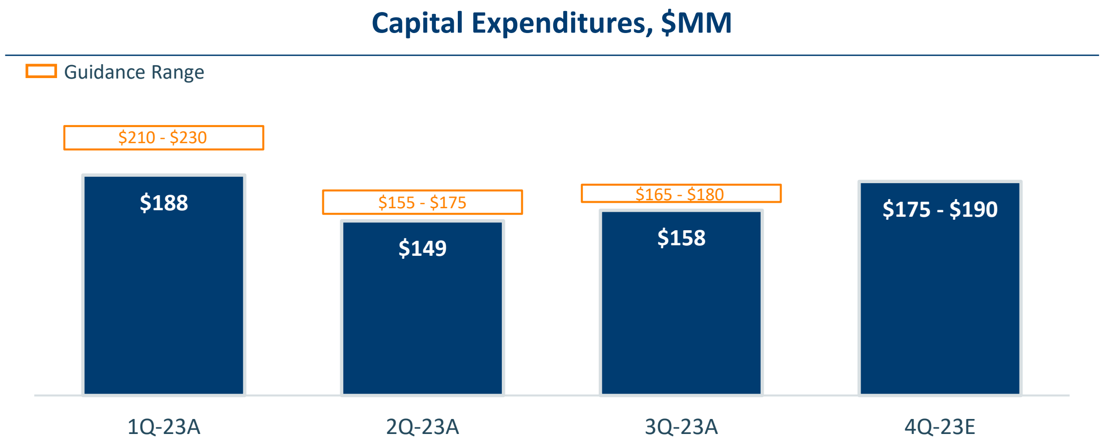
Oil production consistently exceeding guidance
- Base production outperforming expectations
- Strong production results from recently completed wells

Capital expenditures below guidance
- Reduced Howard County drilling and completion costs
- Lowered development costs on recently acquired assets

Substantial Free Cash Flow[1] generation
- Capital efficient development driving returns
- Acquisitions growing scale and increasing margins







[1]See Appendix for definitions and reconciliations of non-GAAP financial measures. [2]Assumes the following commodity prices: 1Q-23 to 3Q-23 $77 oil / $2.70 gas, 4Q-23 $85 oil / $3.15 gas price, and FY-24 $80 oil / $3.50 gas price.

Acquisition Strategy Builds Scale and Extends High-Value Inventory

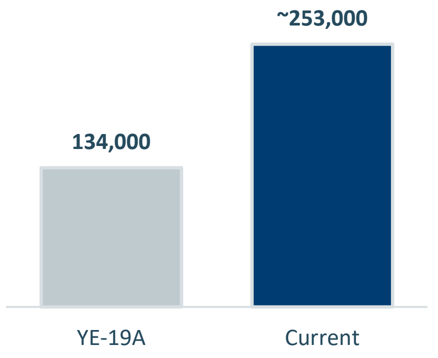
2019 - 22

- **Howard & W. Glasscock Co.**
  2019: 2 transactions / ~11,875 net acres
- **Howard Co.**
  2020: 2 transactions / ~3,850 net acres
- **Howard & W. Glasscock Co.**
  2021: 2 transactions / ~41,000 net acres
- **E. Glasscock & Reagan Co.**
  2021: WI Divestiture
- **Non-Op Divestiture**
  2022: ~1,650 net acres

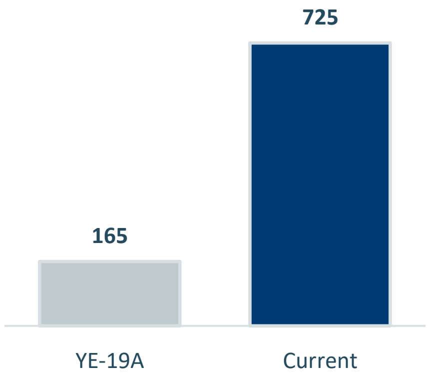
2023

- **Upton & S. Reagan Co.**
  1Q-23: ~11,200 net acres
- **Delaware Basin Entry**
  2Q-23: ~24,000 net acres
- **Henry - Midland & Delaware**
  3Q-23: ~18,025 net acres
- **Maple - Delaware**
  3Q-23: ~15,500 net acres
- **Tall City - Delaware**
  3Q-23: ~21,450 net acres

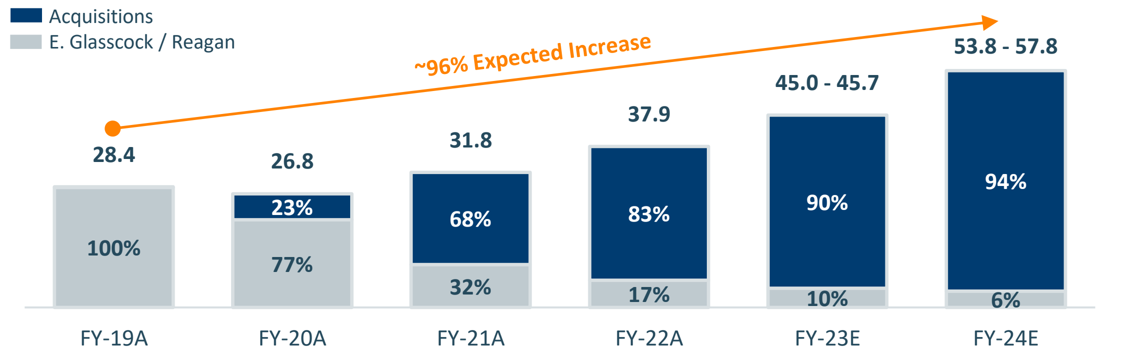
Net Acres



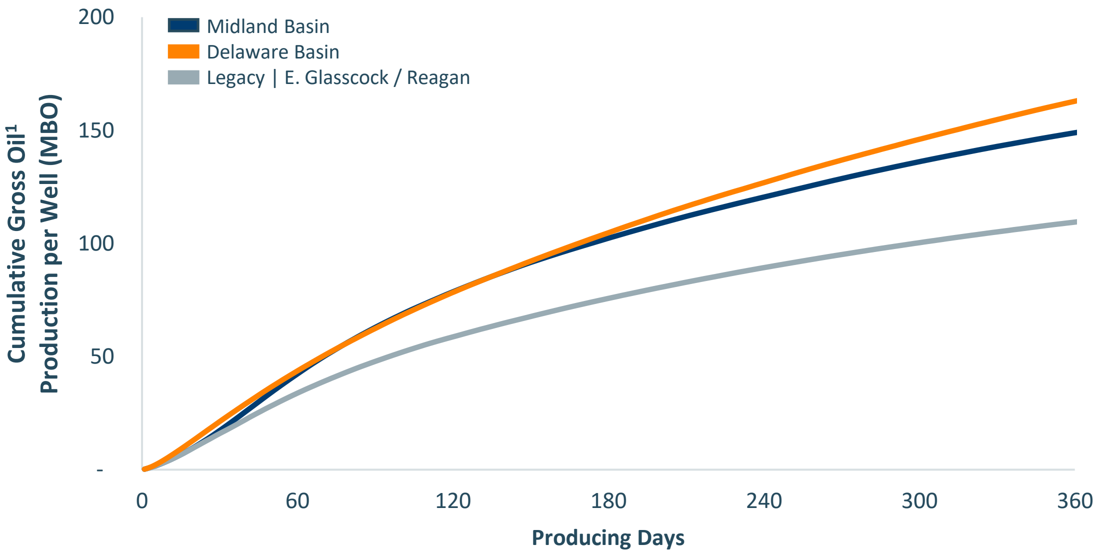
Inventory Locations



Strong Oil Production Growth, MBO/d



Acquired Inventory Improves Capital Efficiency



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

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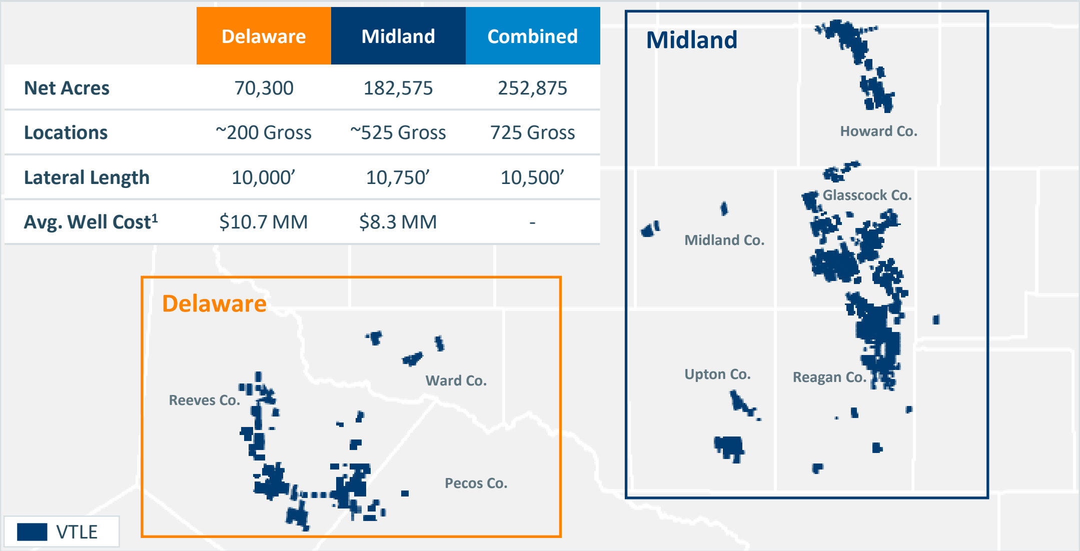
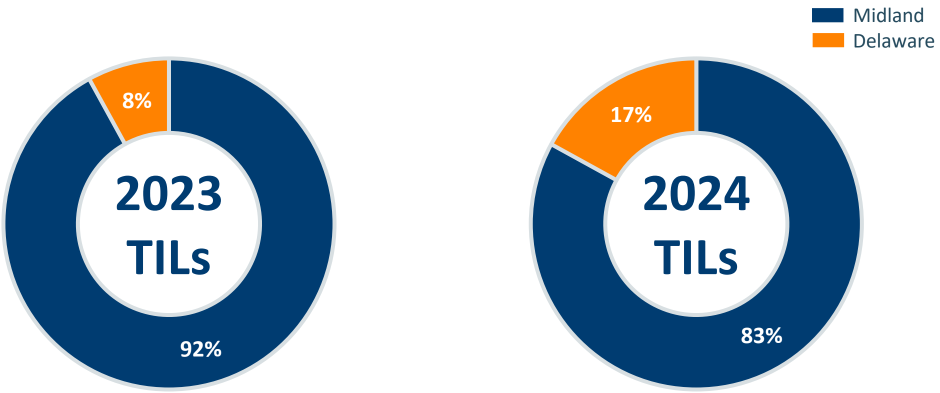
High-Value Acquisitions Support Strong 2024 Development Program

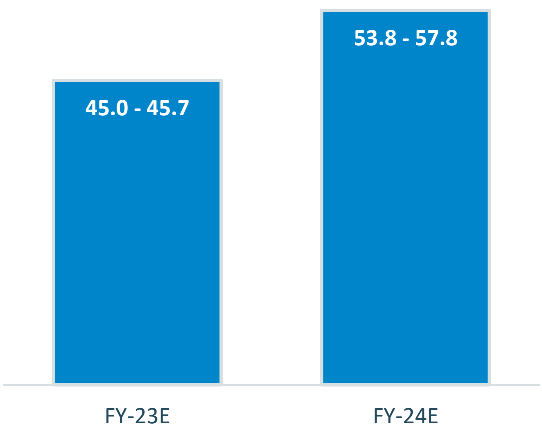
	Delaware	Midland	Combined
Net Acres	70,300	182,575	252,875
Locations	~200 Gross	~525 Gross	725 Gross
Lateral Length	10,000’	10,750’	10,500’
Avg. Well Cost[1]	$10.7 MM	$8.3 MM	-



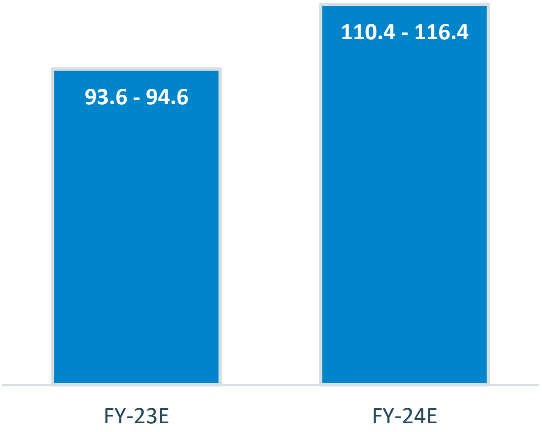
Shifting Development Mix Supports Future Returns



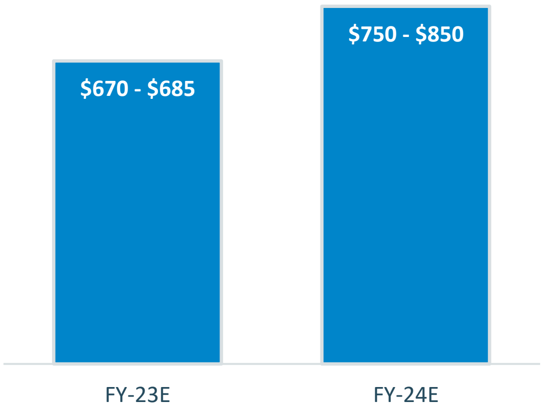
Oil Production, MBO/d



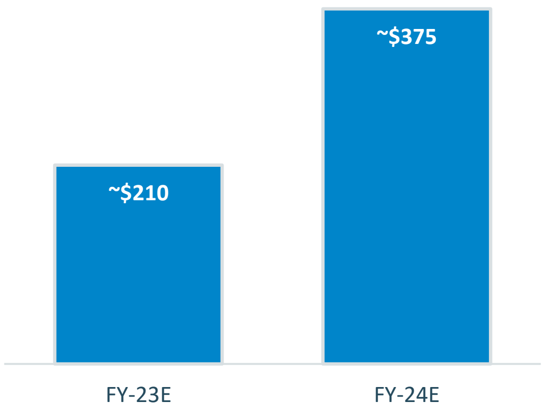
Total Production, MBOE/d



Capital Expenditures, $MM



Free Cash Flow[2,3], $MM



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[1]Normalized for 10,000’ lateral. [2]See Appendix for definitions and reconciliations of non-GAAP financial measures.
[3]Assumes the following commodity prices: 1Q-23 to 3Q-23 $77 oil / $2.70 gas, 4Q-23 $85 oil / $3.15 gas price, and FY-24 $80 oil / $3.50 gas price.

Operational Excellence and Digital Technology Drive Base Production Outperformance

CHANGE LEADERSHIP

CONTINUOUS IMPROVEMENT

DIFFERENTIAL TECHNOLOGY

Organizational Structure Built for Continuous Improvement

- Created dedicated teams focused on compression and artificial lift performance
- Implementation of 24-hour field response procedures
- Employing digital solutions throughout field organization

Differential Digital Technologies Enhancing Operations

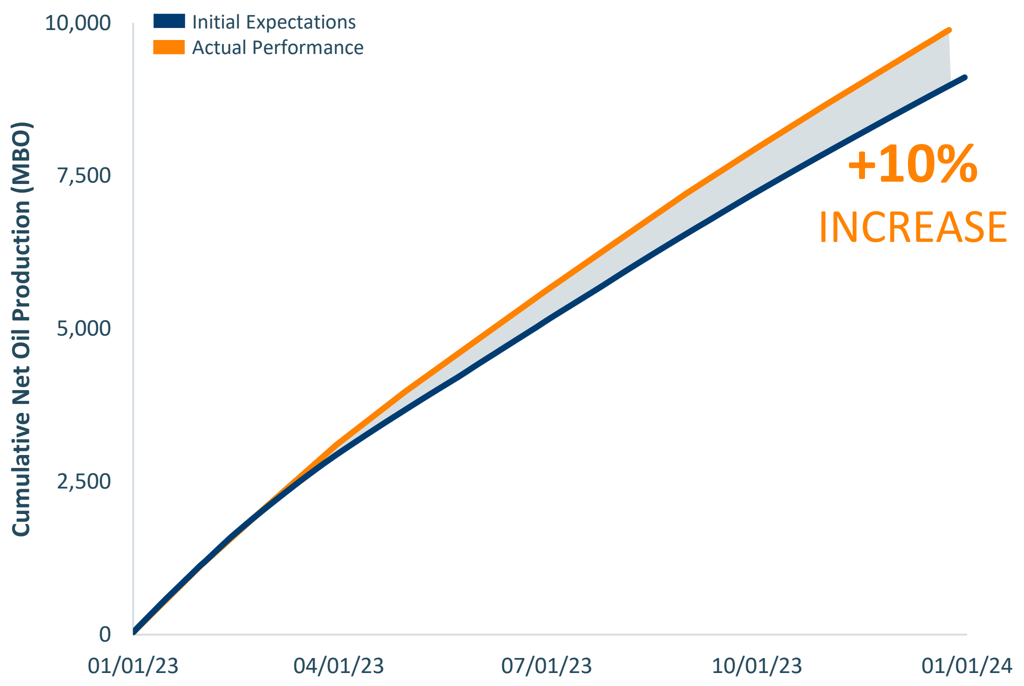
- Proprietary, AI-driven algorithms to continually adjust artificial lift and chemical pump settings
- Route optimization through analysis of real-time field surveillance data
- Access to digital tools and optimization technology distributed at route level

Results Driving Production Improvements

GAS-LIFT RUNTIME
+15% INCREASE

ESP RUNTIME
+4% INCREASE

2023 Base[1] Performance vs. Initial Expectations



[1]Inclusive of all wells turned-in-line by January 1, 2023 and excludes all 2023 acquisitions .

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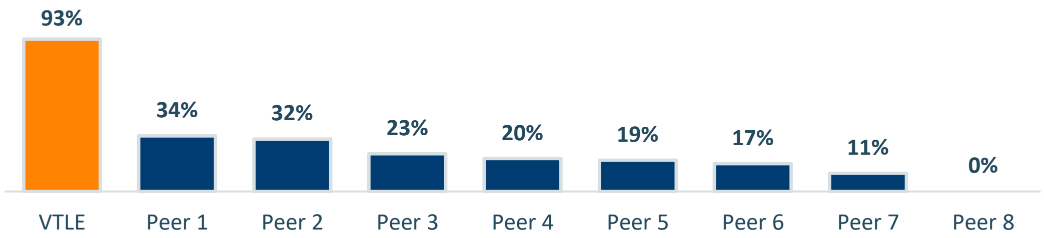
Strong Financial Structure and Cash Flows Protected by Robust 2024 Hedges

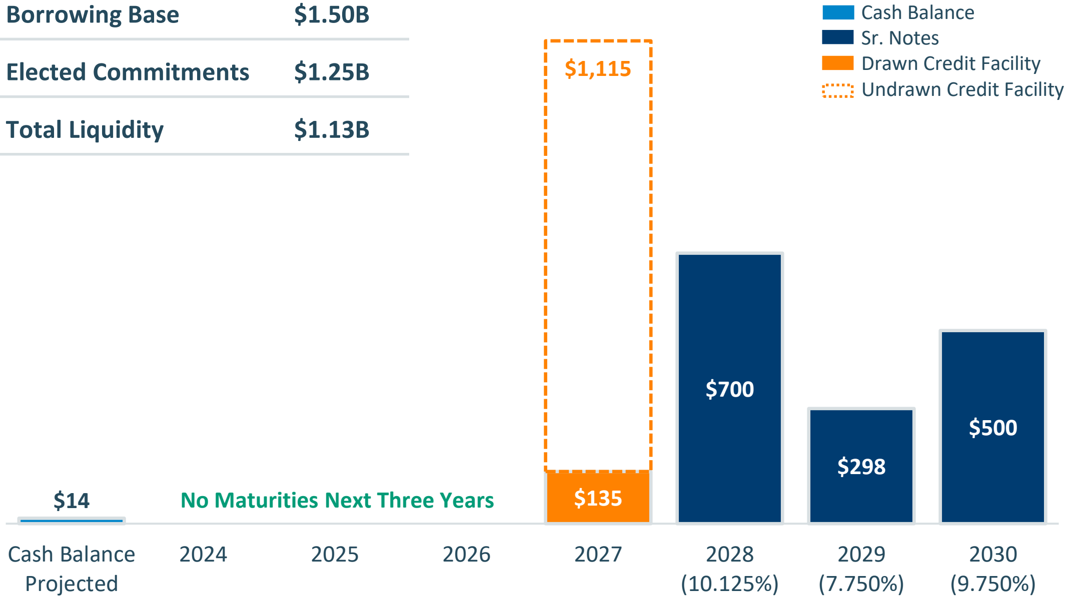
- 93% of anticipated 2024 oil volume hedged at $75 WTI
- 2024 Free Cash Flow[1] targeted for debt reduction
- Advantageous debt maturity profile

Active Hedge Program | FY-24E Oil Production Hedged[2]

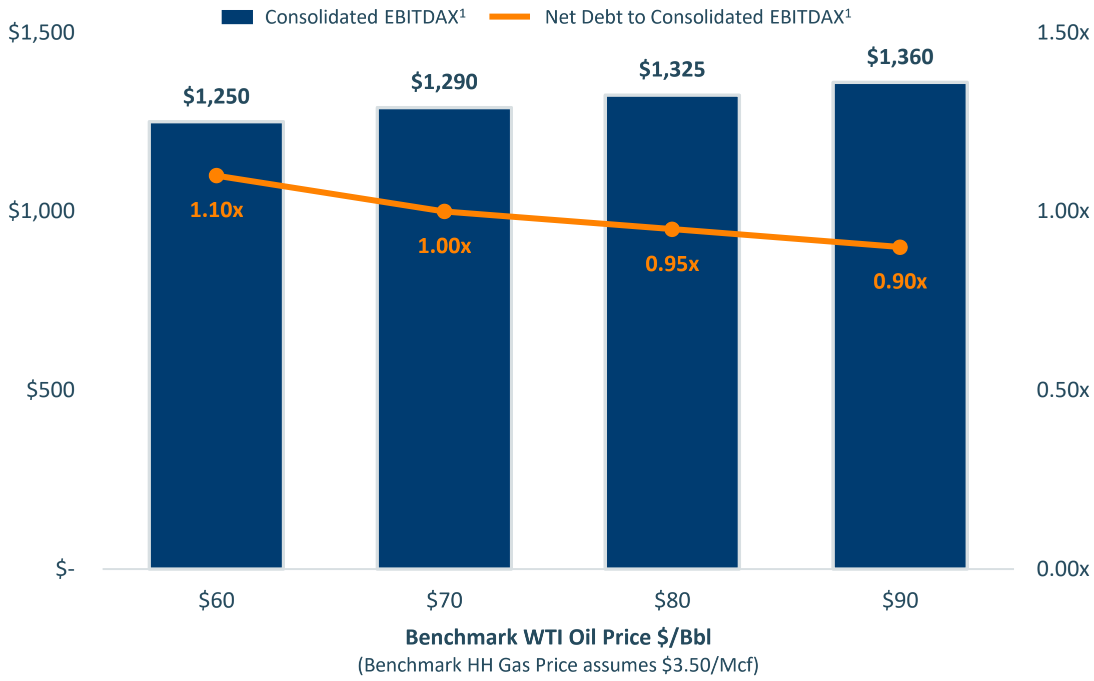


YE-23 Estimated Maturity Profile[3], $MM

Borrowing Base	**$1.50B**
Elected Commitments	**$1.25B**
Total Liquidity	**$1.13B**



FY-24E Consolidated EBITDAX[1] and YE-24E Leverage Price Sensitivities



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[1]See Appendix for definitions and reconciliations of non-GAAP financial measures. [2]Sourced from Capital One Research dated 11/15/2023. Peer group includes (CPE, OVV, CIVI, MTDR, PR, FANG, SM, CHRD).
[3]Inclusive of Maple, Henry and Tall City closings, transaction expenses, discharge of 2025 senior notes and projected 4Q-23 FCF.

2022 Sustainability Highlights

Significant Progress Toward Our Environmental Targets

	Category	2019 Baseline	Target	2022 Performance	Target Status
by 2025	**Scope 1 GHG emissions intensity**	26.03 $mtCO_2e$ / MBOE	below 12.5 $mtCO_2e$ / MBOE (52% reduction from baseline)	**10.70** $mtCO_2e$ / MBOE	Achieved (59% reduction from baseline)
	Methane emissions	0.87%[1]	below 0.20% (77% reduction from baseline)	**0.11%**	Achieved (87% reduction from baseline)
	Routine flaring	867 MMCF / year	Zero	**500** MMCF / year	**42%** reduction to date
	Recycled water	35% water recycling rate 8 million bbls recycled	50% for completion operations	**49%** water recycling rate 18.5 million bbls recycled	**99%** toward our target
by 2030	**Combined Scope 1 and 2 GHG emissions intensity**	26.53 $mtCO_2e$ / MBOE	below 10 $mtCO_2e$ / MBOE (62% reduction from baseline)	**12.37** $mtCO_2e$ / MBOE	**86%** toward our target **53%** reduction to date

Social and Governance Highlights

Safety

0 Employee safety incidents

0 Employee or contractor fatalities

0.61 Combined Total Recordable Incident Rate (TRIR), the lowest in Company history

Diversity, Equity and Inclusion

60% Board diversity

75% Board Committees led by diverse directors

55% Employee new hires were diverse

Governance

2 New board directors

50% Of directors have environmental and sustainability expertise

20% Of STIP and 15% of executive LTIP tied to sustainability and safety performance

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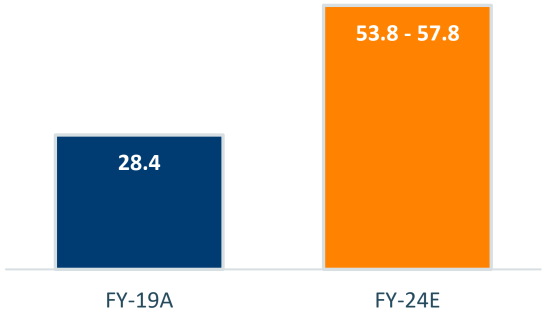
[1]As a percentage of natural gas produced.

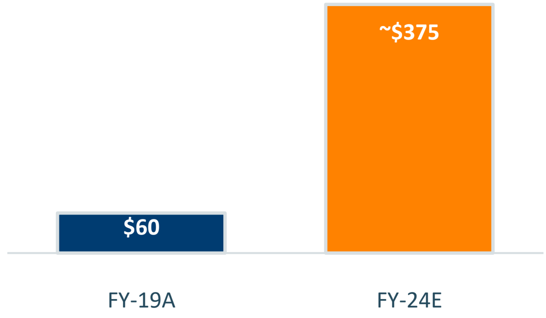
Investment Opportunity Driven by Expected Value Creation in 2024

- **PROVEN TRACK RECORD OF EXECUTING ACCRETIVE TRANSACTIONS**
- **GROWING FREE CASH FLOW[1] SUPPORTED BY CAPITAL DISCIPLINE**
- **REDUCING LEVERAGE AND IMPROVING FINANCIAL FLEXIBILITY**
- **CONSISTENTLY ADDING HIGH-RETURN LOCATIONS AND INCREASING SCALE**

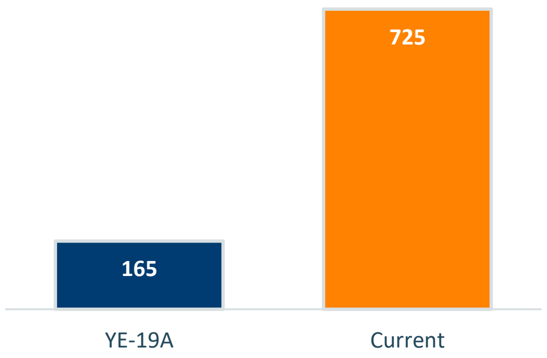
Oil Production, MBO/d



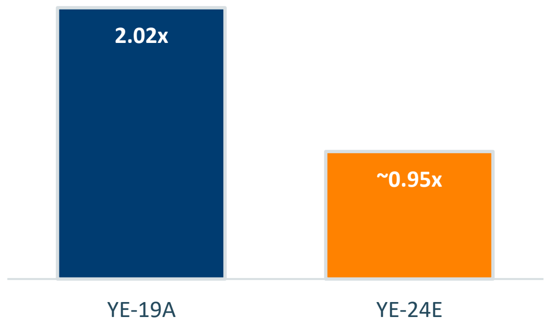
Free Cash Flow[1,2], $MM



Gross Oil-Weighted Locations



Net Debt to Consolidated EBITDAX[2,3]



[1]See Appendix for definitions and reconciliations of non-GAAP financial measures. [2]Assumes the following commodity prices: FY-24 $80 oil / $3.50 gas.
[3]Calculation conforms to credit facility covenant which requires various treatment of asset transaction impacts.

Appendix

4Q-23 & FY-23 Guidance

Guidance

	4Q-23	FY-23
Production:		
Total Production (MBOE/D)	101.8 - 105.8	93.6 - 94.6
Crude Oil Production (MBO/D)	47.9 - 50.9	45.0 - 45.7
Incurred Capital Expenditures ($MM):	$175 - $190	$670 - $685
Average Sales Price Realizations (excluding derivatives):		
Crude Oil (% of WTI)	101%	—
Natural Gas Liquids (% of WTI)	16%	—
Natural Gas (% of Henry Hub)	44%	—
Net Settlements Received (Paid) for Matured Commodity Derivatives ($MM):		
Crude Oil ($MM)	$(29)	—
Natural Gas Liquids ($MM)	$0	—
Natural Gas ($MM)	$3	—
Operating Costs and Expenses ($/BOE):		
Lease Operating Expenses	$8.35	—
Production and Ad Valorem Taxes (% of Oil, NGL & Natural Gas Revenues)	6.50%	—
Oil Transportation and Marketing Expenses	$1.05	—
Gas Gathering, Processing and Transportation Expenses[1]	$0.25	—
General and Administrative Expenses (excluding LTIP & Transaction Expense)	$2.05	—
General and Administrative Expenses (LTIP Cash)	$0.15	—
General and Administrative Expenses (LTIP Non-Cash)	$0.30	—
Depletion, Depreciation and Amortization	$14.15	—

Activity Levels for 4Q-23

	Delaware	Midland	Combined
Avg. Op Rig Count	1.3	2.0	3.3
Avg. Op Frac Crew	0.5	1.1	1.6
Spuds	4 Gross (2.0 Net)	17 Gross (13.5 Net)	21 Gross (15.5 Net)
Completions	6 Gross (4.5 Net)	8 Gross (7.6 Net)	14 Gross (12.1 Net)
Turn-in-Lines	3 Gross (1.6 Net)	10 Gross (9.6 Net)	13 Gross (11.1 Net)

Commodity Prices Used for 4Q-23

	Oct-23	Nov-23	Dec-23	4Q-23 Avg.
Crude Oil:				
WTI NYMEX ($/BBO)	$85.82	$85.26	$84.40	$85.16
Brent ICE ($/BBO)	$88.92	$89.16	$88.26	$88.78
Natural Gas:				
Henry Hub ($/MMBTU)	$2.76	$3.16	$3.48	$3.14
Waha ($/MMBTU)	$1.45	$1.38	$2.99	$1.94
Natural Gas Liquids:				
C2 ($/BBL)	$11.49	$10.82	$11.03	$11.11
C3 ($/BBL)	$28.75	$27.77	$27.93	$28.16
IC4 ($/BBL)	$40.09	$40.74	$39.01	$39.94
NC4 ($/BBL)	$33.62	$35.39	$35.44	$34.81
C5+ ($/BBL)	$65.64	$65.84	$66.20	$65.89
Composite ($/BBL)[2]	$26.43	$26.06	$26.20	$26.23

[1]Represents a limited number of gas contracts; majority of gas GP&T expenses are included in natural gas and natural gas liquids realized pricing.
[2]Current NGL composition C2 (42%), C3 (33%), IC4 (3%), NC4 (11%) and C5+ (11%).

Active Hedge Program Protecting Free Cash Flow and Returns

		1Q-24	2Q-24	3Q-24	4Q-24	FY-24	1Q-25	2Q-25	3Q-25	4Q-25	FY-25
Crude Oil (Volume MBO; Price $/BBO)[1]	WTI Swaps	4,571	4,569	4,986	4,709	**18,836**	1,530	1,547	184	184	**3,445**
	Price	$73.37	$74.58	$76.78	$76.59	**$75.37**	$75.58	$75.58	$75.00	$75.00	**$75.52**
	WTI Collars	-	-	-	-	-	-	-	-	-	-
	Bought Put	-	-	-	-	-	-	-	-	-	-
	Sold Call	-	-	-	-	-	-	-	-	-	-
	WTI Three-Way Collars	61	56	52	49	**217**	-	-	-	-	-
	Sold Put	$50.00	$50.00	$50.00	$50.00	**$50.00**	-	-	-	-	-
	Bought Put	$66.57	$66.50	$66.47	$66.45	**$66.51**	-	-	-	-	-
	Sold Call	$87.14	$87.09	$87.06	$87.05	**$87.09**	-	-	-	-	-
	WTI Midland Basis Swaps	82	75	70	66	**293**	-	-	-	-	-
	Price	$0.11	$0.11	$0.11	$0.12	**$0.11**	-	-	-	-	-
Natural Gas (Volume MMBTU; Price $/MMBTU)[1]	Henry Hub Swaps	6,479,500	6,475,350	6,562,600	6,558,250	**26,075,700**	-	-	-	-	-
	Price	$3.48	$3.48	$3.47	$3.47	**$3.47**	-	-	-	-	-
	Henry Hub Collars	243,128	214,333	169,320	149,511	**776,292**	-	-	-	-	-
	WTD Floor Price	$3.40	$3.36	$3.44	$3.40	**$3.40**	-	-	-	-	-
	WTD Ceiling Price	$6.11	$6.00	$6.22	$6.12	**$6.11**	-	-	-	-	-
	Henry Hub Three-Way Collars	-	-	-	-	-	-	-	-	-	-
	Sold Put	-	-	-	-	-	-	-	-	-	-
	Bought Put	-	-	-	-	-	-	-	-	-	-
	Sold Call	-	-	-	-	-	-	-	-	-	-
	Waha Basis Swaps	6,722,628	6,689,683	6,731,920	6,707,761	**26,851,992**	-	-	-	-	-
	Price	($0.74)	($0.74)	($0.74)	($0.74)	**($0.74)**	-	-	-	-	-

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[1]Hedges executed as of January 1, 2024.

Common Stock Outstanding

	December 21, 2023	November 29, 2023	November 6, 2023	October 31, 2023
Common Stock Outstanding	35,427,601[1]	34,803,196[1,2]	28,671,878[1]	24,760,683
2.0% Cumulative Mandatorily Convertible Series A Preferred Stock	595,104	—	6,131,381	—

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[1]Includes 1,130,790 shares held in escrow related to the Maple and Tall City acquisitions. [2]Includes the conversion of the Series A Preferred Stock on November 29, 2023, issued to Henry.

Supplemental Non-GAAP Financial Measures

Free Cash Flow

Free Cash Flow is a non-GAAP financial measure that the Company defines as net cash provided by operating activities (GAAP) before net changes in operating assets and liabilities and non-budgeted acquisition costs, 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 following table presents a reconciliation of net cash provided by operating activities (GAAP) to Free Cash Flow (non-GAAP) for the periods presented:

	Year Ended	**Three Months Ended**		
(in thousands, unaudited)	**December 31, 2019**	**March 31, 2023**	**June 30, 2023**	**September 30, 2023**
Net cash provided by operating activities	$475,074	$116,125	$248,888	$214,209
Less:				
Net changes in operating assets and liabilities	(66,193)	(66,756)	38,742	(32,145)
General and administrative (transaction expenses)	—	(861)	861	(3,120)
Cash flows from operating activities before net changes in operating assets and liabilities and non-budgeted acquisition costs	541,267	183,742	209,285	249,474
Less incurred capital expenditures, excluding non-budgeted acquisition costs:				
Oil and natural gas properties[(1)]	470,455	184,114	144,350	154,865
Midstream and other fixed assets[(1)]	11,125	3,530	4,239	3,321
Total incurred capital expenditures, excluding non-budgeted acquisition costs	481,580	187,644	148,589	158,186
Free Cash Flow (*non-GAAP*)	**59,687**	**($3,902)**	**$60,696**	**$91,288**

[1]Includes capitalized share-settled equity-based compensation and asset retirement costs.

Supplemental Non-GAAP Financial Measures

Consolidated EBITDAX

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 provides no information regarding a company's capital structure, borrowings, interest costs, capital expenditures, working capital movement or tax position. Consolidated EBITDAX does not represent funds available for future discretionary use because it excludes funds required for debt service, capital expenditures, working capital, income taxes, franchise taxes and other commitments and obligations. However, management believes Consolidated EBITDAX is useful to an investor because this measure:

- is used by investors in the oil and natural gas industry to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon accounting methods, the book value of assets, capital structure and the method by which assets were acquired, among other factors;
- helps investors to more meaningfully evaluate and compare the results of the Company's operations from period to period by removing the effect of the Company's capital structure from the Company's operating structure; and
- is used by management for various purposes, including (i) as a measure of operating performance, (ii) as a measure of compliance under the Senior Secured Credit Facility, (iii) in presentations to the board of directors and (iv) as a basis for strategic planning and forecasting.

There are significant limitations to the use of Consolidated EBITDAX as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect the Company's net income or loss and the lack of comparability of results of operations to different companies due to the different methods of calculating Consolidated EBITDAX, or similarly titled measures, reported by different companies. The Company is subject to financial covenants under the Senior Secured Credit Facility, one of which establishes a maximum permitted ratio of Net Debt, as defined in the Senior Secured Credit Facility, to Consolidated EBITDAX. See Note 7 in the 2022 Annual Report for additional discussion of the financial covenants under the Senior Secured Credit Facility. Additional information on Consolidated EBITDAX can be found in the Company's Tenth Amendment to the Senior Secured Credit Facility, as filed with the SEC on November 3, 2022.

Supplemental Non-GAAP Financial Measures

Consolidated EBITDAX

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

	Trailing Twelve Months ended			
(in thousands, unaudited)	**December 31, 2019**	**March 31, 2023**	**June 30, 2023**	**September 30, 2023**
Net income (loss)	($342,459)	$832,233	$864,498	$531,868
Plus:				
Share-settled equity-based compensation	8,290	8,922	9,211	10,510
Depletion, depreciation and amortization	265,746	324,927	350,132	395,703
Impairment expense	620,889	40	40	40
Organizational restructuring expenses	16,371	10,420	10,420	—
Loss on disposal of assets, net	248	582	1,358	5,491
Mark-to-market on derivatives:				
(Gain) loss on derivatives, net	(79,151)	(47,583)	(95,466)	140,603
Settlements (received) paid for matured derivatives, net	63,221	(363,146)	(178,354)	(76,503)
Settlements paid for early termination of commodity derivatives, net	(5,409)	—	—	—
Premiums paid for commodity derivatives	(9,063)	—	—	—
Settlements received for contingent consideration	—	3,912	2,357	2,082
Accretion expense	4,118	3,759	3,689	3,648
Interest expense	61,547	121,198	119,920	128,258
Loss on extinguishment of debt, net	—	1,459	661	1,214
Write-off of debt issuance costs	935	—	—	—
Litigation settlement	(42,500)	—	—	—
Income tax (benefit) expense	(2,588)	7,986	(220,937)	(214,796)
General and administrative (transaction expenses)	—	861	—	3,120
Consolidated EBITDAX (*non-GAAP*)	**$560,195**	**$905,570**	**$867,529**	**$931,238**
Transaction adjustments (Senior Secured Credit Facility covenant compliance)[1]	—	(21,562)	185,470	133,144
Consolidated EBITDAX (*non-GAAP*) (Senior Secured Credit Facility covenant compliance)[1]	**$560,195**	**$884,008**	**$1,052,999**	**$1,064,382**

[1] Calculation conforms to credit facility covenant which requires various treatment of asset transaction impacts.

Supplemental Non-GAAP Financial Measures

Consolidated EBITDAX

The following table presents a reconciliation of net cash provided by operating activities (GAAP) to Consolidated EBITDAX (non-GAAP) for the periods presented:

	Trailing Twelve Months ended			
(in thousands, unaudited)	**December 31, 2019**	**March 31, 2023**	**June 30, 2023**	**September 30, 2023**
Net cash provided by operating activities	$475,074	$775,783	$656,546	$688,138
Plus:				
Interest expense	61,547	121,198	119,920	128,258
Organizational restructuring expenses	16,371	10,420	10,420	—
Current income tax expense	—	6,234	2,224	3,648
Net changes in operating assets and liabilities	66,193	15,148	96,093	119,391
General and administrative (transaction expenses)	—	861	—	3,120
Settlements received for contingent consideration	—	3,912	2,357	2,082
Litigation settlement	(42,500)	—	—	—
Other, net	(16,490)	(27,986)	(20,031)	(13,399)
Consolidated EBITDAX (*non-GAAP*)	**$560,195**	**$905,570**	**$867,529**	**$931,238**

Supplemental Non-GAAP Financial Measures

Net Debt

Net Debt is a non-GAAP financial measure defined in the Company's Senior Secured Credit Facility as the face value of long-term debt plus any outstanding letters of credit, less cash and cash equivalents, where cash and cash equivalents are capped at $50 million when there are borrowings on the Senior Secured Credit Facility. 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.

(in thousands, unaudited)	December 31, 2019	March 31, 2023	June 30, 2023	September 30, 2023
Total senior unsecured notes	$800,000	$1,054,151	$1,054,151	$1,954,151
Senior Secured Credit Facility	375,000	120,000	575,000	—
Letters of credit	—	—	—	—
Total long-term debt	$1,175,000	1,174,151	1,629,151	1,954,151
Less:				
Cash and cash equivalents	40,857	27,682	50,000	589,695
Net Debt (*non-GAAP*)	**$1,134,143**	**$1,146,469**	**$1,579,151**	**$1,364,456**

Net Debt to Consolidated EBITDAX

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.