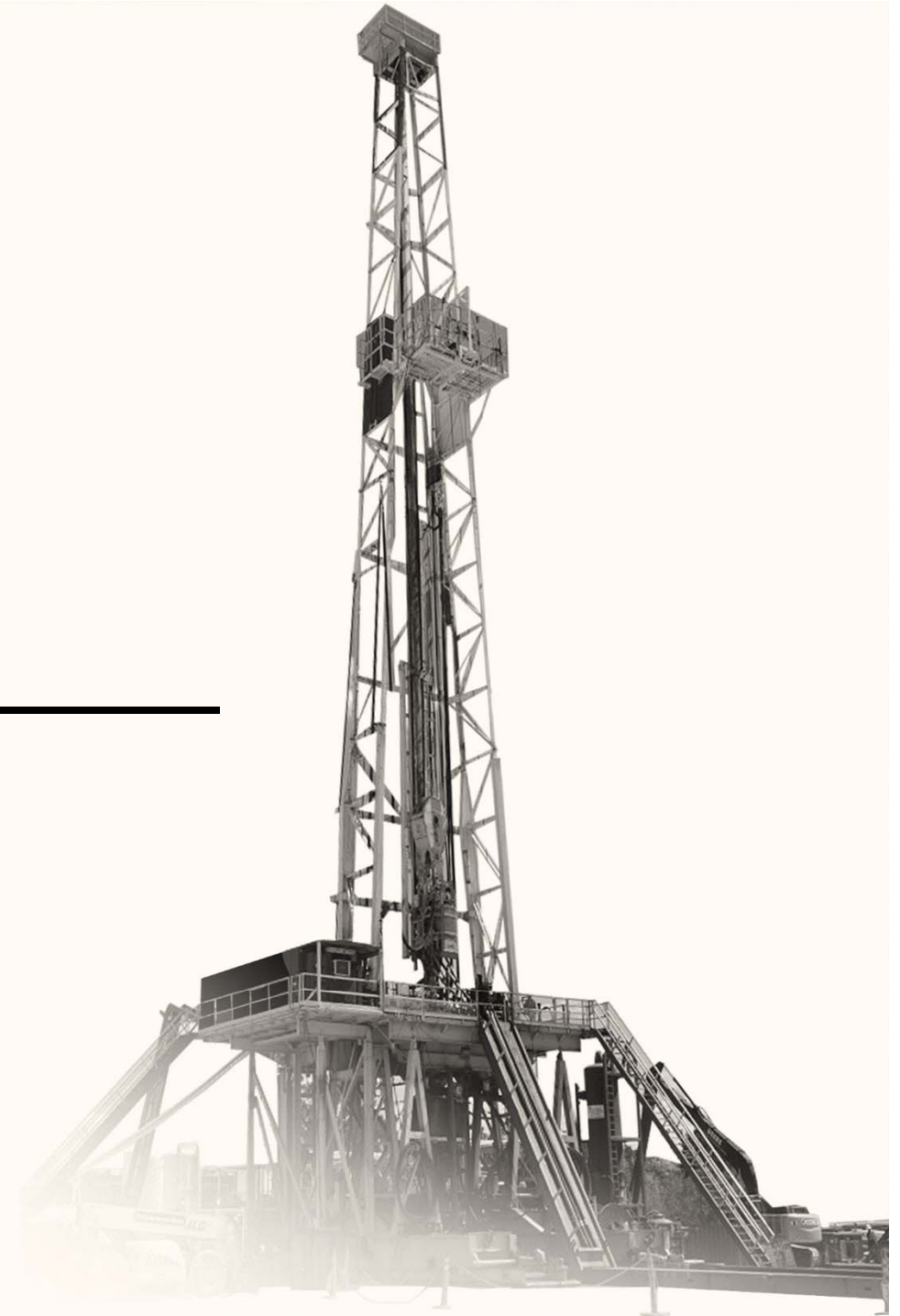




EARTHSTONE
Energy, Inc.

Investor Presentation

March 17, 2020



Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not strictly historical statements constitute forward-looking statements and may often, but not always, be identified by the use of such words such as "expects," "believes," "intends," "anticipates," "plans," "estimates," "guidance," "target," "potential," "possible," or "probable" or statements that certain actions, events or results "may," "will," "should," or "could" be taken, occur or be achieved. The forward-looking statements include statements about the expected future reserves, production, financial position, business strategy, revenues, earnings, costs, capital expenditures and debt levels of the Company, and plans and objectives of management for future operations. Forward-looking statements are based on current expectations and assumptions and analyses made by Earthstone and its management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors appropriate under the circumstances. However, whether actual results and developments will conform to expectations is subject to a number of material risks and uncertainties, including but not limited to: further and substantial declines in oil, natural gas liquids or natural gas prices; risks relating to any unforeseen liabilities; the level of success in exploration, development and production activities; adverse weather conditions that may negatively impact development or production activities; the timing of exploration and development expenditures; inaccuracies of reserve estimates or assumptions underlying them; revisions to reserve estimates as a result of changes in commodity prices; impacts to financial statements as a result of impairment write-downs; risks related to levels of indebtedness and periodic redeterminations of the borrowing base under the Company's credit agreement; Earthstone's ability to generate sufficient cash flows from operations to meet the internally funded portion of its capital expenditures budget; Earthstone's ability to obtain external capital to finance exploration and development operations and acquisitions; the ability to successfully complete any potential acquisitions and the risks related thereto; the impacts of hedging on results of operations; uninsured or underinsured losses resulting from oil and natural gas operations; Earthstone's ability to replace oil and natural gas reserves; and any loss of senior management or key technical personnel. Earthstone's 2019 Annual Report on Form 10-K and subsequent, quarterly reports on Form 10-Q and current reports on Form 8-K, and other Securities and Exchange Commission ("SEC") filings discuss some of the important risk factors identified that may affect Earthstone's business, results of operations, and financial condition. Earthstone undertakes no obligation to revise or update publicly any forward-looking statements except as required by law.

This presentation contains Earthstone's 2020 production, capital expenditure and operating expense guidance. The actual levels of production, capital expenditures and operating expenses may be higher or lower than these estimates due to, among other things, uncertainty in drilling schedules, changes in market demand and unanticipated delays in production. These estimates are based on numerous assumptions. All or any of these assumptions may not prove to be accurate, which could result in actual results differing materially from estimates. No assurance can be made that any new wells will produce in line with historical performance, or that existing wells will continue to produce in line with expectations. Earthstone's ability to fund its 2020 and future capital budgets is subject to numerous risks and uncertainties, including volatility in commodity prices and the potential for unanticipated increases in costs associated with drilling, production and transportation. For additional discussion of the factors that may cause us not to achieve our production estimates, see Earthstone's filings with the SEC, including its Form 10-K and any amendments thereto. We do not undertake any obligation to release publicly the results of any future revisions we may make to this prospective data or to update this prospective data to reflect events or circumstances after the date of this presentation. Therefore, you are cautioned not to place undue reliance on this information.

Industry and Market Data

This presentation has been prepared by Earthstone and includes market data and other statistical information from third-party sources, including independent industry publications, government publications or other published independent sources. Although Earthstone believes these third-party sources are reliable as of their respective dates, Earthstone has not independently verified the accuracy or completeness of this information. Some data are also based on Earthstone's good faith estimates, which are derived from its review of internal sources as well as the third-party sources described above.

Estimated Ultimate Recovery and Locations

Management's use of the term estimated ultimate recovery ("EUR") in this presentation describes estimates of potentially recoverable hydrocarbons that the SEC rules prohibit from being included in filings with the SEC. These are more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized, particularly in areas or zones where there has been limited or no drilling history. We include EUR to demonstrate what we believe to be the potential for future drilling and production by Earthstone.

Actual quantities that may be ultimately recovered may differ substantially from estimates. Factors affecting ultimate recovery include the scope of the operators' ongoing drilling programs, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, regulatory approvals and other factors, and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of potential resources may also change significantly as the development of the properties underlying Earthstone's mineral interests provides additional data. This presentation also contains Earthstone's internal estimates of its potential drilling locations, which may prove to be incorrect in a number of material ways. The actual number of locations that may be drilled may differ substantially.

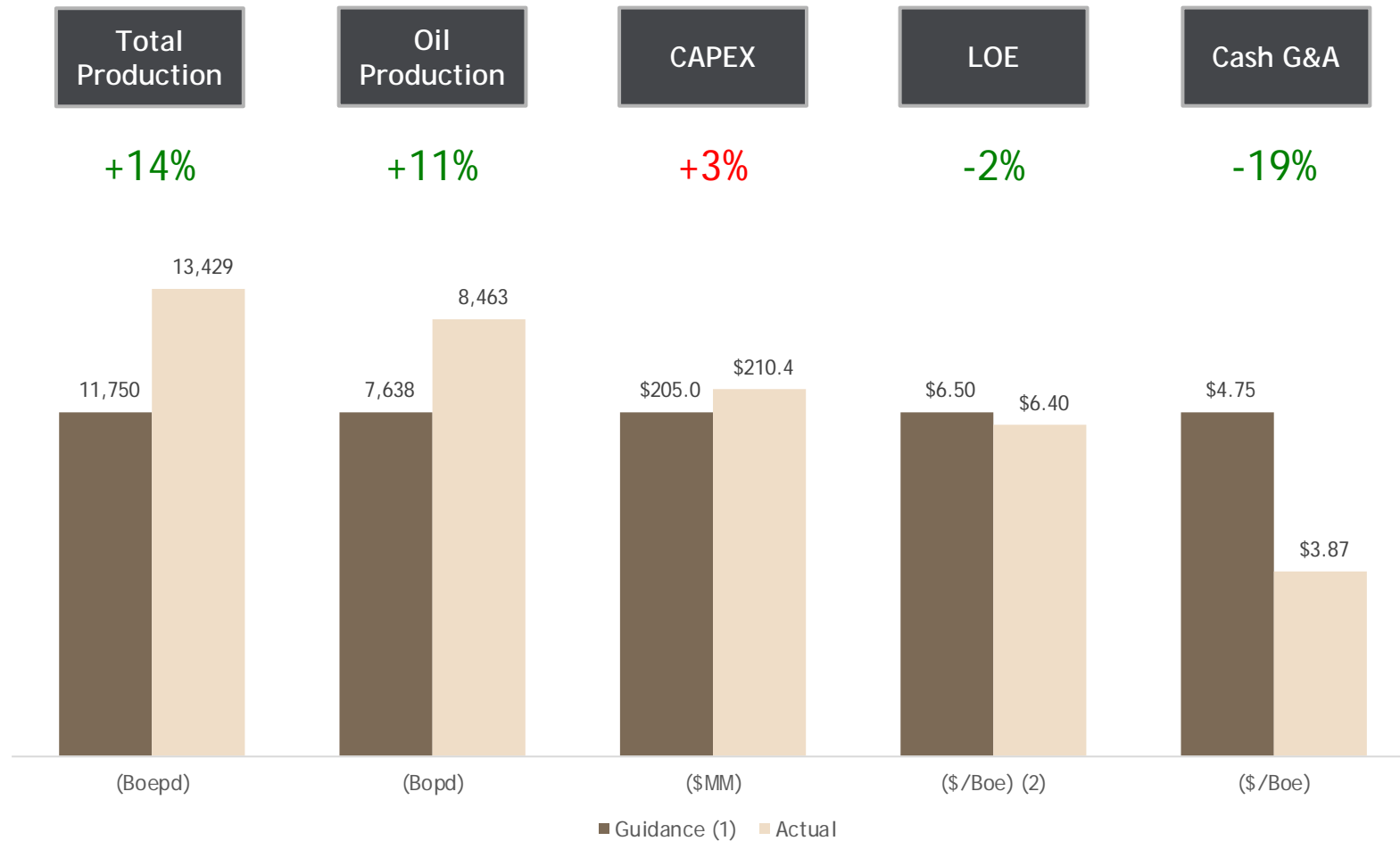
Investment Highlights: Leading Small-Cap, Permian Focused Producer

Top Investment Criteria		Earthstone's Qualifications
Basin & Acreage Position	✓	High quality, Midland Basin acreage position
Low Leverage	✓	Conservative balance sheet with ~1.0x leverage ⁽¹⁾
High Commodity Price Protection	✓	81% of 2020 oil production hedges at fixed price of ~\$61 per barrel WTI price (\$90.3mm MTM of hedge book as of 3/16/20)
High Margin, Low Cost Production	✓	Top quartile cash margins & leading cost structure with ~\$13.50 per Boe of all-in cash costs ⁽²⁾
Commitment & Focus	✓	"Do the right thing" commitment to stakeholders, employees and environment

(1) Reflects 4Q19 total debt / 4Q19 Annualized EBITDAX of 0.9x

(2) All-in cash costs measured for full year 2019 and includes lease operating expenses, ad valorem and production taxes, transportation expense, cash G&A expense and interest expense. Excludes impact of income taxes

Delivering Results - 2019 Results vs. Guidance

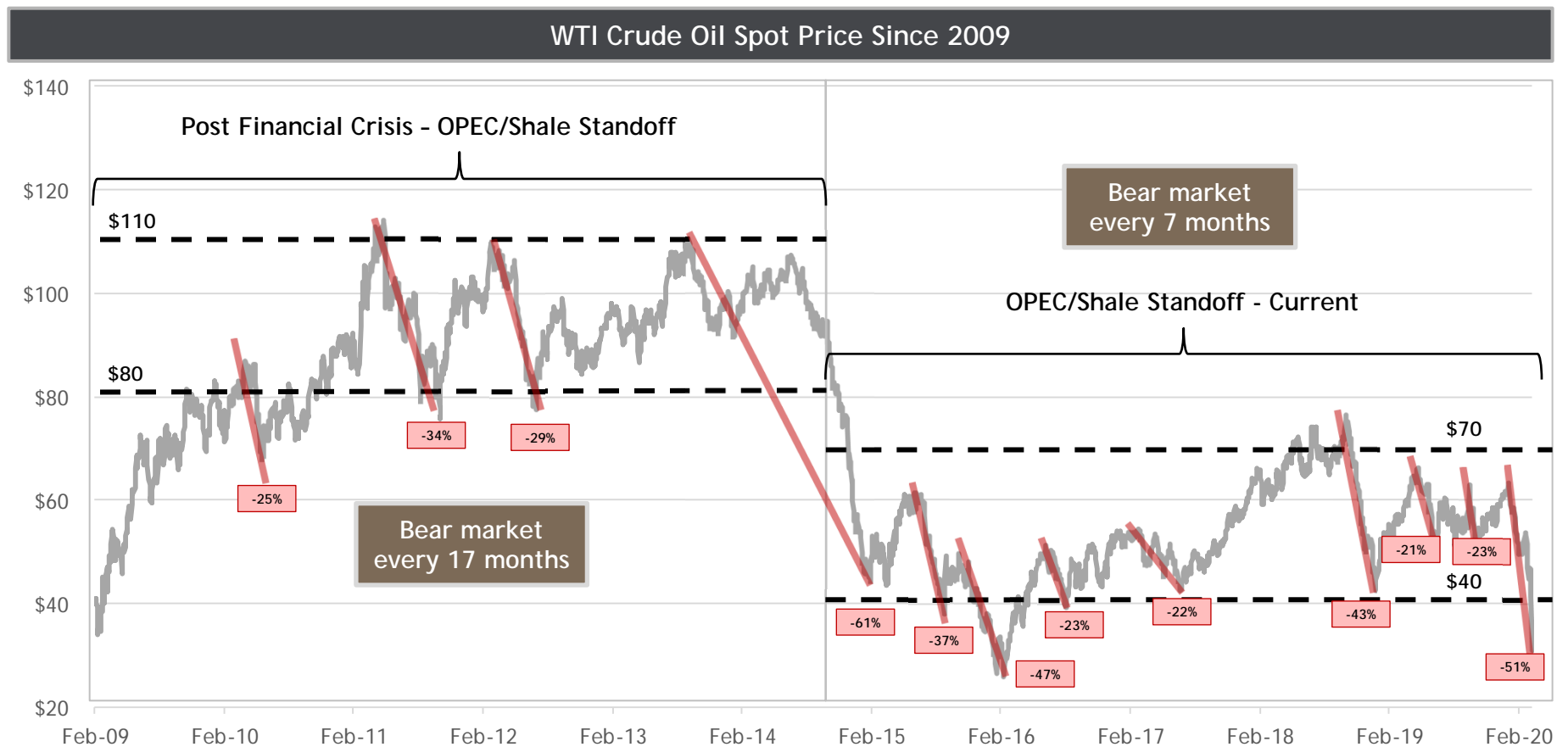


(1) Based on midpoint of FY2019 guidance where applicable

(2) Reflects lease operating expenses calculated based on prior methodology (including ad valorem tax). Reported LOE is \$0.55 lower due to accounting change by removing ad valorem tax

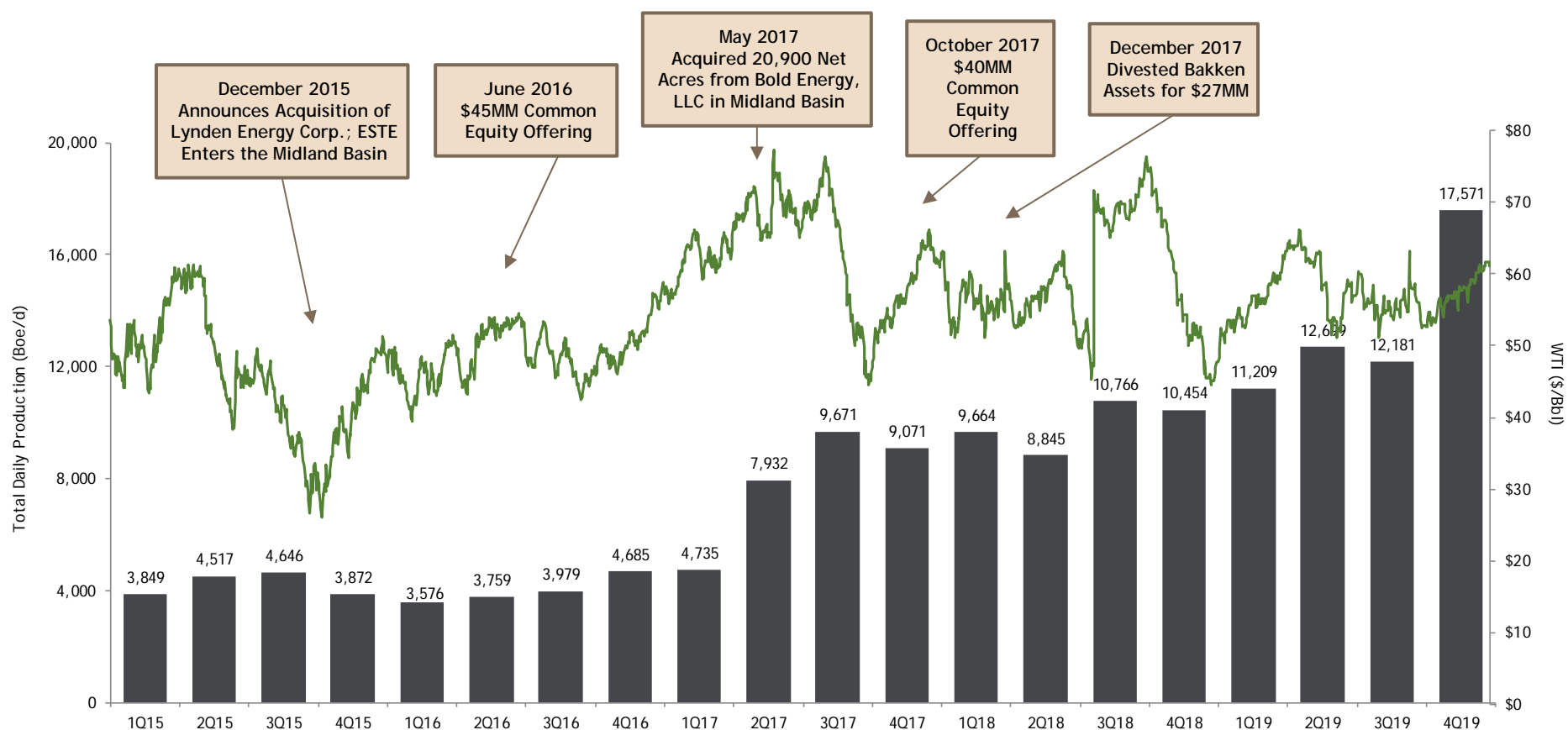
Oil Price Volatility Requires Focused Business Strategy

- WTI trading in range of \$40-70 per barrel vs. \$80-110 per barrel since OPEC / Shale standoff commenced in 2H 2014
 - Industry re-gearred cost structure and improved efficiencies to create sustainability / profitability
- Commodity cycle velocity has doubled: Bear market (-20% WTI price) has occurred every 7 months vs. every 17 months, including 4x since November 2018
- Business strategy must account for lower oil price and higher volatility



Source: Factset data as of 3/9/2020

Managing Through Oil Price Volatility



	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
EBITDAX (\$MM)	\$5	\$9	\$8	\$4	\$2	\$5	\$3	\$7	\$5	\$15	\$19	\$22	\$25	\$21	\$26 ⁽³⁾	\$24	\$32	\$34	\$30	\$50
Capex (\$MM) ⁽¹⁾	\$19	\$29	\$18	\$3	\$2	\$4	\$9	\$13	\$4	\$6	\$20	\$39	\$33	\$35	\$52	\$30	\$48	\$31	\$78	\$58
Total Debt / LQA EBITDAX	0.5x	0.3x	0.4x	0.6x	1.4x	0.8x	1.3x	0.5x	0.7x	1.2x	1.0x	0.3x	0.3x	0.3x	0.3x	0.8x	0.9x	0.8x	1.0x	0.9x
Liquidity (\$MM) ⁽²⁾	\$128	\$113	\$110	\$92	\$74	\$84	\$89	\$80	\$80	\$97	\$91	\$183	\$166	\$207	\$203	\$197	\$155	\$221	\$210	\$169
Liquidity %	92%	91%	91%	89%	87%	89%	90%	89%	89%	58%	57%	88%	85%	90%	85%	71%	56%	67%	63%	50%

Source: ESTE management, FactSet, public filings

(1) Reflects additions to oil and gas properties

(2) Liquidity defined as revolver availability plus cash

(3) Adjusted 3Q'2018 EBITDAX of 26.4MM includes a one-time legal settlement expense of -\$4.8MM; Annualized 3Q'2018 adjusted EBITDAX calculated by multiplying the pre-legal settlement 3Q'2018 adjusted EBITDAX of \$31.2MM by three and adding \$26.4MM

Company Overview

- The Woodlands, Texas based E&P company focused on development and production of oil and natural gas with current operations in the Midland Basin (~29,100 core net acres) and the Eagle Ford (~14,500 core net acres)
- Strategy of growing through the drill bit, organic leasing, and attractive asset acquisitions and business combinations
- 2019 4Q production of 17,571 Boe/d (66% oil, 86% liquids)⁽¹⁾

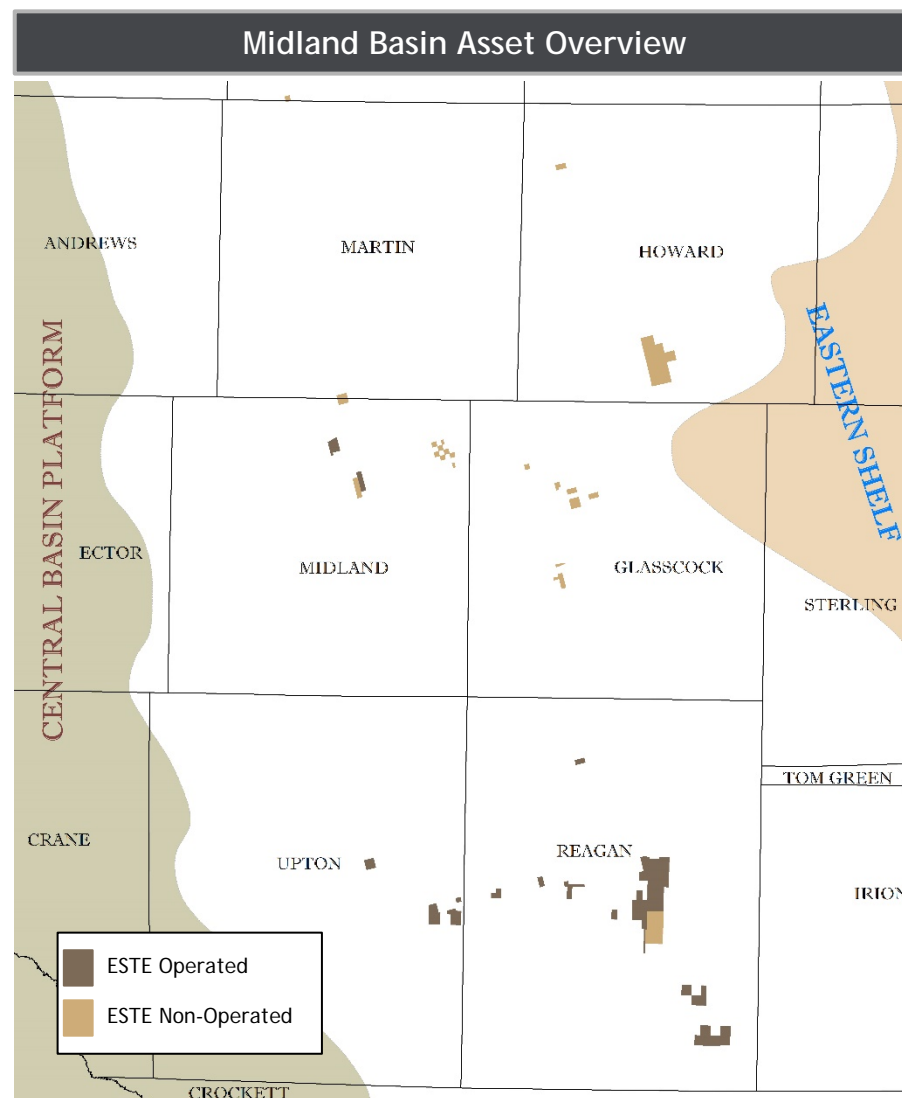
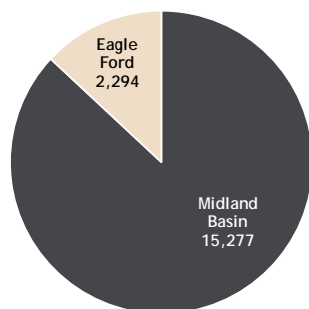
Market Statistics⁽²⁾

(\$ in millions, except share price)

Class A Common Stock (MM)	29.5
Class B Common Stock (MM)	35.3
Total Common Stock Outstanding (MM)	64.8
Stock Price (as of 3/16/20)	\$1.87
Market Capitalization	\$121.1
Plus: Total Debt (as of 12/31/19)	\$170.0
Less: Cash (as of 12/31/19)	(13.8)
Enterprise Value	\$277.3

Production Summary⁽¹⁾

4Q19 Net Sales Volumes: 17,571 Boe/d

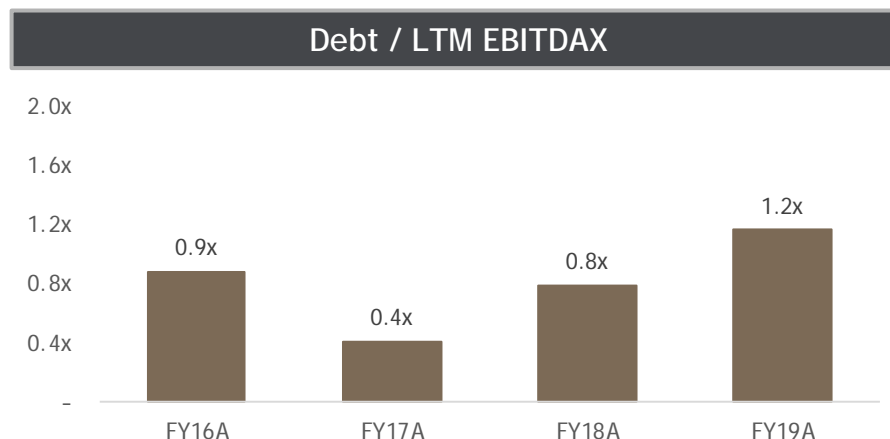
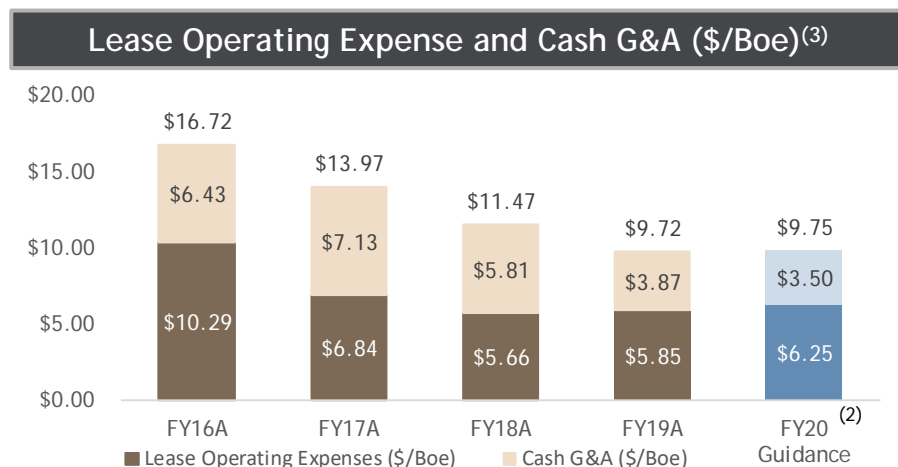
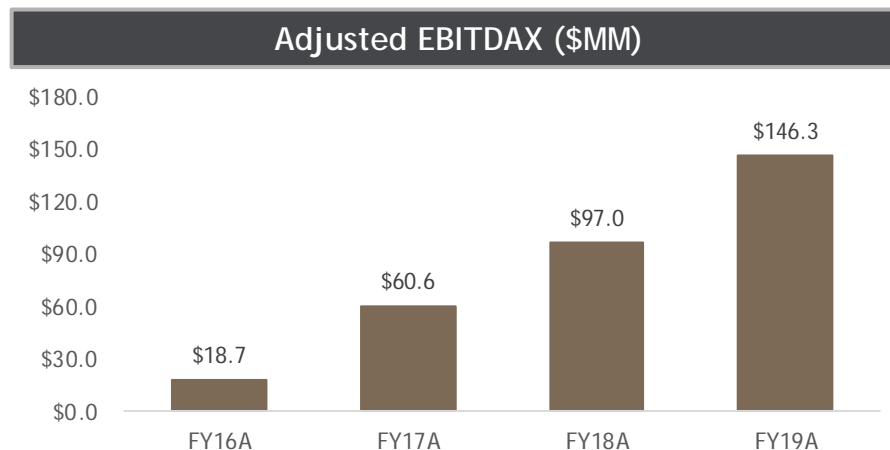
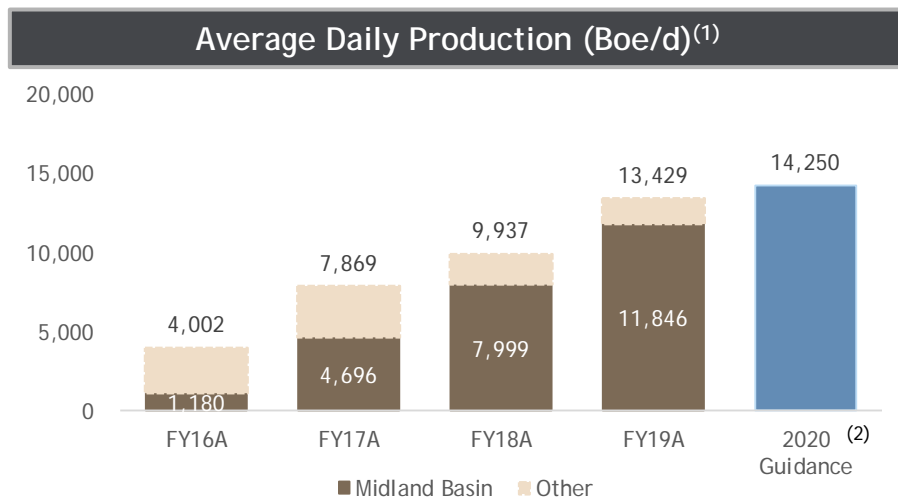


(1) Reflects reported sales volumes

(2) Class A and Class B Common Stock outstanding as of 3/5/20. Total debt and cash balances as of 12/31/19

Midland Basin Growth Story

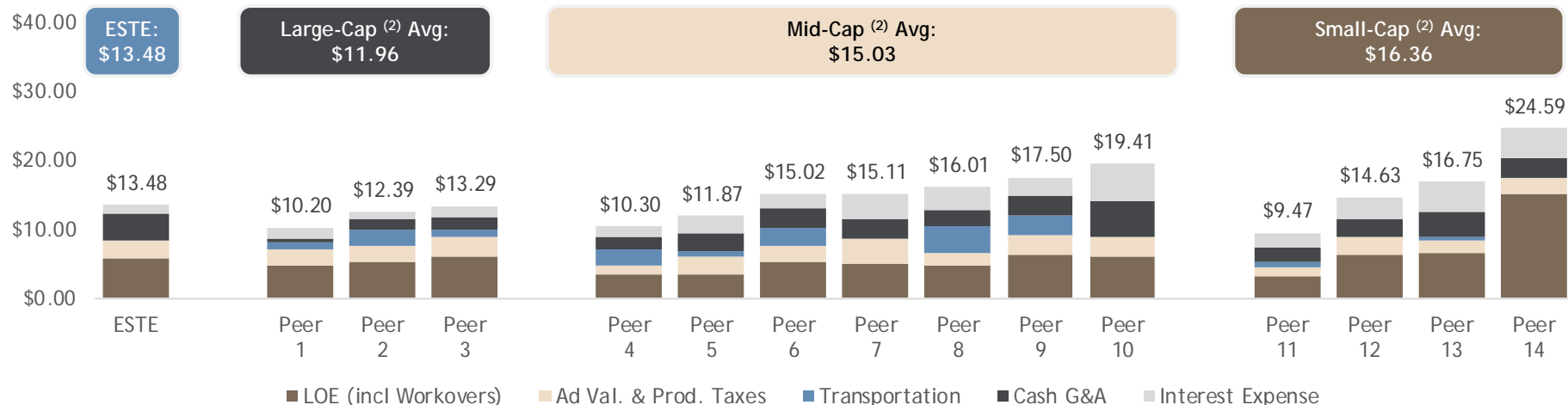
- Since entering the Midland Basin in 2016, Earthstone has substantially increased production, proved reserves and core acreage while maintaining low leverage and preserving financial flexibility
- The Company has meaningfully derisked its current position through the drill bit while significantly increasing its production



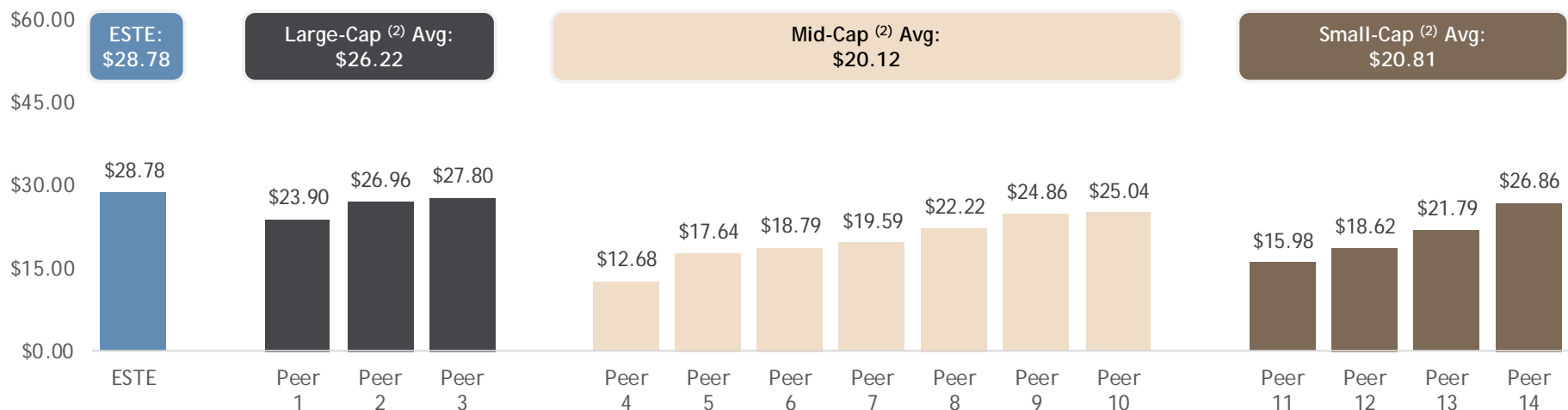
(1) Represents reported sales volumes
 (2) Reflects midpoint of FY2020 revised guidance
 (3) Excludes stock-based compensation

Low Cost Production Generates Leading Cash Margins

FY19 All-in Cash Costs (\$/Boe) ⁽¹⁾



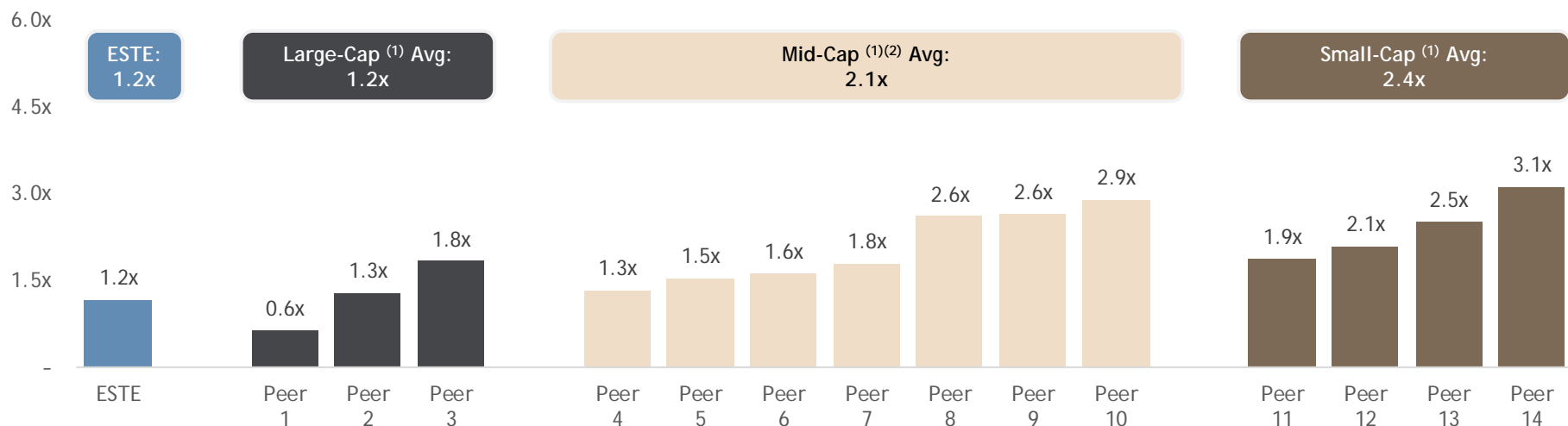
FY19 All-in Cash Margin (\$/Boe) ⁽¹⁾



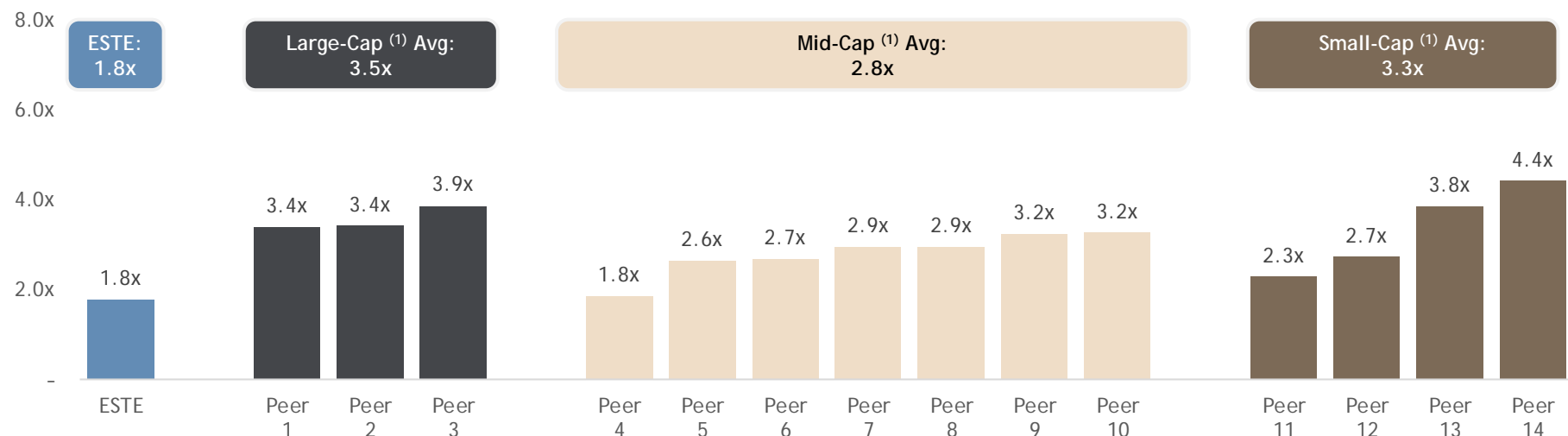
(1) All-in cash margin calculated on a per Boe basis as revenues after realized hedge impact less all-in cash costs, which consists of LOE, ad valorem and production taxes, transportation expense, cash G&A expense and interest expense. Excludes impact of income taxes. Cash G&A and interest expense includes expensing of capitalized cash G&A and capitalized interest expense, respectively. Companies that capitalized a portion of their cash G&A and/or interest expense include CDEV, CPE, CXO, FANG, and MTDR
 (2) Large-Cap includes: CXO, FANG, PXD. Mid-Cap includes: CDEV, CPE, MTDR, SM, PE, WPX, XEC. Small-Cap includes: AXAS, LPI, ROSE, REI. AXAS, ROSE and REI have not reported 4Q19 financials and are based on YTD3Q19 results; all other peers based on reported FY19 financial results

Leading Leverage Metrics but Undervalued Equity Trading

YE19 Total Debt / LTM EBITDAX



Enterprise Value to 2020E EBITDAX



Source: Factset, Wall Street research. Market Data as of 3/16/20

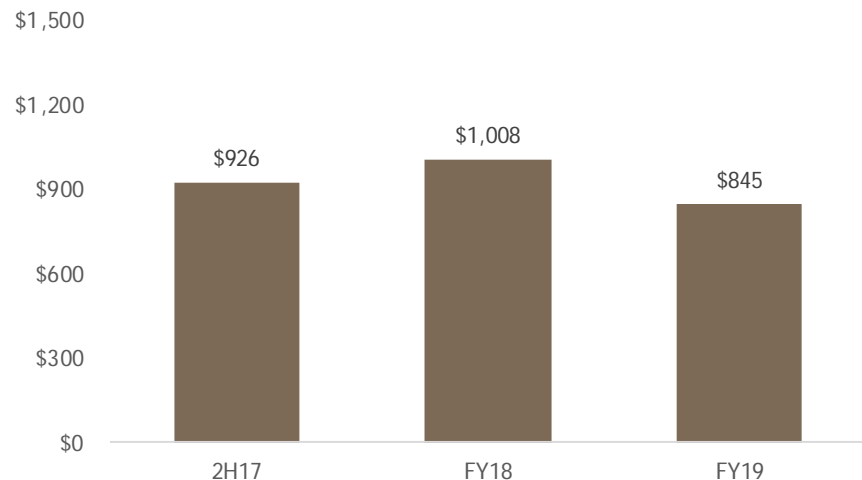
(1) Large-Cap includes: CXO, FANG, PXD. Mid-Cap includes: CDEV, CPE, MTDR, SM, PE, WPX, XEC. Small-Cap includes: AXAS, LPI, ROSE, REI. AXAS, ROSE and REI have not reported 4Q19 financials and are based on YTD3Q19 results; all other peers based on reported FY19 financial results

(2) CPE's LTM EBITDAX is adjusted for its acquisition of CRZO

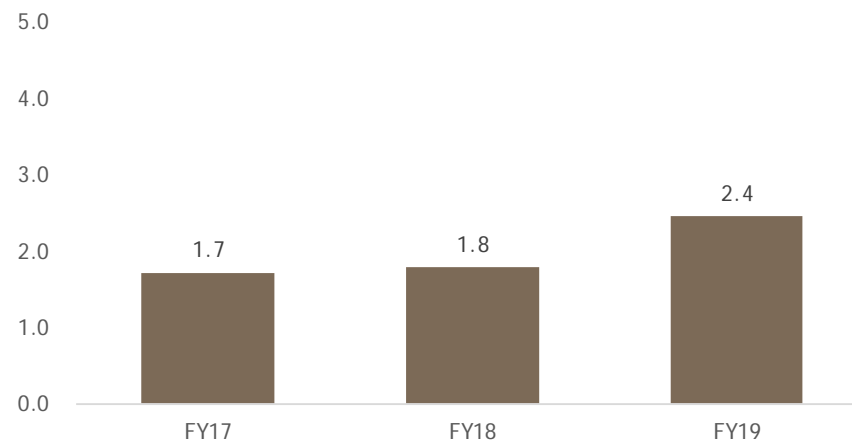
Continuous Focus on Operational Improvement

- A continued focus on driving down costs and increased efficiencies achieved by developing larger pads and driving down drilling and completion days

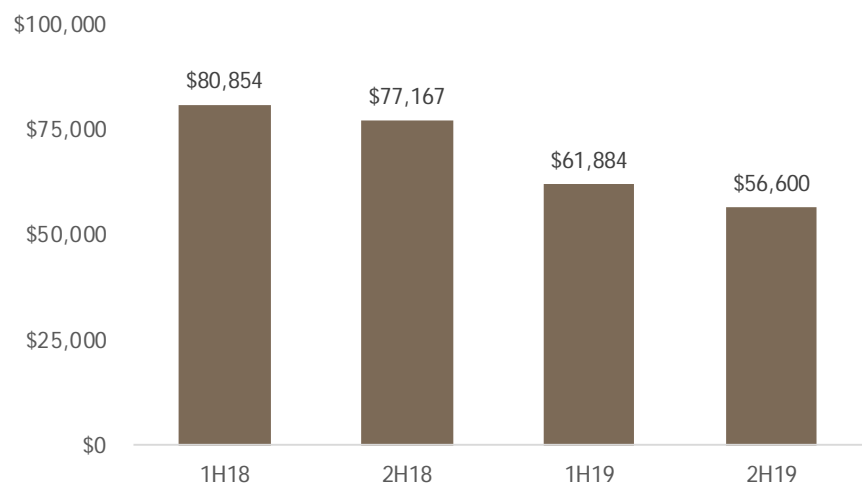
Actual Drilling, Completions & Equip. Cost (\$/Lat Ft.) ⁽¹⁾



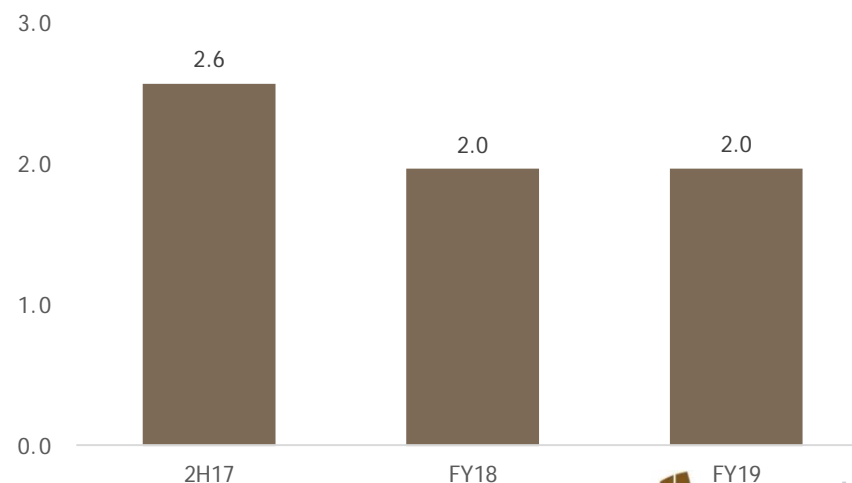
Average Number of Wells Per Pad



All-in Frac Costs per Stage (\$/Stage)



Spud to Rig Release Days per 1,000' ⁽¹⁾⁽²⁾



(1) Excludes wells that required additional casing string or pilot well test. Includes operated Midland Basin wells only
 (2) Spud to rig release days = average spud to rig release days / (average completed lateral foot/1000)

Highly Focused Environmental Stewardship

Key Environmental Priorities Focus on Responsible Operatorship

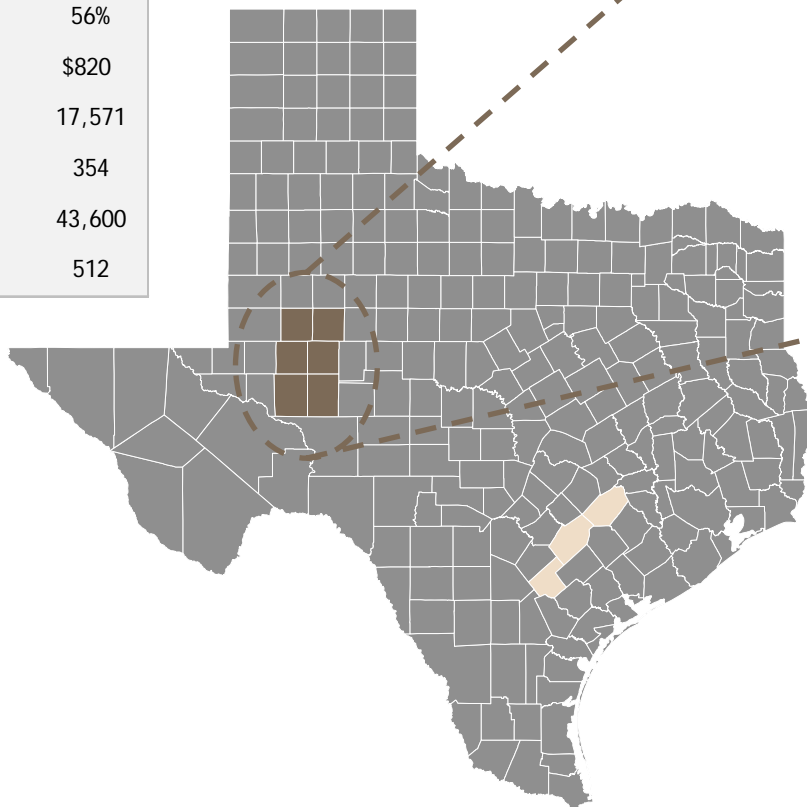
- ✓ Installation of Vapor Recovery Units (“VRUs”) in conjunction with tank battery construction minimizes air emissions
- ✓ Target Zero Flaring: Connect natural gas pipelines ahead of flowback and first production negates need for flaring
- ✓ Started implementation of Leak Detection & Repair (“LDAR”) program in 2019 to further minimize air emissions
- ✓ Seek to increase Midland Basin oil on pipelines from the wellhead from 12% of production in 2019 to ~60% of production in 2020
- ✓ Plan for 100% of water disposal on pipeline in the Midland Basin to reduce truck hauls

At Earthstone, maintaining environmentally sustainable business practices is a top priority

Asset Overview

Areas of Operations

Total ⁽¹⁾	
Total Proved Reserves (Mmboe)	94.3
% Proved Developed	33%
% Oil	56%
Total Proved PV-10 (\$mm)	\$820
4Q19 Net Production (Boe/d) ⁽²⁾	17,571
Gross Producing Wells ⁽³⁾	354
Net Acres ⁽³⁾	43,600
Gross Drilling Locations ⁽³⁾	512



Midland Basin ⁽¹⁾	
Total Proved Reserves (Mmboe)	89.5
% Proved Developed	30%
% Oil	54%
Total Proved PV-10 (\$mm)	\$725
4Q19 Net Production (Boe/d) ⁽²⁾	15,277
Gross Producing Wells ⁽³⁾	230
Net Acres ⁽³⁾	29,100
Gross Drilling Locations ⁽³⁾	450

Eagle Ford ⁽¹⁾	
Total Proved Reserves (Mmboe)	4.8
% Proved Developed	100%
% Oil	85%
Total Proved PV-10 (\$mm)	\$95
4Q19 Net Production (Boe/d) ⁽²⁾	2,294
Gross Producing Wells ⁽³⁾	124
Net Acres ⁽³⁾	14,500
Gross Drilling Locations ⁽³⁾	62

(1) Reserves and PV10 based on SEC 12/31/19 CGA reserve report
 (2) Represents reported sales volumes
 (3) As of 12/31/19

Differentiated, Balanced Inventory in Midland Basin

Midland Basin Overview

- Contiguous acreage positions provide significant development advantage
- Long lateral development increases capital efficiency
- Over 90% of Midland horizontal locations have laterals of ~7,500 feet or greater
- Additional upside from:
 - Middle Spraberry
 - Jo Mill
 - Additional Lower Spraberry Targets
 - Additional benches in Wolfcamp B
 - Wolfcamp D
- Actively pursuing acreage and acquisition bolt-on opportunities to increase lateral lengths and ownership
- Near-term drilling focused in the Wolfcamp A and the Wolfcamp B based on positive offset results, but we are optimistic about the upside potential in other zones

Gross Locations by Lateral Length and Target

Target	Gross Locations by Lateral Length			Total	% Total
	5,000' - 7,500'	7,500' - 10,000'	10,000'+		
Wolfcamp A	7	47	67	121	27%
Wolfcamp B Upper	11	16	68	95	21%
Wolfcamp B Lower	9	46	54	109	24%
All Other Targets	1	37	87	125	28%
Total Gross Locations	28	146	276	450	100%
Total Net Locations	23	103	146	273	
<i>% Total (Gross)</i>	<i>6%</i>	<i>32%</i>	<i>61%</i>	<i>100%</i>	

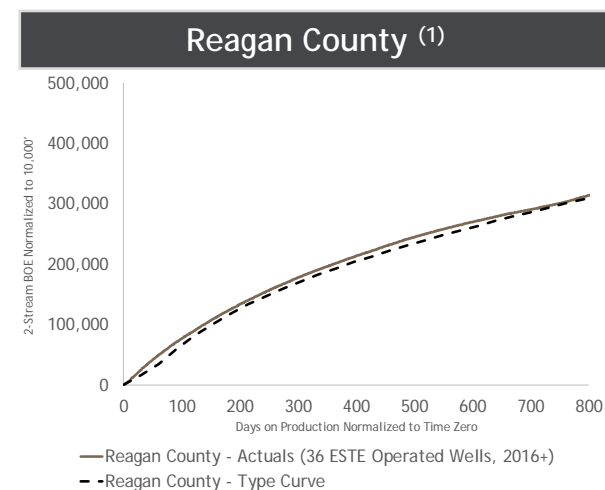
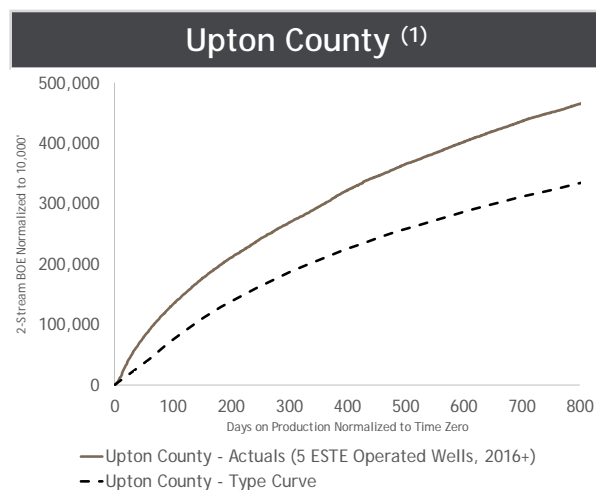
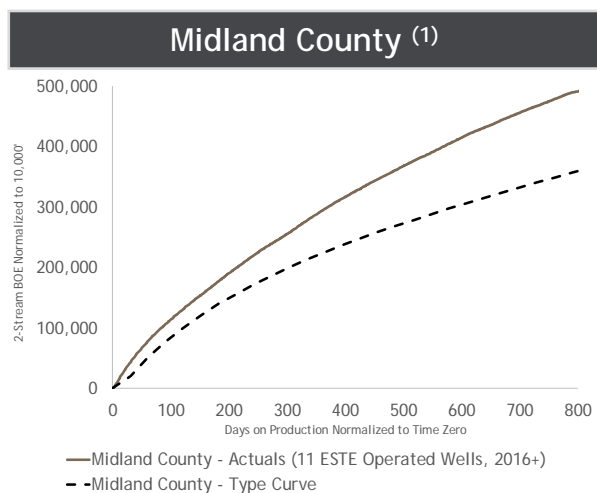
Midland Basin Locations by Op / Non-Op

	Gross	Net	Average	Average	% of Gross
	Locations	Locations	LL	WI	Locations in WC A+B
Operated	269	221	8,773	82%	80%
Non-Operated	181	51	9,446	28%	60%
Total	450	273	9,044	61%	72%

Note: Gross location count includes only economic locations in 12/31/19 CGA reserve report

Midland Basin Type Curve Summary

- Generating attractive returns across the acreage position
- 2020 drilling program only in Upton County
- Type curves take into account impact from parent/child and co-development



Type Curve Summary (100% WI / 75% NRI) (2)								
Type Curve Area	Lat. Length (ft)	DC & E (\$M)	3-Stream EUR (Mboe)	Oil (%)	Gas (%)	NGL (%)	IRR \$50/\$2.00	IRR \$60/\$2.00
Midland	10,000	\$8,000	1,170	64%	15%	21%	57%	89%
Upton	10,000	\$8,000	930	60%	16%	24%	40%	64%
Reagan	10,000	\$7,500	1,170	42%	24%	35%	30%	47%

(1) Cumulative 2-stream BOE normalized to 10,000 feet. Reflects average cumulative production of operated wells completed in 2016-2019

(2) Single well rates of return assumes 3-stream economics on flat price deck of Oil - \$50.00 and \$60.00/Bbl, Gas - \$2.00/Mcf before deductions for transportation, gathering, and quality differential. Assumes NGL differential realizations to be 25% of WTI. Assumes three months from spud to first production

Financial Overview

Revised Capital Budget, Guidance and Year-End Liquidity

- No long-term service contracts
- Negotiated drilling obligations to be deferred to 2021

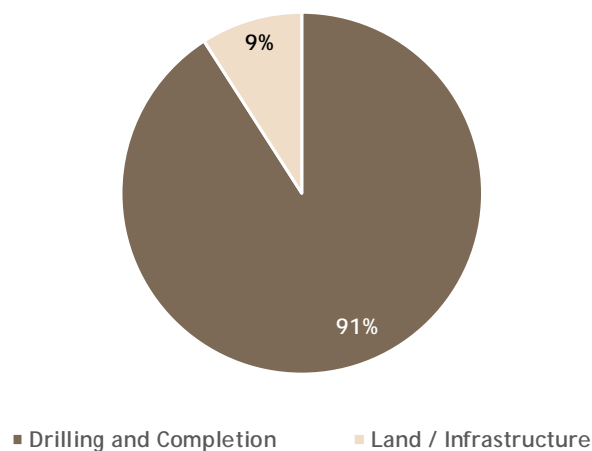
ESTE 2020 Revised Capital Budget

(\$ in millions)		Gross / Net Operated Wells Drilled and Waiting on Completion	Gross / Net Operated Wells On Line	Net Non-Op Wells On Line
Drilling and Completion	\$45 - \$55	11 / 9.7	3 / 3.0	3.1
Land / Infrastructure	\$5			
Total	\$50 - \$60			

2020 FY Revised Guidance

2020 Average Daily Production (Boe/d)	13,750 - 14,750
% Oil	60% - 64%
% Liquids	80% - 84%
Operating Costs:	
Lease Operating (\$/Boe)	\$6.00 - \$6.50
Cash G&A (\$/Boe)	\$3.25 - \$3.75
Production and Ad Valorem Taxes (% of Revenue)	6.25% - 7.25%

2020 Revised Capital Budget Breakdown⁽¹⁾



Liquidity (12/31/2019)

(\$mm)	12/31/2019
Cash	\$13.8
Revolver Borrowings	170.0
Total Debt	\$170.0
Revolver Borrowing Base	325.0
Less: Revolver Borrowings	(170.0)
Plus: Cash	13.8
Liquidity	\$168.8

Note: Guidance is forward-looking information that is subject to considerable change and numerous risks and uncertainties, many of which are beyond Earthstone's control. See "Forward-Looking Statements"

(1) Reflects midpoint of FY2020E revised guidance

Hedge Book Summary - 100% Swaps

Oil Production Hedges - 100% Swaps			
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl
FY 2020	2,622,000	7,164	\$60.99
FY 2021	1,460,000	4,000	\$55.16

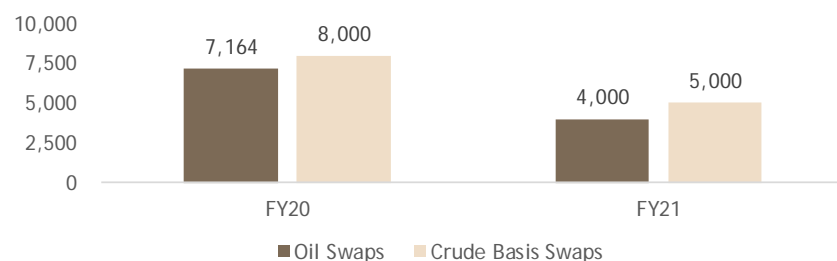
WTI Midland Argus Crude Basis Swaps			
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl (Differential)
FY 2020	2,562,000	7,000	(\$1.40)
FY 2021	1,825,000	5,000	\$1.05

MEH Crude Oil Basis Swaps			
Period	Volume (Bbls)	Volume (Bbls/d)	\$/Bbl (Differential)
FY 2020	366,000	1,000	\$2.55

Oil Production Swaps⁽¹⁾

(Volumes in Bbls/d)

*Oil ~81% Hedged
of FY20 Revised Guidance ⁽²⁾*



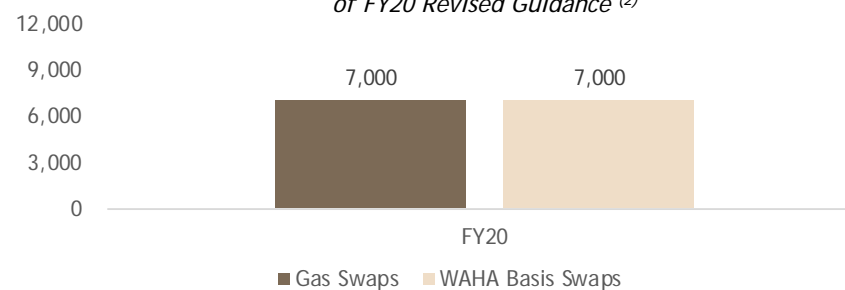
Gas Production Hedges - 100% Swaps			
Period	Volume (MMBtu)	Volume (MMBtu/d)	\$/MMBtu
FY 2020	2,562,000	7,000	\$2.850

WAHA Differential Basis Swaps			
Period	Volume (MMBtu)	Volume (MMBtu/d)	\$/MMBtu
FY 2020	2,562,000	7,000	(\$1.065)

Gas Production Swaps

(Volumes in MMBtu/d)

*Gas ~45% Hedged
of FY20 Revised Guidance ⁽²⁾*



ESTE hedge book mark-to-market value (as of 3/16/20): ~\$90.3mm

(1) Crude basis swaps reflect Midland Argus, LLS Argus and MEH crude basis swaps.
 (2) Based on midpoint of 2020 revised guidance (13,750 - 14,750 Boe/d; 62% oil, 18% gas)

Analyst Coverage

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Appendix

Reconciliation of Non-GAAP Financial Measure - Adjusted EBITDAX

Earthstone uses Adjusted EBITDAX, a financial measure that is not presented in accordance with accounting principles generally accepted in the United States (“GAAP”). Adjusted EBITDAX is a supplemental non-GAAP financial measure that is used by Earthstone’s management team and external users of its financial statements, such as industry analysts, investors, lenders and rating agencies. Earthstone’s management team believes Adjusted EBITDAX is useful because it allows Earthstone to more effectively evaluate its operating performance and compare the results of its operations from period to period without regard to its financing methods or capital structure.

Earthstone defines Adjusted EBITDAX as net income plus, when applicable, loss (gain) on sale of oil and gas properties, net; accretion of asset retirement obligations; impairment expense; depletion, depreciation and amortization; transaction costs; interest expense, net; exploration expense; unrealized loss (gain) on derivative contracts; stock based compensation (non-cash); and income tax expense (benefit). Earthstone excludes the foregoing items from net income (loss) in arriving at Adjusted EBITDAX because these amounts can vary substantially from company to company within their industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of Earthstone’s operating performance or liquidity. Certain items excluded from Adjusted EBITDAX are significant components in understanding and assessing a company’s financial performance, such as a company’s cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDAX. Earthstone’s computation of Adjusted EBITDAX may not be comparable to other similarly titled measures of other companies or to similar measures in Earthstone’s revolving credit facility.

The following table provides a reconciliation of Net income to Adjusted EBITDAX for:

4Q19 Adjusted EBITDAX (\$ in 000s)		FY 2019 Adjusted EBITDAX (\$ in 000s)	
	4Q 19		FY 19
Net (loss) income	(\$5,640)	Net (loss) income	\$1,580
Accretion of asset retirement obligations	\$54	Accretion of asset retirement obligations	\$214
Impairment expense	\$0	Impairment expense	\$0
Depletion, depreciation and amortization	\$26,962	Depletion, depreciation and amortization	\$69,243
Interest expense, net	\$1,831	Interest expense, net	\$6,566
Transaction costs	\$279	Transaction costs	\$1,077
(Gain) loss on sale of oil and gas properties, net	(\$3,668)	(Gain) loss on sale of oil and gas properties, net	(\$3,222)
Exploration expense	\$653	Exploration expense	\$653
Unrealized loss (gain) on derivative contracts	\$26,517	Unrealized loss (gain) on derivative contracts	\$59,849
Stock based compensation (non-cash) ⁽¹⁾	\$1,968	Stock based compensation (non-cash) ⁽¹⁾	\$8,648
Income tax expense	\$937	Income tax expense	\$1,665
Adjusted EBITDAX	\$49,893	Adjusted EBITDAX	\$146,273

(1) Included in General and administrative expense in the Consolidated Statements of Operations

Reserves Summary

Earthstone's proved reserves as of December 31, 2019 were independently estimated by Cawley, Gillespie & Associates, Inc. ("CGA"), independent petroleum engineers, utilizing SEC prescribed oil and gas prices of \$55.69/bbl and \$2.578/mmbtu, respectively, calculated for December 31, 2019. SEC prices net of differentials were \$52.60/bbl and \$0.91/Mcf for oil and gas, respectively.

Year-End 2019 SEC Proved Reserves					
Reserves Category	Oil (Mbbbls)	Gas (MMcf)	NGL (Mbbbls)	Total (Mboe)	PV-10 (\$ in thousands)
Proved Developed	18,220	35,120	7,447	31,521	\$448,533
Proved Undeveloped	34,430	72,870	16,241	62,815	\$371,459
Total	52,650	107,990	23,688	94,336	\$819,992

Note: PV-10 is a non-GAAP financial measure. See "Non-GAAP Financial Measure - PV-10"

Non-GAAP Financial Measure - PV-10

PV-10 is a non-GAAP measure that differs from a measure under GAAP known as “standardized measure of discounted future net cash flows” in that PV-10 is calculated without including future income taxes. Management believes that the presentation of the PV-10 value of our oil and natural gas properties is relevant and useful to investors because it presents the estimated discounted future net cash flows attributable to our estimated proved reserves independent of our income tax attributes, thereby isolating the intrinsic value of the estimated future cash flows attributable to our reserves. We believe the use of a pre-tax measure provides greater comparability of assets when evaluating companies because the timing and quantification of future income taxes is dependent on company-specific factors, many of which are difficult to determine. For these reasons, management uses and believes that the industry generally uses the PV-10 measure in evaluating and comparing acquisition candidates and assessing the potential rate of return on investments in oil and natural gas properties. PV-10 does not necessarily represent the fair market value of oil and natural gas properties. PV-10 is not a measure of financial or operational performance under GAAP, nor should it be considered in isolation or as a substitute for the standardized measure of discounted future net cash flows as defined under GAAP.

The table below provides a reconciliation of PV-10 to the standardized measure of discounted future net cash flows (in thousands):

Reconciliation of PV-10	
Present value of estimated future net revenues (PV-10)	\$819,992
Future income taxes, discounted at 10%	(\$30,415)
Standardized measure of discounted future net cash flows	\$789,577