



1Q-23 Earnings 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 the coronavirus (“COVID-19”) pandemic, actions by the Organization of Petroleum Exporting Countries and other producing countries (“OPEC+”) and the Russian-Ukrainian military conflict, 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, such as the COVID-19 pandemic, 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, 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 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, 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.

Strong First-Quarter 2023 Performance

Exceeded high-end of production guidance for both oil and total production

- Production from both base and new wells exceeding expectations
- Increased full-year 2023 oil and total production guidance in April 2023
- Proprietary digital solutions providing production uplift through ESP and gas lift runtime improvements

Reported incurred capital expenditures below guidance

- Inflationary pressures moderating for key products and services
- Added four TILs to full-year 2023 through completion efficiencies
- Expect full-year 2023 capital expenditures to be at midpoint of guidance range

Announced accretive Midland Basin acquisition (Closed April 2023)

- 11,200 net acres in Upton and South Reagan counties
- Added 30 gross locations

Achieved 2025 emissions targets

- Disclosed preliminary greenhouse gas and methane intensity levels for 2022
- 2022 Scope 1 GHG intensity of 10.7 metric tons of CO₂ equivalent/MBOE versus 2025 target of 12.5
- 2022 methane intensity of 0.10% of natural gas produced versus 2025 target of 0.20%

Oil Production | MBO/d



Total Production | MBOE/d



Incurred Capital Expenditures | \$MM



Disciplined Strategy Underpins Long-Term Value Creation

 **Maintain** Capital Discipline

 **Generate** Free Cash Flow¹

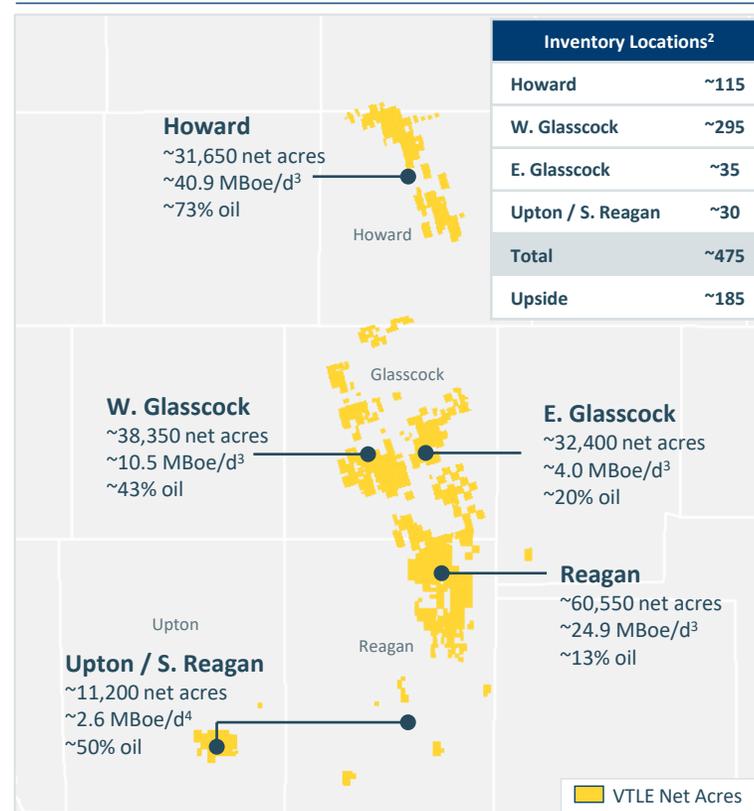
 **Target** Accretive Transactions

 **Reduce** Debt and Leverage

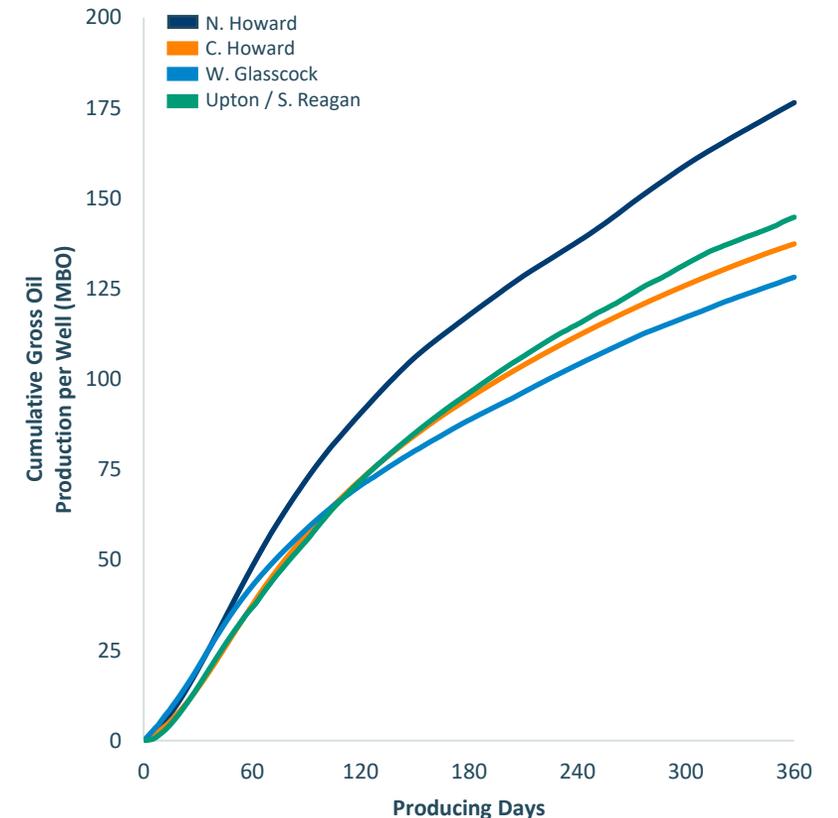
 **Advance** Sustainability

 **Integrate** Digital Solutions

Pure-Play Midland Basin Producer

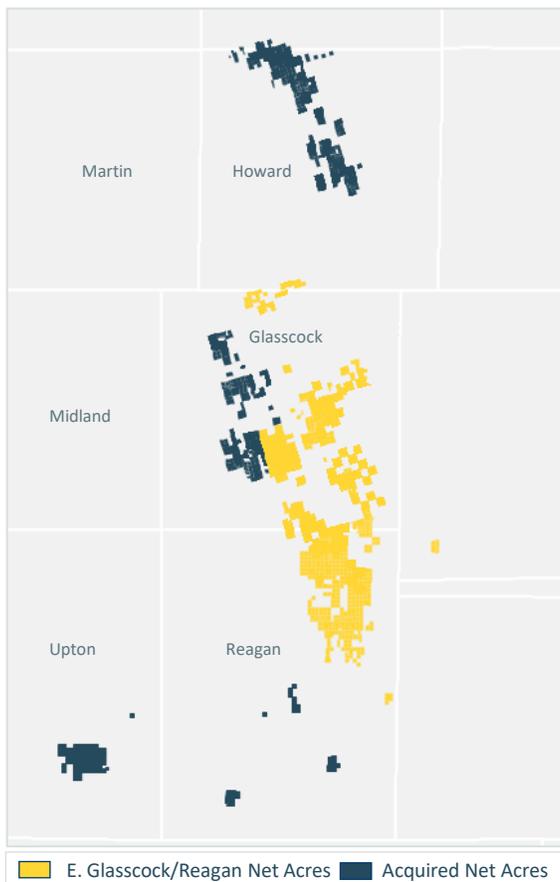


Strong Well Performance⁵ Across the Portfolio



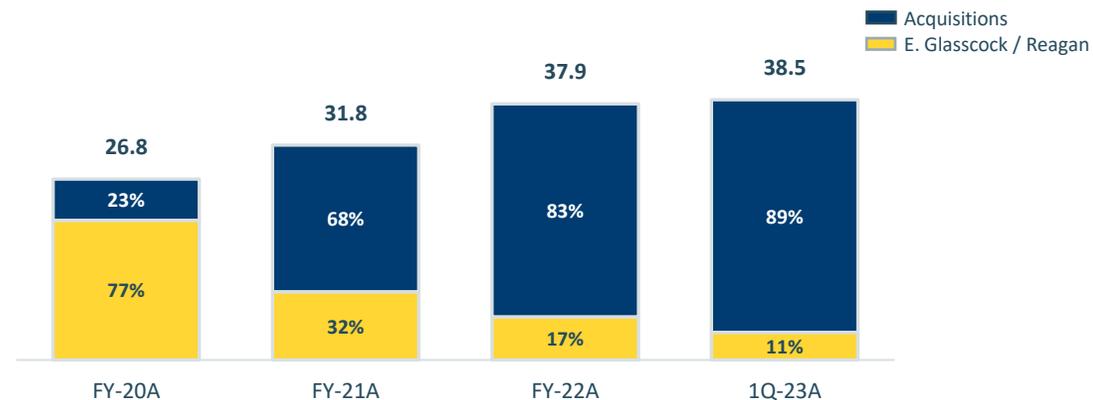
Accretive Transactions Driving Company Performance

Oil-Weighted Transactions | 4Q-19 - Current

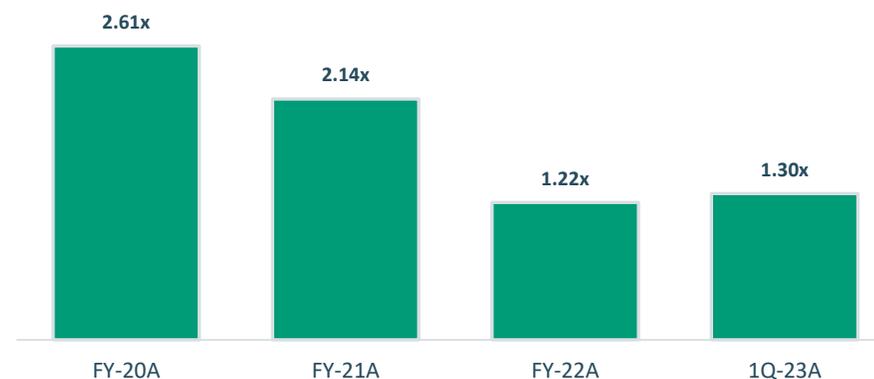


- 2019 ● **Initial Howard County**
(4Q-19) ~7,400 net acres
- 2019 ● **Initial W. Glasscock**
(4Q-19) ~4,475 net acres
- 2020 ● **Howard Bolt-On**
(1Q-20) ~1,100 net acres
- 2020 ● **Howard Bolt-On**
(4Q-20) ~2,750 net acres
- 2021 ● **Howard County**
(2Q-21) ~21,000 net acres
- 2021 ● **E. Glasscock / Reagan**
(2Q-21) WI Divestiture
- 2021 ● **W. Glasscock County**
(3Q-21) ~20,000 net acres
- 2022 ● **Howard Non-Op Divestiture**
(3Q-22) ~1,650 net acres
- 2023 ● **Upton / S. Reagan (Driftwood)**
(1Q-23) ~11,200 net acres

Oil Production Growth | MBO/d



Net Debt to Consolidated EBITDAX^{1,3} | 0.0x

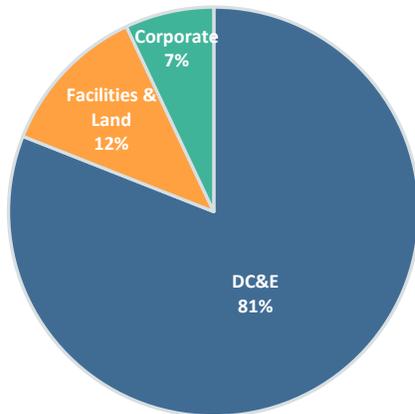


Capital Efficient 2023 Development Program

Full Year Capital Program

Guidance	FY-23E
Capital Expenditures \$MM	\$625 - \$675
Avg. Rig Count Op	~2.0
Avg. Frac Crew Op	~1.3
Spuds Op	~47 Gross (~42.8 Net)
Completions Op	~60 Gross (~57.2 Net)
Turn-in-Lines Op	~59 Gross (~56.5 Net)
Total Production MBOE/d	76.0 – 80.0
Oil Production MBO/d	36.3 – 39.3

Capital Allocation | FY-23E

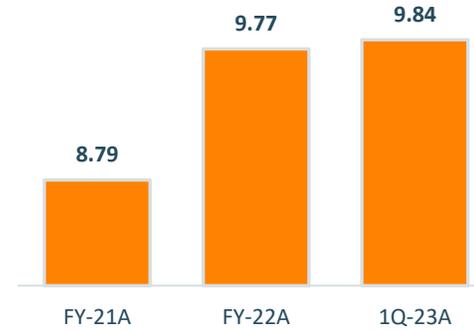


Continuous Improvement Drives Capital Efficient Program

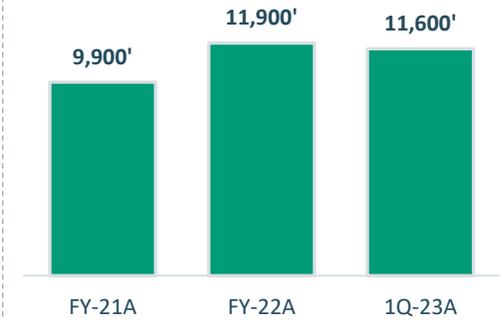
Drilling Ft. Per Day Per Rig



Completed Stages Per Day (Primary Crew)

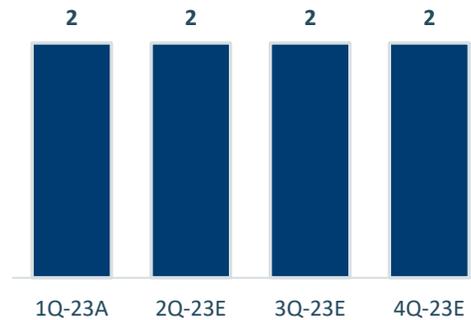


Avg. Completed Lateral Length

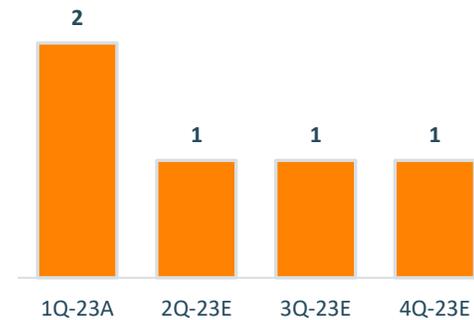


Operated Development Activity

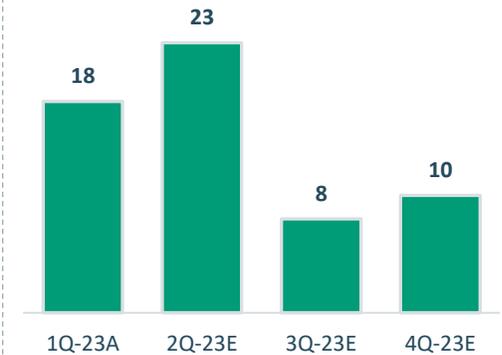
Rig Count |



Frac Crews |



Operated Turn-in-Lines |



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

ESG PROGRESS



42% REDUCTION
IN ROUTINE FLARING SINCE 2019



59% REDUCTION in SCOPE 1 GHG EMISSIONS INTENSITY SINCE 2019¹



89% 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 IMPLEMENTED 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

Achieved target during 2022

Progress Toward Emissions Targets Demonstrates Continued ESG Leadership

59% Reduction

2022 Scope 1 GHG Intensity
vs. 2019 Baseline

89% Reduction

2022 Methane Intensity¹
vs. 2019 Baseline

42% Reduction

2022 Routine Flaring
vs. 2019 Baseline

Zero Incidents

2022 Employee
Total Recordable Incident Rate

2022 ESG Highlights

- Achieved two of our three 2025 emission reduction targets in 2022
- 58% reduction in absolute emissions driven by pneumatics and monitoring
- 53% reduction in combined Scope 1 & Scope 2 GHG emissions intensity
- 1st Permian Basin operator with certified responsibly sourced production
- Lowest employee and contractor combined TRIR in Company history

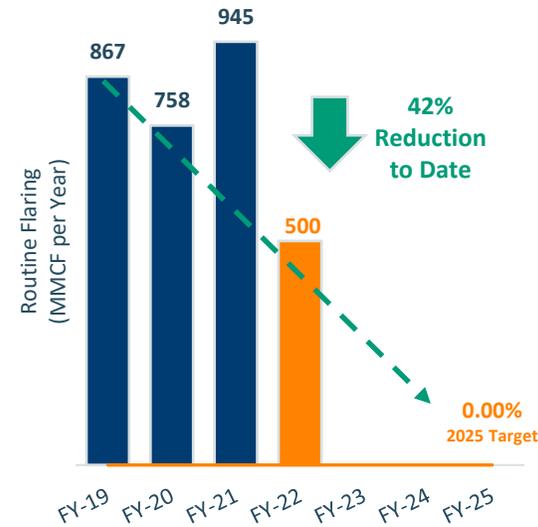
2025 Greenhouse Gas Intensity



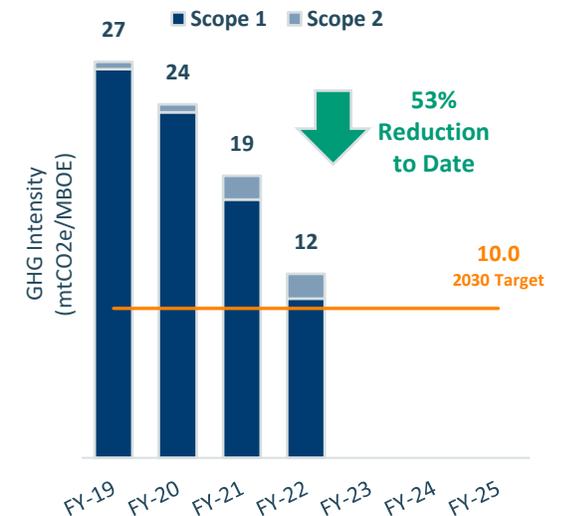
2025 Methane Intensity¹



2025 Elimination of Routine Flaring



2030 Greenhouse Gas Intensity

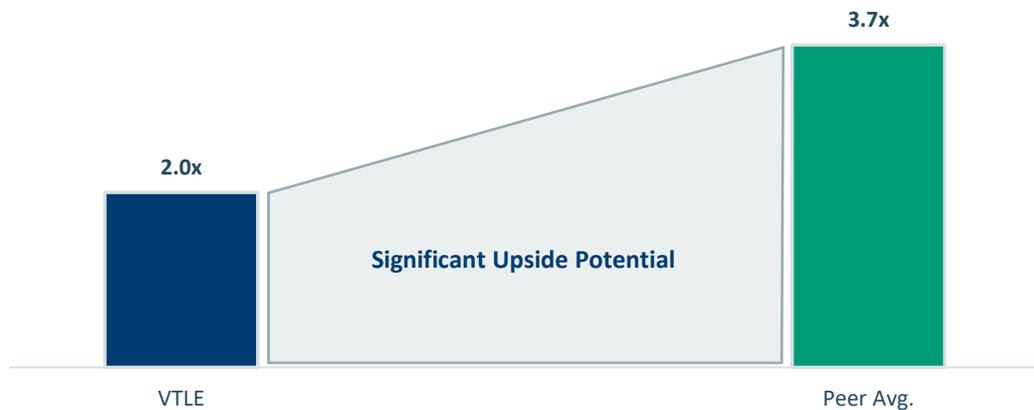


Compelling Investment Opportunity

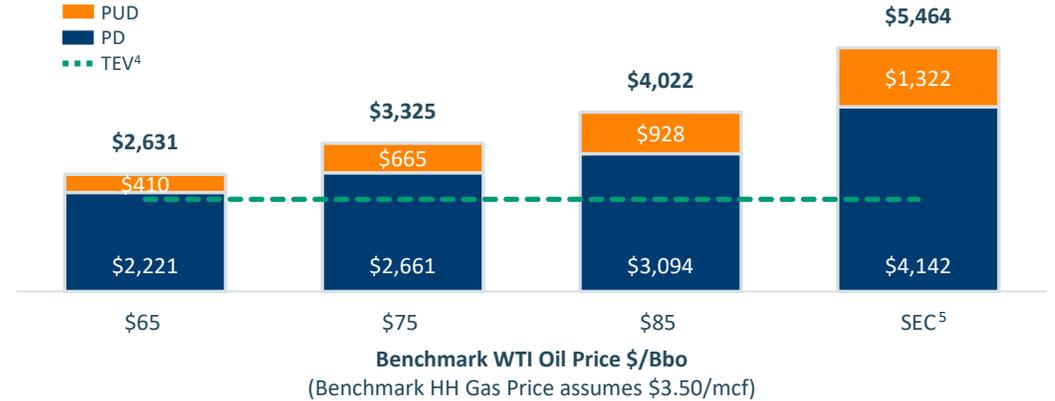
Enterprise Value to PDP Value Multiple^{1,2}



Enterprise Value to 2024 EBITDA Multiple^{1,2}



YE-22 PV-10³ Reserve Value Sensitivity | \$MM



FY-23E Consolidated EBITDAX^{3,6} Sensitivity | \$MM





Appendix

2Q-23 & FY-23 Guidance

Guidance

	2Q-23	FY-23
Production:		
Total Production (MBOE/D)	85.5 - 88.5	76.0 - 80.0
Crude Oil Production (MBO/D)	40.0 - 43.0	36.3 - 39.3
Incurred Capital Expenditures (\$MM):	\$155 - \$175	\$625 - \$675
Average Sales Price Realizations (excluding derivatives):		
Crude Oil (% of WTI)	101%	-
Natural Gas Liquids (% of WTI)	18%	-
Natural Gas (% of Henry Hub)	27%	-
Net Settlements Received (Paid) for Matured Commodity Derivatives (\$MM):		
Crude Oil (\$MM)	\$1	-
Natural Gas Liquids (\$MM)	-	-
Natural Gas (\$MM)	\$12	-
Operating Costs and Expenses (\$/BOE):		
Lease Operating Expenses	\$7.50	-
Production and Ad Valorem Taxes (% of Oil, NGL & Natural Gas Revenues)	7.00%	-
Transportation and Marketing Expenses	\$1.40	-
General and Administrative Expenses (excluding LTIP & Transaction Expense)	\$2.50	-
General and Administrative Expenses (LTIP Cash)	\$0.15	-
General and Administrative Expenses (LTIP Non-Cash)	\$0.35	-
Depletion, Depreciation and Amortization	\$12.75	-

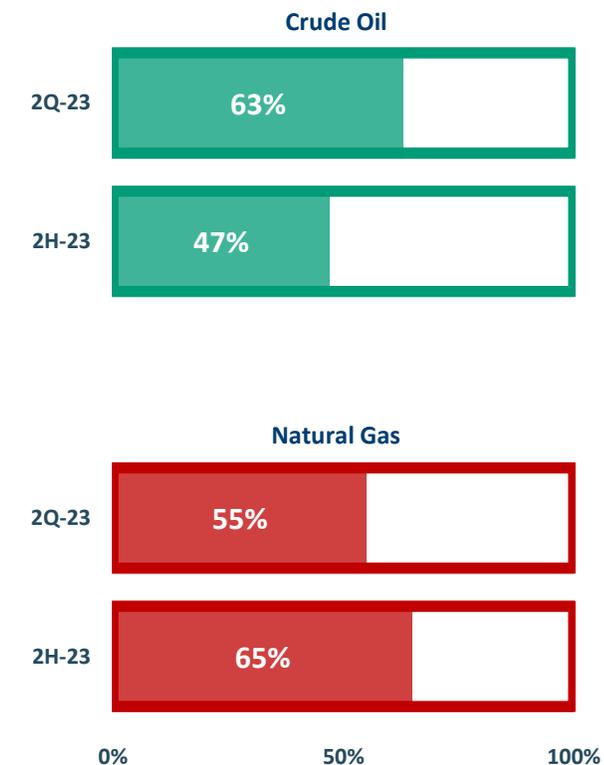
Commodity Prices Used for 2Q-23

	Apr-23	May-23	Jun-23	2Q-23 Avg.
Crude Oil:				
WTI NYMEX (\$/BBO)	\$79.44	\$71.28	\$71.18	\$73.94
Brent ICE (\$/BBO)	\$83.41	\$75.21	\$75.08	\$77.87
Natural Gas:				
Henry Hub (\$/MMBTU)	\$1.99	\$2.12	\$2.14	\$2.08
Waha (\$/MMBTU)	\$0.09	\$1.09	\$0.92	\$0.70
Natural Gas Liquids:				
C2 (\$/BBL)	\$8.84	\$8.35	\$8.14	\$8.44
C3 (\$/BBL)	\$33.91	\$27.96	\$29.09	\$30.29
IC4 (\$/BBL)	\$43.18	\$33.23	\$34.44	\$36.91
NC4 (\$/BBL)	\$40.17	\$32.17	\$32.87	\$35.04
C5+ (\$/BBL)	\$66.32	\$60.10	\$58.07	\$61.48
Composite (\$/BBL) ¹	\$27.91	\$23.88	\$24.05	\$25.27

Hedge Book Structured to Maintain Exposure to Higher Prices

		2Q-23	3Q-23	4Q-23	FY-23	1Q-24	2Q-24	3Q-24	4Q-24	FY-24
Crude Oil (Volume MBO; Price \$/BBL)	WTI Swaps	183	552	552	1,287	21	19	18	17	76
	Price	\$79.62	\$73.39	\$73.39	\$74.27	\$63.75	\$63.75	\$63.75	\$63.75	\$63.75
	WTI Collars	2,092	903	891	3,885	-	-	-	-	-
	Bought Put	\$68.04	\$69.55	\$69.60	\$68.75	-	-	-	-	-
	Sold Call	\$84.10	\$86.98	\$87.04	\$85.45	-	-	-	-	-
	WTI Three-Way Collars	110	100	92	301	61	56	52	49	217
	Sold Put	\$45.64	\$45.59	\$45.50	\$45.58	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
	Bought Put	\$57.76	\$57.72	\$57.64	\$57.71	\$66.57	\$66.50	\$66.47	\$66.45	\$66.51
	Sold Call	\$74.58	\$74.48	\$74.25	\$74.45	\$87.14	\$87.09	\$87.06	\$87.05	\$87.09
	WTI Midland Basis Swaps	129	175	154	458	82	75	70	66	293
Price	\$0.18	\$0.18	\$0.17	\$0.18	\$0.11	\$0.11	\$0.11	\$0.12	\$0.11	
Natural Gas (Volume MMBTU; Price \$/MMBTU)	Henry Hub Swaps	42,400	40,100	38,000	120,500	109,500	105,350	122,600	118,250	455,700
	Price	\$2.46	\$2.46	\$2.46	\$2.46	\$3.30	\$3.30	\$3.28	\$3.28	\$3.29
	Henry Hub Collars	6,692,589	6,858,873	6,826,534	20,377,996	243,128	214,333	169,320	149,511	776,292
	WTD Floor Price	\$4.11	\$4.11	\$4.11	\$4.11	\$3.40	\$3.36	\$3.44	\$3.40	\$3.40
	WTD Ceiling Price	\$8.31	\$8.33	\$8.34	\$8.32	\$6.11	\$6.00	\$6.22	\$6.12	\$6.11
	Henry Hub Three-Way Collars	71,500	35,500	33,500	140,500	-	-	-	-	-
	Sold Put	\$2.00	\$2.00	\$2.00	\$2.00	-	-	-	-	-
	Bought Put	\$2.50	\$2.50	\$2.50	\$2.50	-	-	-	-	-
	Sold Call	\$3.01	\$3.01	\$3.01	\$3.01	-	-	-	-	-
	Waha Basis Swaps	10,446,489	10,614,473	10,578,034	31,638,996	1,262,628	1,229,683	1,211,920	1,187,761	4,891,992
Price	(\$1.53)	(\$1.53)	(\$1.53)	(\$1.53)	(\$0.83)	(\$0.82)	(\$0.82)	(\$0.81)	(\$0.82)	

Volumes Hedged²



Free Cash Flow Driving Return of Capital and Debt Reductions

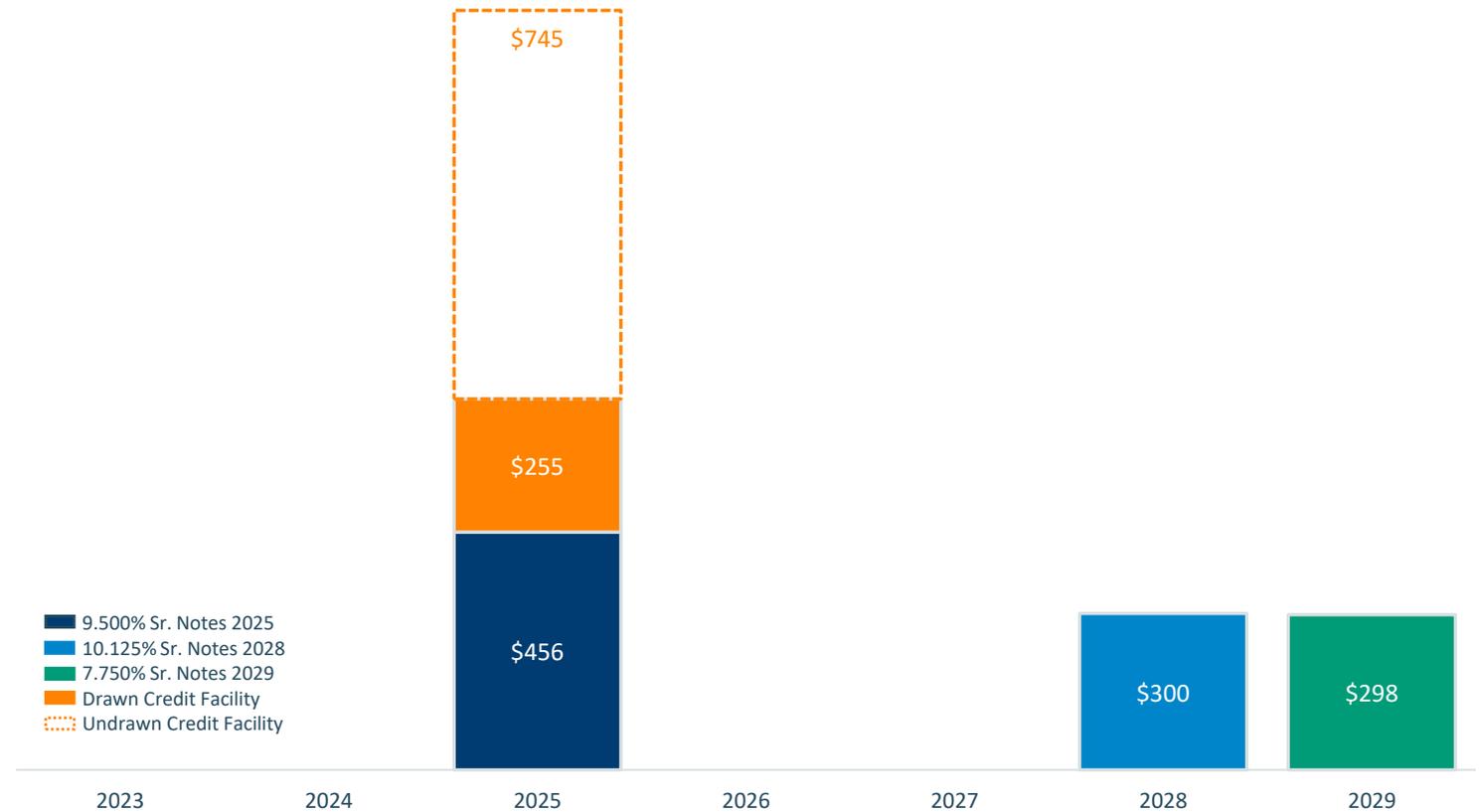
Current Debt Maturity Profile¹

\$1.3 billion
Borrowing Base (Credit Facility)

\$1.0 billion
Elected Commitments (Credit Facility)

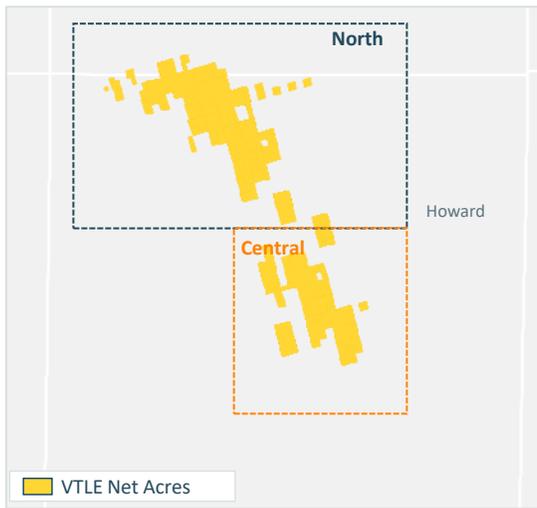
\$68 million
Current Cash Balance¹

\$813 million
Current Liquidity¹

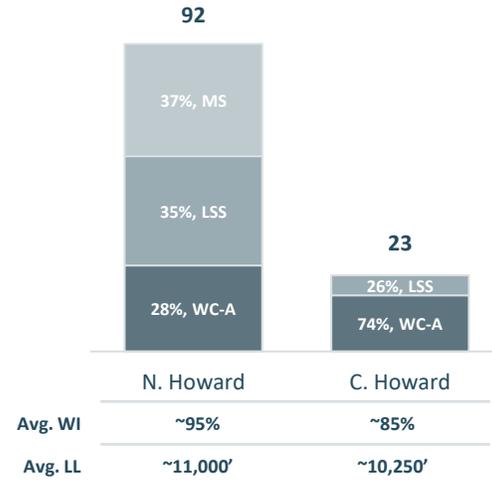


Howard County Development Program

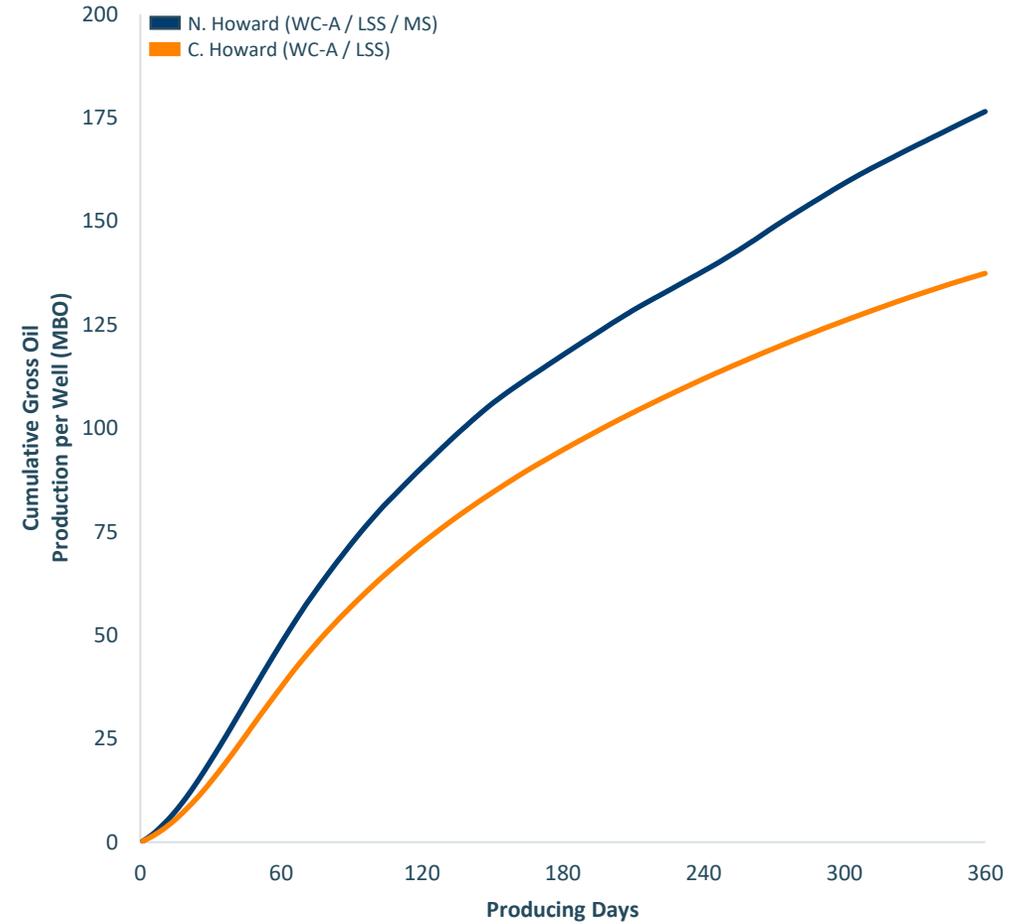
Development



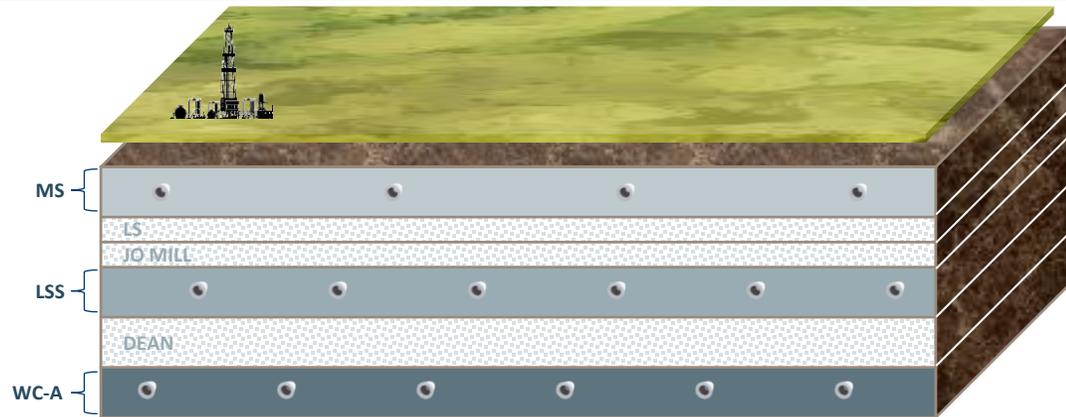
Inventory Locations¹



Average Well Performance²

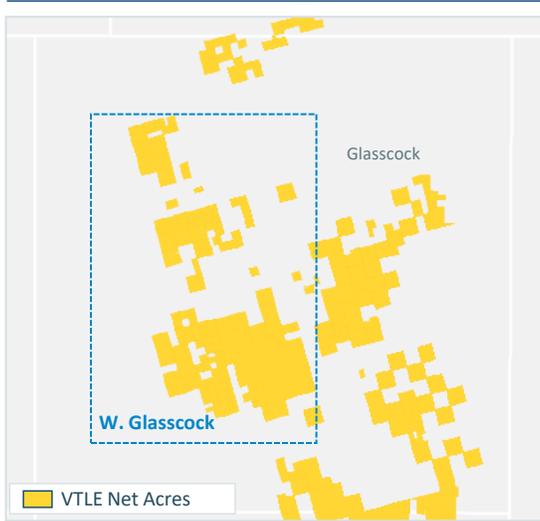


Primary Development Targets

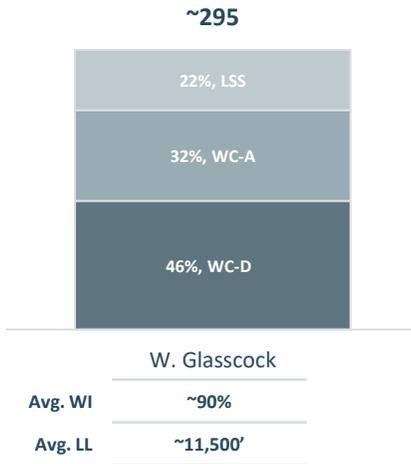


W. Glasscock County Development Program

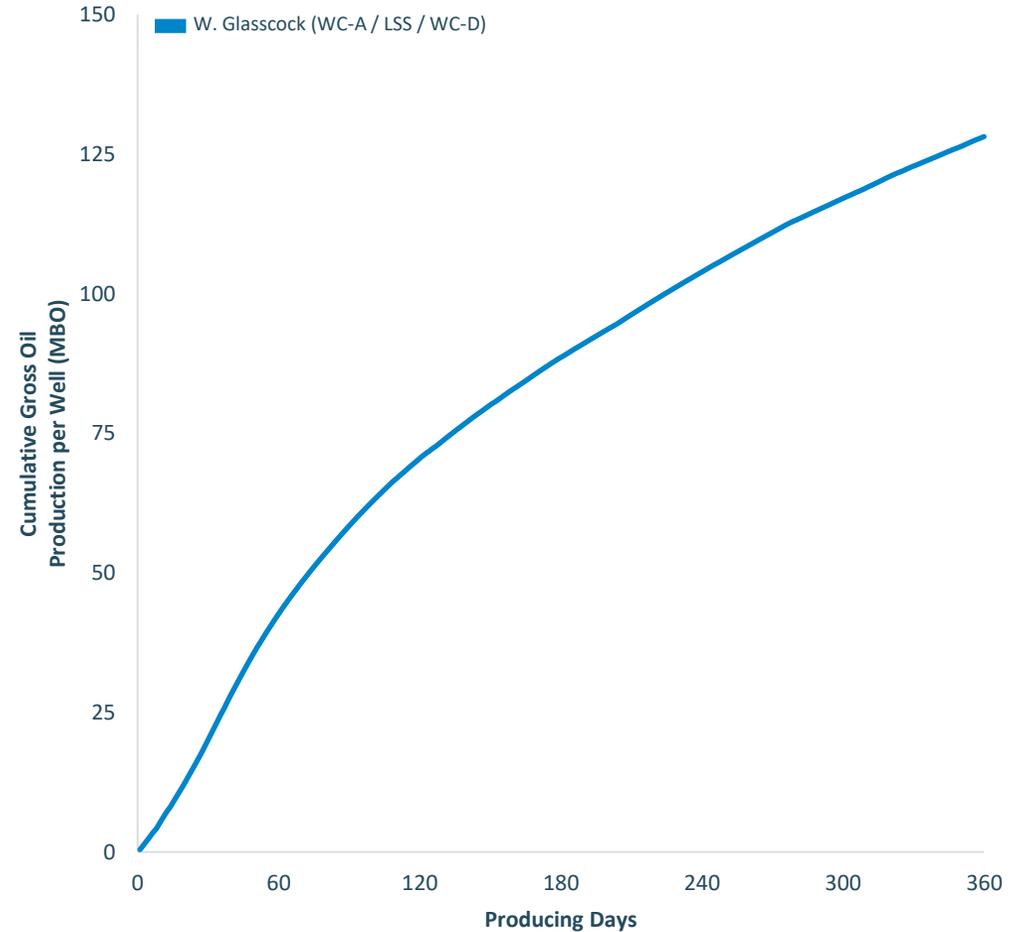
Development Area



Inventory Locations¹



Average Well Performance²

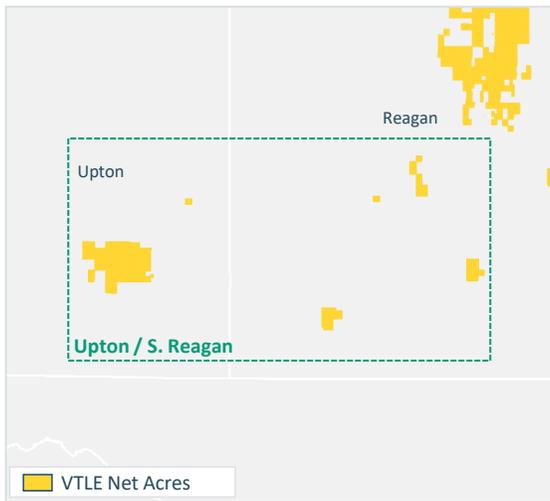


Primary Development Targets



Upton / S. Reagan County Development Program

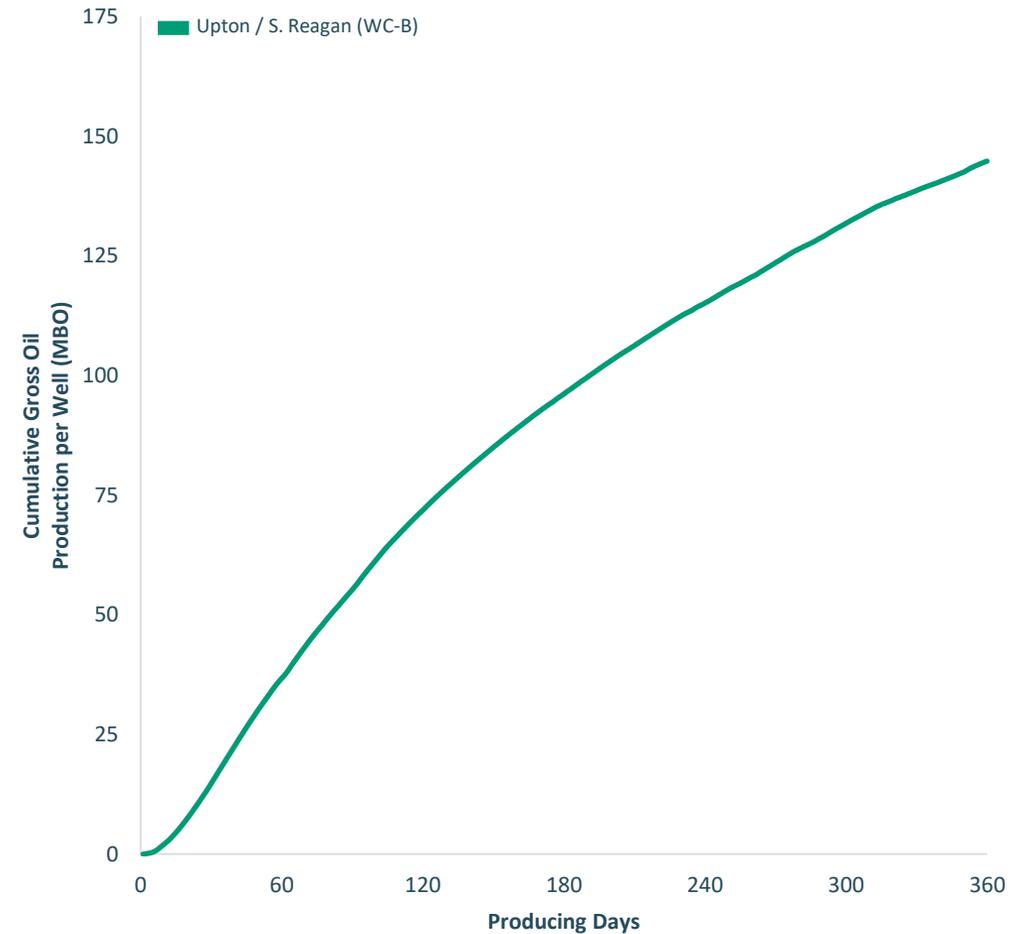
Development Area



Inventory Locations¹



Average Well Performance²

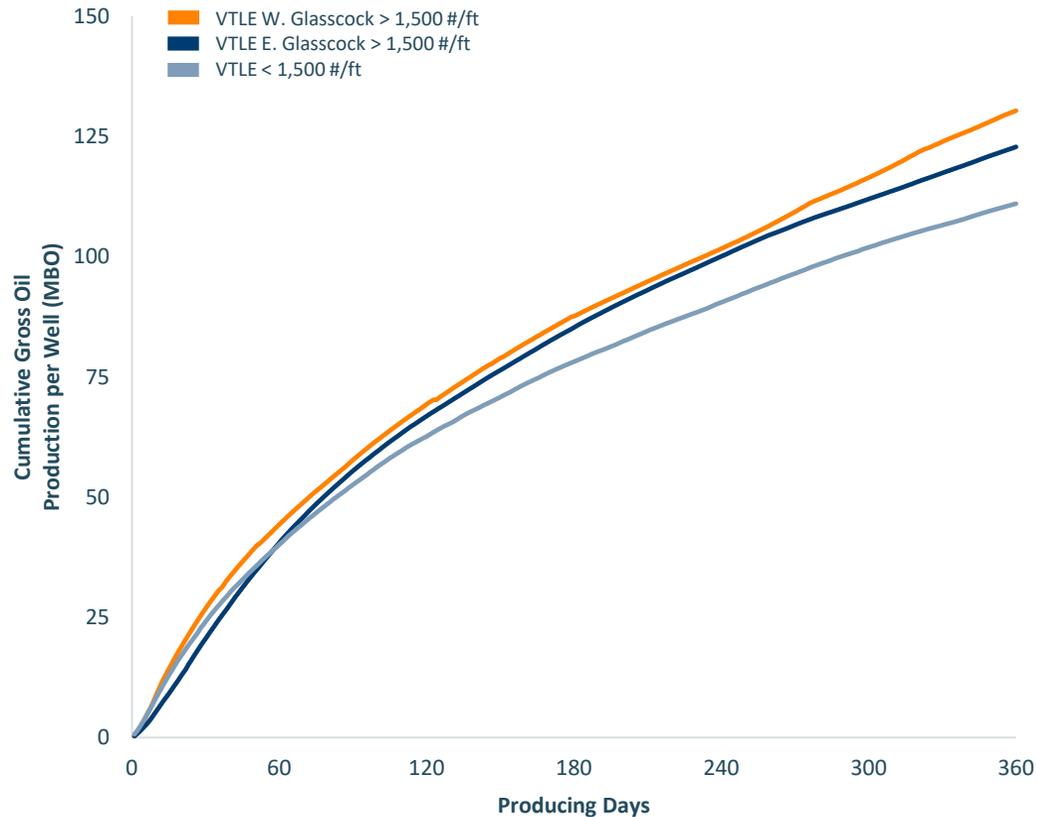


Primary Development Targets

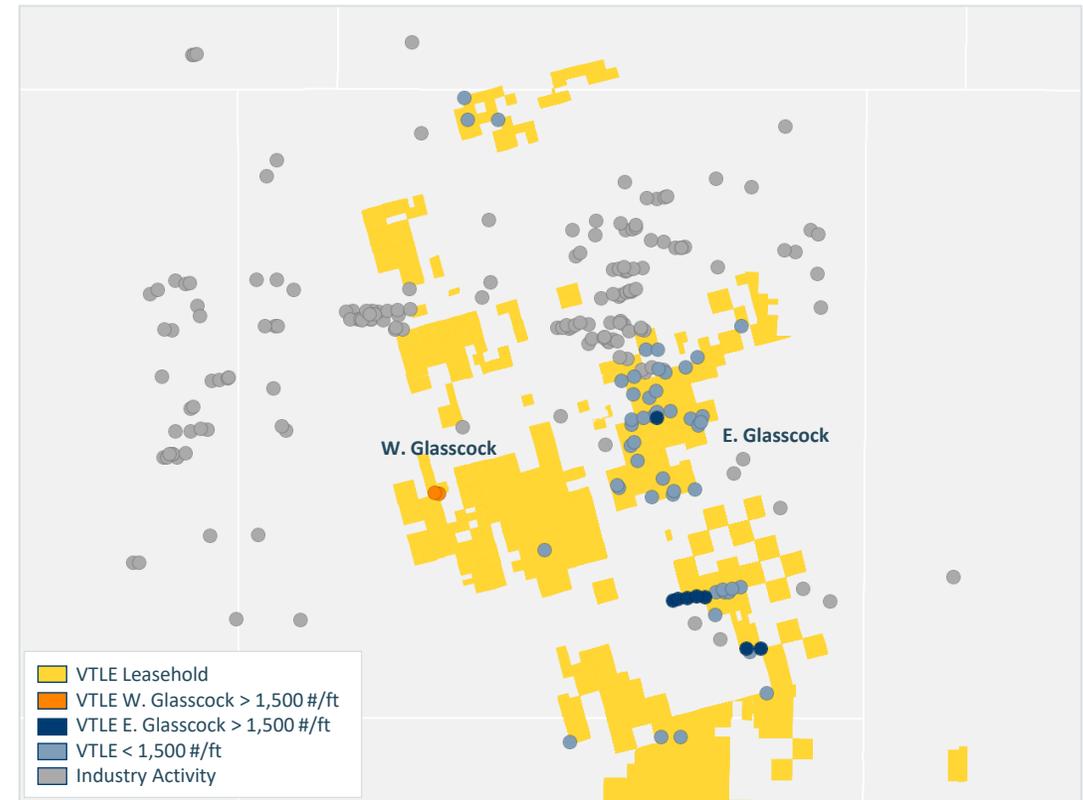


Wolfcamp D in Glasscock County Extends Oil-Weighted Inventory

Average Well Performance by Completion Design¹



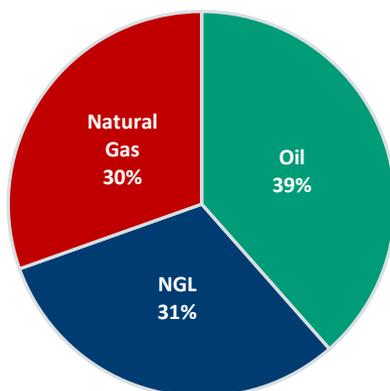
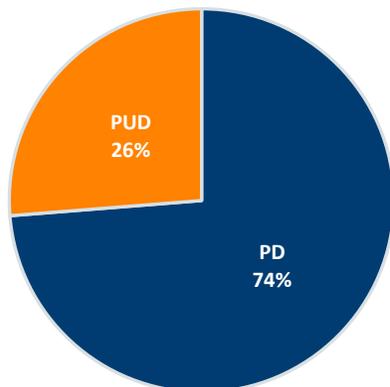
Wolfcamp D Producing Wells



Organically added ~80 oil-weighted Wolfcamp D locations in Glasscock County

Proved Reserves Underpin Company Value

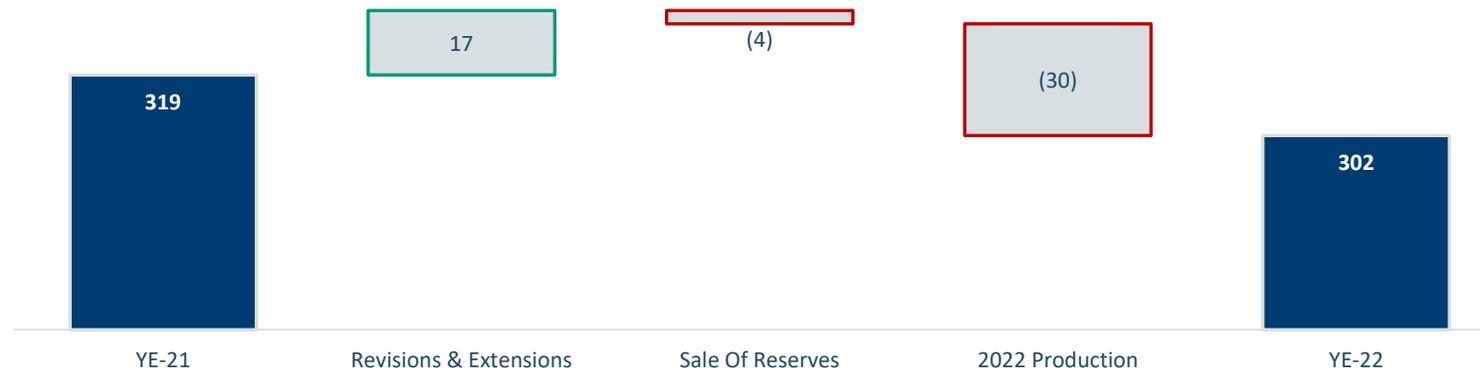
Proved Reserves Components | YE-22



Annual Base Production Decline Expectations¹

		FY-23	FY-24	FY-25
Howard	Oil, MBO/d	46%	33%	23%
Total Company		41%	27%	19%
Howard	Total Production, MBOE/d	41%	31%	22%
Total Company		29%	20%	15%

Total Proved Reserves | MMBOE



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:

<i>(in thousands, unaudited)</i>	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$116,125	\$170,882
Less:		
Net changes in operating assets and liabilities	(66,756)	(23,224)
General and administrative (transaction expenses)	(861)	—
Cash flows from operating activities before changes in operating assets and liabilities and non-budgeted acquisition costs	183,742	194,106
Less incurred capital expenditures, excluding non-budgeted acquisition costs:		
Oil and natural gas properties ⁽¹⁾	184,114	168,368
Midstream and other fixed assets ⁽¹⁾	3,530	2,531
Total incurred capital expenditures, excluding non-budgeted acquisition costs	187,644	170,899
Free Cash Flow (non-GAAP)	(\$3,902)	\$23,207

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 widely 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 (loss) (GAAP) to Consolidated EBITDAX (non-GAAP) for the periods presented:

<i>(in thousands, unaudited)</i>	Three Months Ended March 31,		Trailing Twelve Months ended March 31,
	2023	2022	2023
Net income (loss)	\$113,940	(\$86,781)	\$832,233
Plus:			
Share-settled equity-based compensation	2,572	2,053	8,922
Depletion, depreciation and amortization	86,779	73,492	324,927
Impairment expense	—	—	40
Organizational restructuring expenses	—	—	10,420
(Gain) loss on disposal of assets, net	(237)	260	582
Mark-to-market on derivatives:			
(Gain) loss on derivatives, net	(20,490)	325,816	(47,583)
Settlements paid for matured derivatives, net	(1,763)	(125,370)	(363,146)
Settlements received for contingent consideration	1,455	—	3,912
Accretion expense	899	1,019	3,759
Interest expense	28,554	32,477	121,198
Loss on extinguishment of debt, net	—	—	1,459
Income tax (benefit) expense	1,607	(877)	7,986
General and administrative (transaction expenses)	861	—	861
Consolidated EBITDAX (non-GAAP)	\$214,177	\$222,089	\$905,570
Transaction adjustments (Senior Secured Credit Facility covenant compliance) ¹			(21,562)
Consolidated EBITDAX (non-GAAP) (Senior Secured Credit Facility covenant compliance)¹			\$884,008

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:

<i>(in thousands, unaudited)</i>	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities	\$116,125	\$170,882
Plus:		
Interest expense	28,554	32,477
Current income tax expense	1,331	1,218
Net changes in operating assets and liabilities	66,756	23,224
General and administrative (transaction expenses)	861	—
Settlements received for contingent consideration	1,455	—
Other, net	(905)	(5,712)
Consolidated EBITDAX (non-GAAP)	\$214,177	\$222,089

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.

<i>(in thousands, unaudited)</i>	As of March 31,	
	2023	2022
Total senior unsecured notes	\$1,054,151	\$1,338,957
Senior Secured Credit Facility	120,000	100,000
Letters of credit	—	44,115
Total long-term debt	1,174,151	1,483,072
Less:		
Cash and cash equivalents	27,682	50,000
Net Debt (non-GAAP)	\$1,146,469	\$1,433,072

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.

Supplemental Non-GAAP Financial Measures

PV-10

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.

<i>(in millions)</i>	December 31, 2022
Standardized measure of discounted future net cash flows	\$4,755
Less present value of future income taxes discounted at 10%	(709)
PV-10 (<i>non-GAAP</i>)	\$5,464