

Sell-side Advisory Case Study: Process Overview

March 2021

Butler County, PA Assets

have been acquired by



*The Undersigned Acted as
Sell-Side Advisor*



Process Overview

- KBCM was engaged in late March 2020 to explore the sale of an Undisclosed exploration and production company with operations in Butler County, PA (“Seller”)
- Immediately following engagement, the COVID-19 pandemic struck the U.S. and abroad, resulting in an unprecedented uncertainty in commodity pricing and global supply/demand dynamics
- Due to the unfavorable conditions, KBCM advised the Seller at the time to wait on launching a formal process, while entertaining highly qualified unsolicited buyers on a one-off basis
- Details of the process, which was formally launched in 3Q 2020, are shown below:

>70
*Buyers
Contacted*

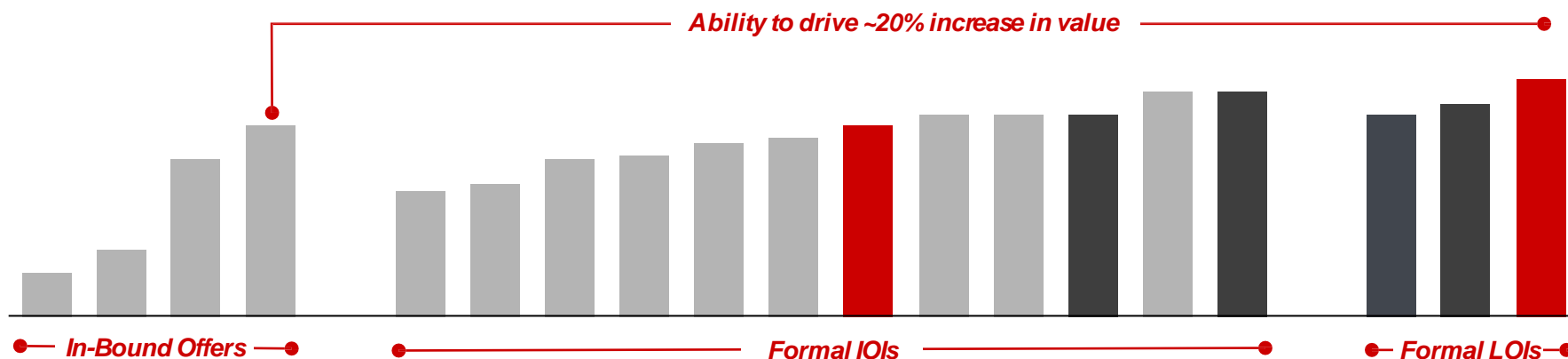
>30
*CIMs
Distributed*

>10
*Initial Bids
Received*



Sell-side Advisory Case Study: The 'Power of the Process'

Sell-side Advisory Highlights and Critical Steps Taken to Maximize Value



Pre-Process Preparation

- Early process preparation provided KBCM the optionality to launch a process when the market was right
- By preparing critical diligence items prior to launching, KBCM was able to address potential buyer concerns ahead of buyer diligence and accelerate the timeline post-launch

Marketing Launch Decision

- Upfront preparation allowed KBCM to launch a process when the M&A market recovered from the initial shock of the pandemic
- KBCM held several preliminary buyer conversations to gauge market interest and determine the correct process timing

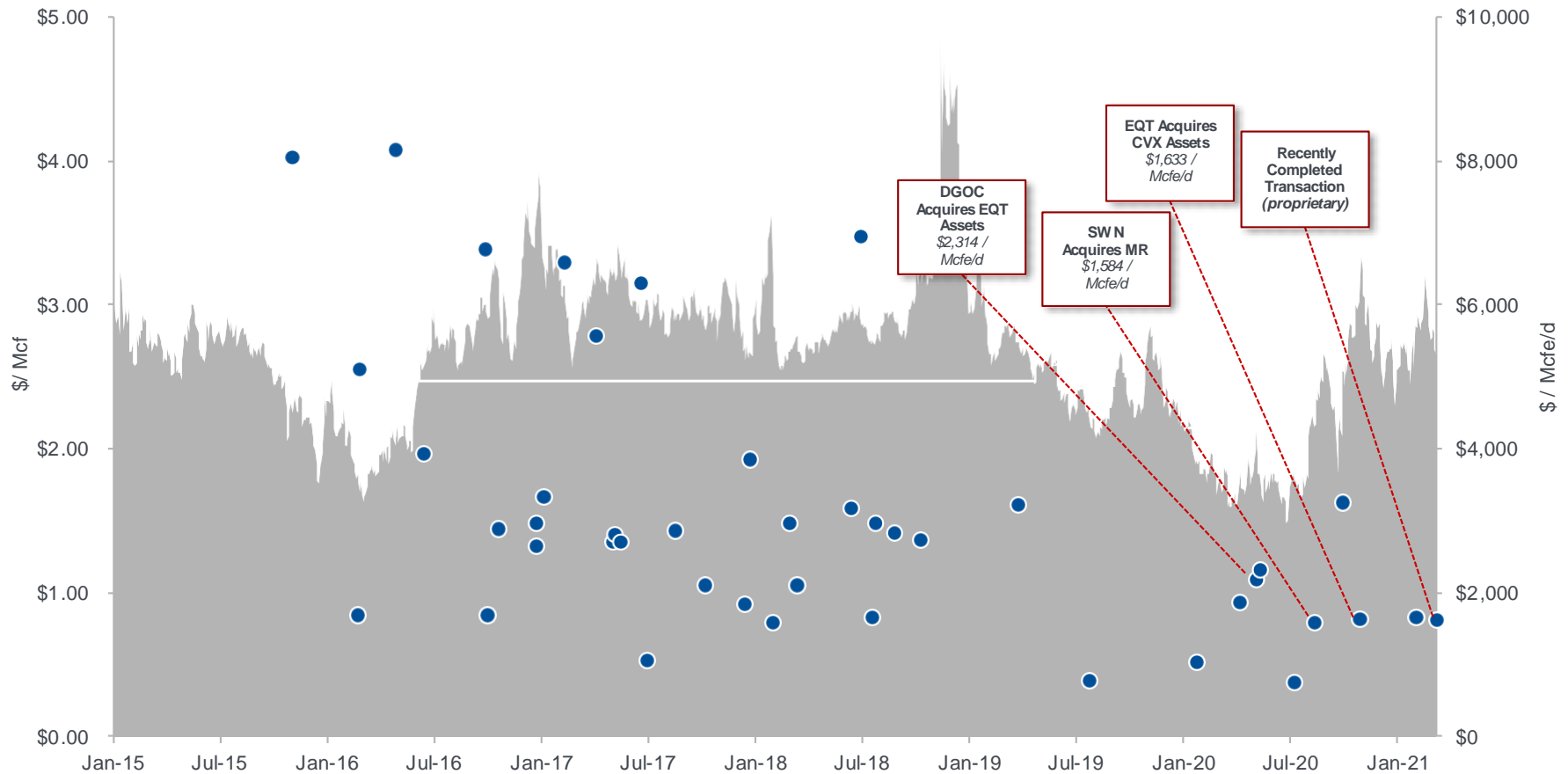
Competitive Tension

- KBCM was able to create and maintain competitive tension among potential buyers throughout the process
- Competitive tension enabled KBCM to generate ~20% increase in incremental transaction value

KeyBanc Capital Markets has a proven track record of maximizing value and certainty of close in similar energy processes

Recent Natural Gas A&D Valuation Metrics

Henry Hub vs. \$ per Flowing, Last Five Years¹



Source: Enverus, Thomas Reuters Eikon

¹Includes all Appalachia acreage, corporate, and property transactions > \$15.0 million since 01/01/15 for which transaction values are available (note: excludes transactions with \$ / Mcfe/d > \$20,000/Mcfe/d)