August 4, 2022

The Transformed Earthstone

EARTHSTONE
Energy, Inc.

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 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 benefits of Earthstone Energy, Inc. (“ESTE,” “Earthstone” or the “Company”) and its stockholders from Earthstone’s recent and pending acquisitions of oil and gas properties (including the pending acquisition of oil and gas properties from Titus Oil & Gas LLC and its affiliates (the “Titus Acquisition”)) , the expected future reserves, production, financial position, business strategy, revenues, earnings, free cash flow, 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: Earthstone’s ability to successfully integrate the oil and gas properties it has recently acquired (or will acquire in the Titus Acquisition) and achieve anticipated benefits from them; risks relating to any unforeseen liabilities of Earthstone or the oil and gas properties it has recently acquired; declines in oil, natural gas liquids or natural gas prices; 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 level of indebtedness and periodic redeterminations of the borrowing base under the Company’s credit facility; Earthstone’s ability to generate sufficient cash flows from operations to fund all or portions of its future capital expenditures budget or to support a shareholder return program; Earthstone’s ability to obtain external capital to finance exploration and development operations and acquisitions; the impacts of hedging on results of operations; uninsured or underinsured losses resulting from oil and natural gas operations; competition for assets, equipment, materials and qualified people; supply chain disruptions; constraints or downtime on midstream assets servicing Earthstone’s oil and gas production; Earthstone’s ability to replace oil and natural gas reserves; any loss of senior management or technical personnel; regulatory matters, including environmental regulations; social, market and regulatory efforts to address climate change; and the direct and indirect impact on most or all of the foregoing on the evolving COVID-19 pandemic. Earthstone’s annual report on Form 10-K for the year ended December 31, 2021, recent 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. The forward-looking statements included in this presentation speak only as of the date of this presentation and Earthstone undertakes no obligation to revise or update publicly any forward-looking statements except as required by law.

This presentation contains estimates of Earthstone’s 2022 production, capital expenditures and expense guidance, including with respect to the pro forma effect of the Titus Acquisition on these and other metrics. 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, oil and natural gas prices, changes in market demand for hydrocarbons and unanticipated delays in production and well completions. 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 Earthstone’s expectations. Earthstone’s ability to fund its 2022 and future capital budgets is subject to numerous risks and uncertainties, including volatility in commodity prices and the potential for unanticipated production and completion delays and increases in costs associated with drilling, production and transportation.

Use of Non-GAAP Information

This presentation may include financial measures that are not in accordance with accounting principles generally accepted in the United States (“GAAP”) such as PV-10, free cash flow and Adjusted EBITDAX. Such non-GAAP measures are not alternatives to GAAP measures, and you should not consider these non-GAAP measures in isolation or as a substitute for analysis of our results as reported under GAAP. For additional disclosure regarding such non-GAAP measures, including reconciliations to their most directly comparable GAAP measure, please refer to the Appendix or to Earthstone’s 10-Q and 10-K filings with the SEC.

Cautionary Note on Reserves and Resource Estimates

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include estimated reserves or locations not necessarily calculated in accordance with, or contemplated by, the SEC’s latest reserve reporting guidelines. You are urged to consider closely the oil and gas disclosures in our 2021 Form 10-K and our other reports and filings with the SEC.

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.

The New Earthstone: Significantly Larger Scale, Same Core Values

Greater Efficiency from Increased Critical Mass

Seven acquisitions since early 2021 increased production by >5x and improved cost and operating efficiencies

Top Basins / Long Inventory Life

Midland Basin and Delaware Basin asset base with ~12 years of high quality inventory life

High Free Cash Flow Generation with Low Reinvestment Needs

Only ~40-50% of cash flow needed to maintain production levels, creates robust free cash flow generation[1]

Low Leverage

Recent acquisitions approximately leverage neutral with year-end 2022 leverage expected below 1.0x

Progressing Towards Shareholder Returns

"New Earthstone" provides for accelerated consideration of shareholder return program

Commitment & Focus

"Do the right thing" commitment to stakeholders, employees and environment

1. Free cash flow is a non-GAAP measure defined as Adjusted EBITDAX less interest expense less capital expenditures (accrual basis).

A Much Larger Earthstone: Corporate Snapshot

Select Operational Data

~256,000
Permian Net Acres[1]

98,000 Boe/d
4Q22 Production Guidance Midpoint[1]

360 MMBoe
Est. Proved Reserves[1,2]

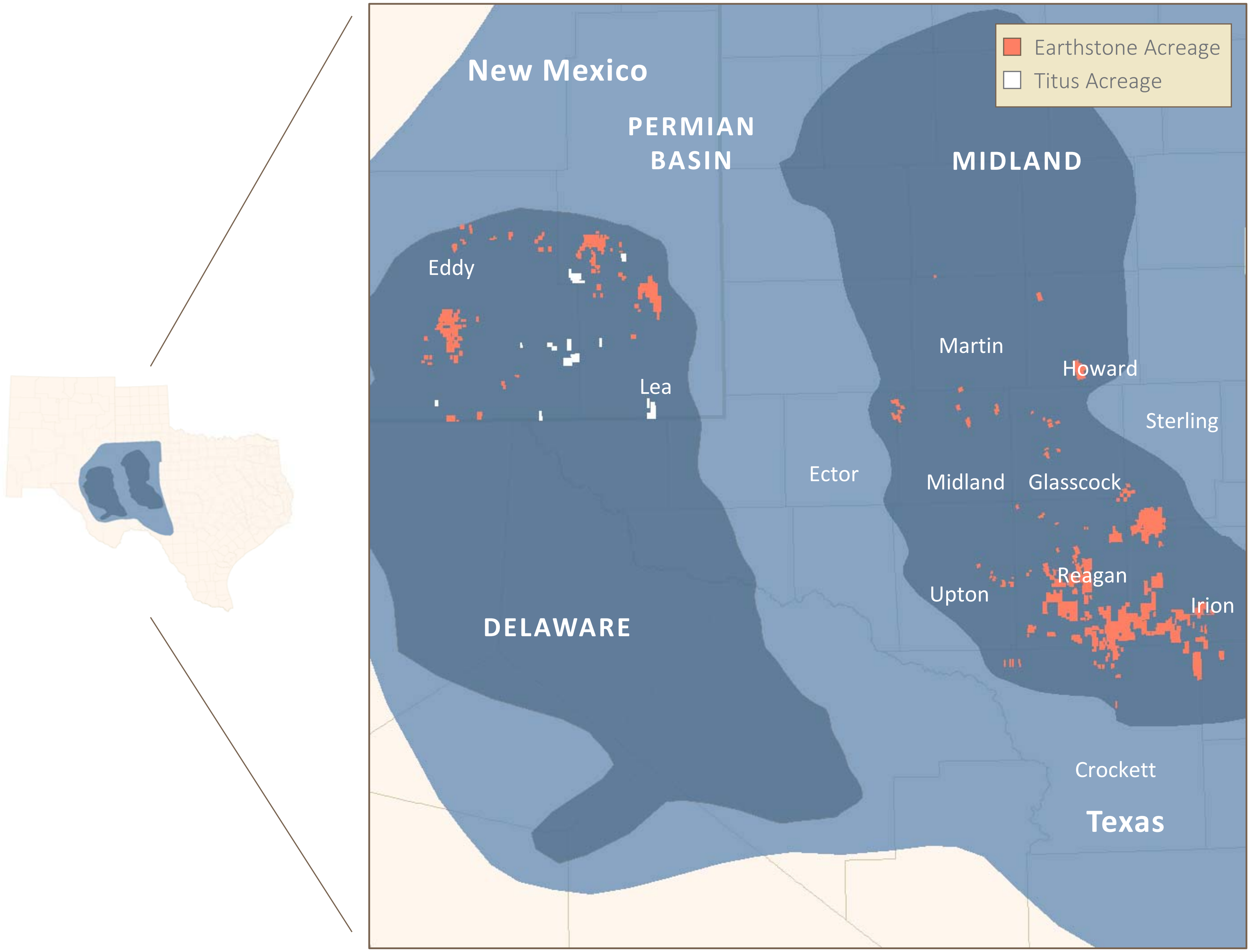
$6.2 Billion
PV-10 at Strip[1,2]

77%
2Q22 Unhedged Cash Margin[3]

890
Gross Operated Drilling Locations[1]

Select Financial Data

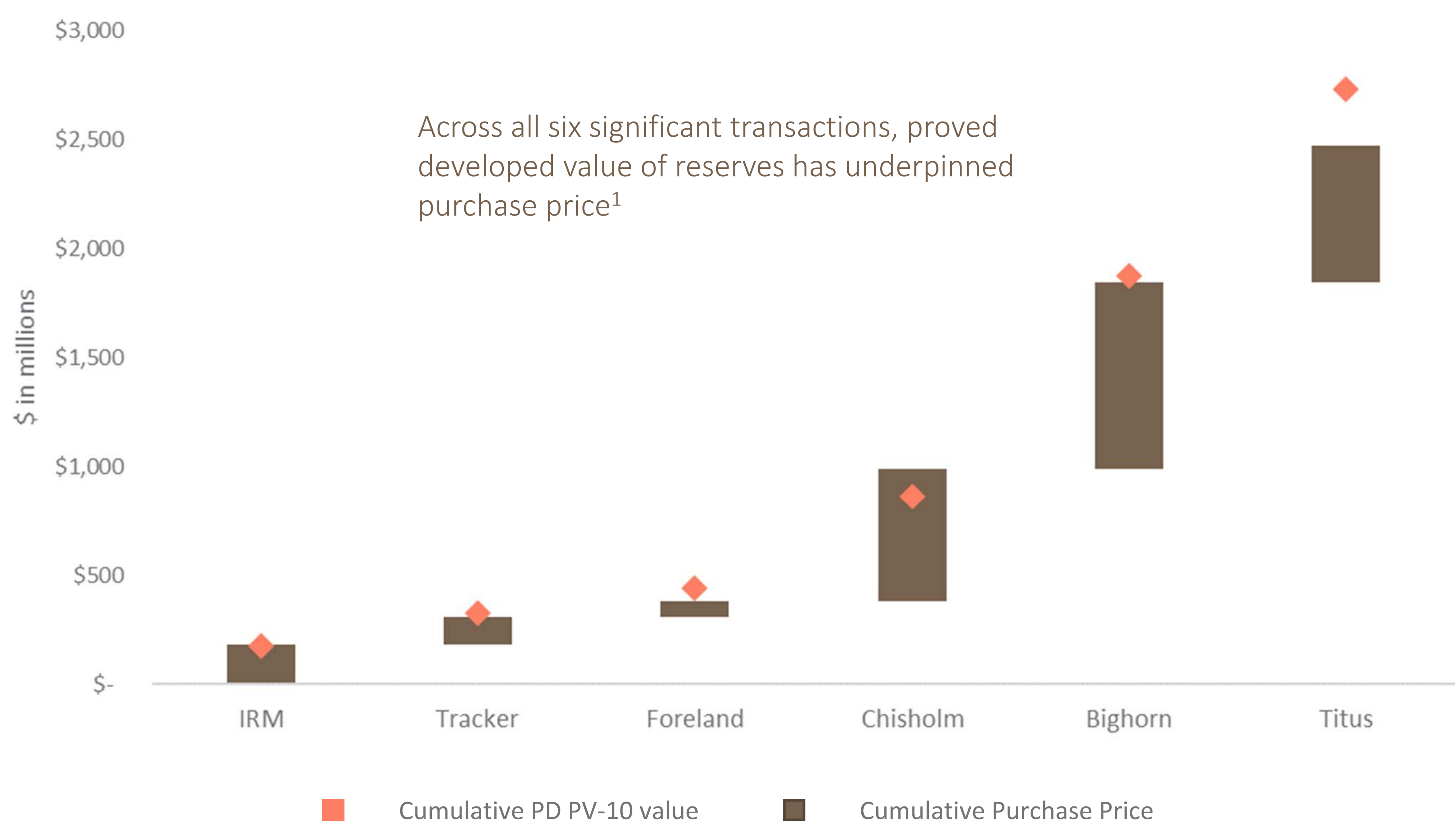
	2Q22	7/31/22 PF Titus[4]
Stock Price (8/2/22)	$14.29	$14.29
Market Cap	$1.9 B	$2.0 B
Net Debt	$933 MM	$1.3 B
Enterprise Value	$2.9 B	$3.3 B
Shares Outstanding	139 MM	143 MM
Liquidity	$405 MM	$434 MM



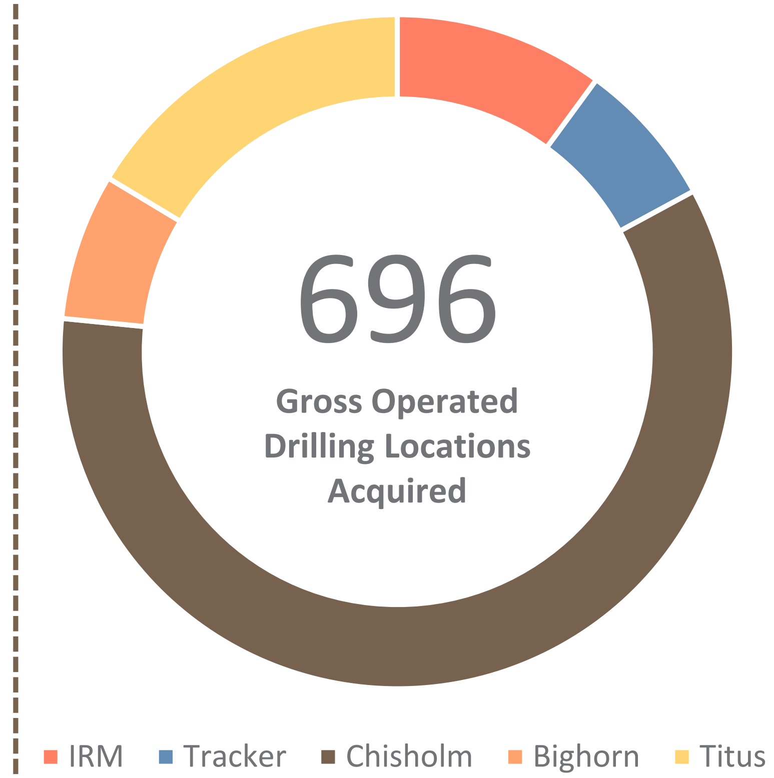
Note: See appendix for additional details.

Conservative Valuation Methodology Leads to High Impact Acquisitions

Cumulative Proved Developed Reserves Value Greater Than Combined Total Purchase Price[1]



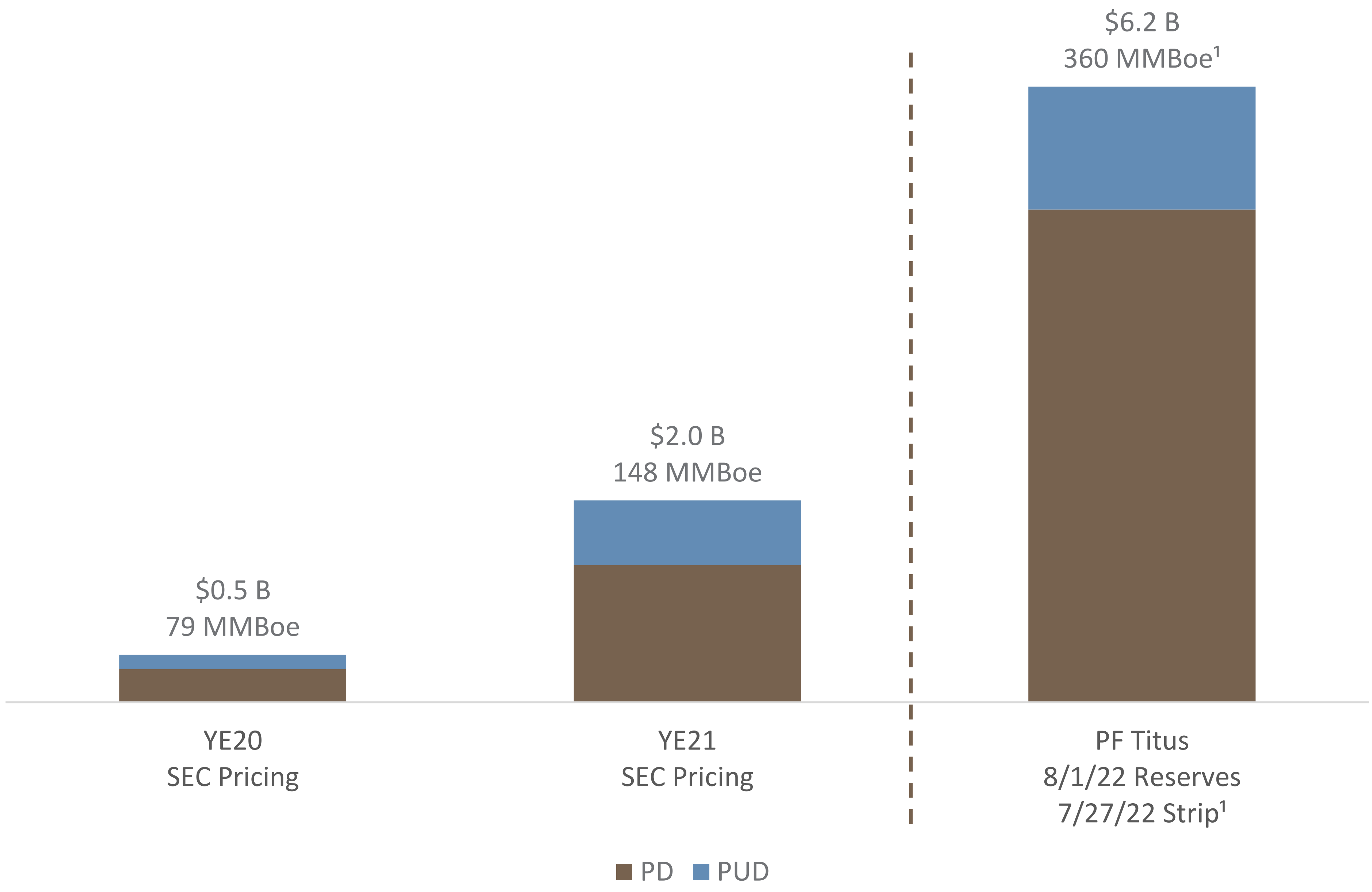
Undeveloped locations acquired "virtually" free as PD value of acquired properties is higher than cumulative total purchase price



1. Cumulative estimated PD value based upon forward strip pricing at the time of each announced transaction.

Shareholder Value Accretion Reflected in Enormous Proved Reserves Growth

Robust Value Growth in Proved Reserves With Majority Coming from Proved Developed Reserves Additions



>$4.9B

Est. Proved Developed Value

Current PD reserves value is significantly higher than current enterprise value[1]

~12x

Proved PV-10 Uplift from YE20

With estimated PD reserves composing ~80% of the total proved reserves value

~$34 per share

In Proved Reserves Value

Based on pro forma common shares outstanding and net debt[2]

1. Estimated PD reserves value of $4.9 billion as of 8/1/22 at NYMEX strip pricing as of 7/27/22. Pro forma for the anticipated Titus Acquisition closing. See appendix for additional details.
2. Calculated as 8/1/22 estimated proved reserves value at NYMEX strip pricing as of 7/27/22 less net debt and divided by pro forma common share count of ~142.6 million, pro forma for the anticipated Titus Acquisition closing.

Reserves and Inventory | Earthstone + Titus

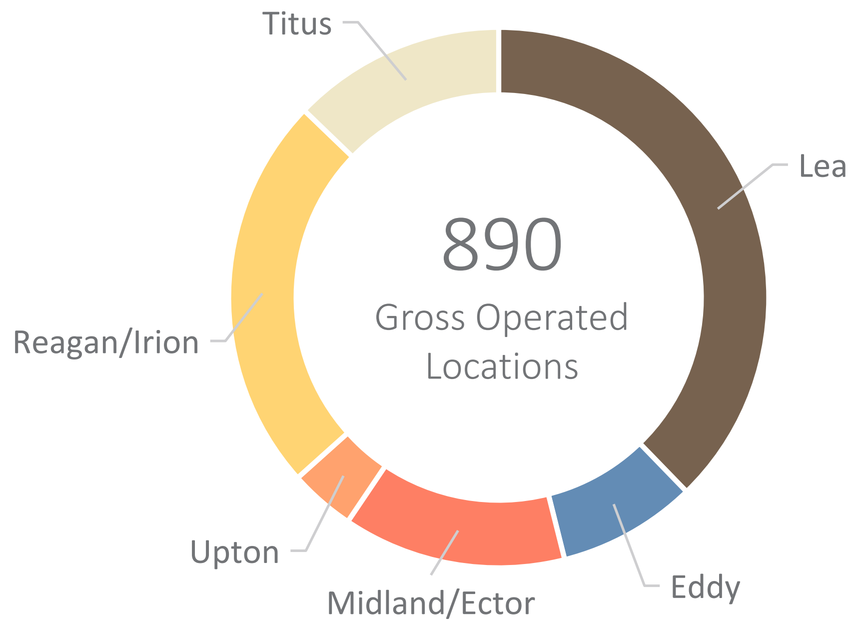
Robust Proved Developed and Inventory Profile

- The Titus Acquisition brings a significant Proved Developed Reserves PV-10 component of ~$836 million to Earthstone[1]
- On a combined basis, Total Proved Developed Reserves PV-10 value of ~$4.9 billion which exceeds current pro forma enterprise value[2]
- Over 890 gross operated drilling locations provides significant runway for future development

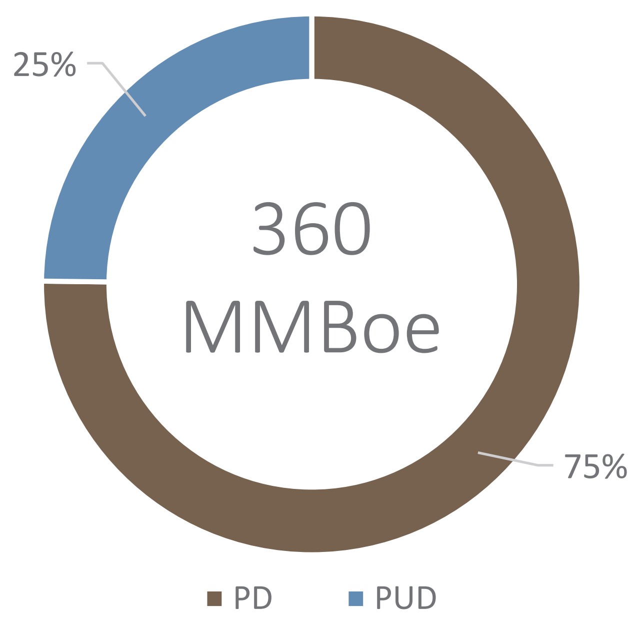
1P Reserves PV-10 Value as of 8/1/22[2]

	Pro Forma PV-10 Value ($MM)
Proved Developed	$4,929
Proved Undeveloped	$1,227
Total Proved	**$6,156**

Gross Operated Locations[3]



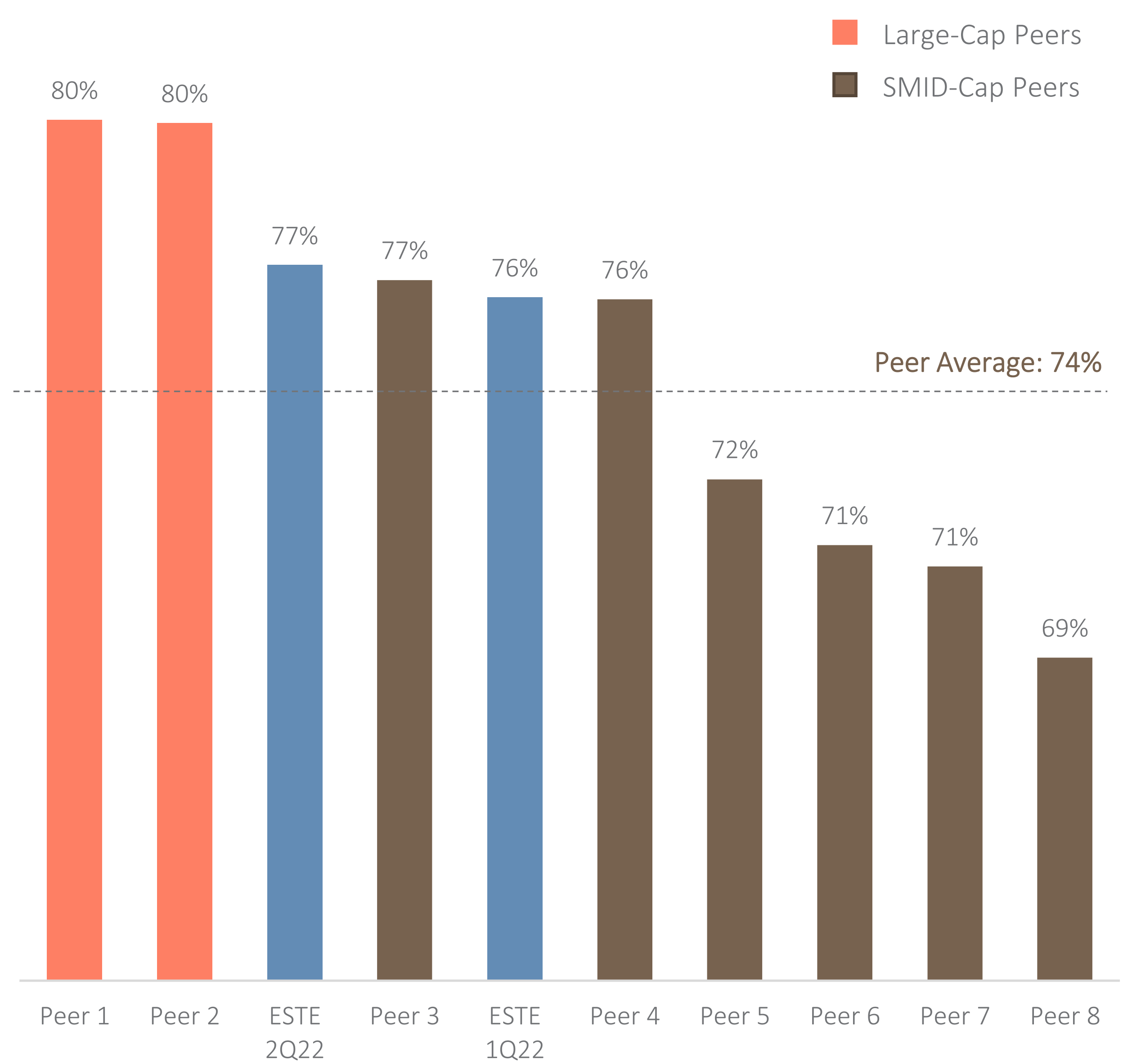
1P Reserves as of 8/1/22[2]



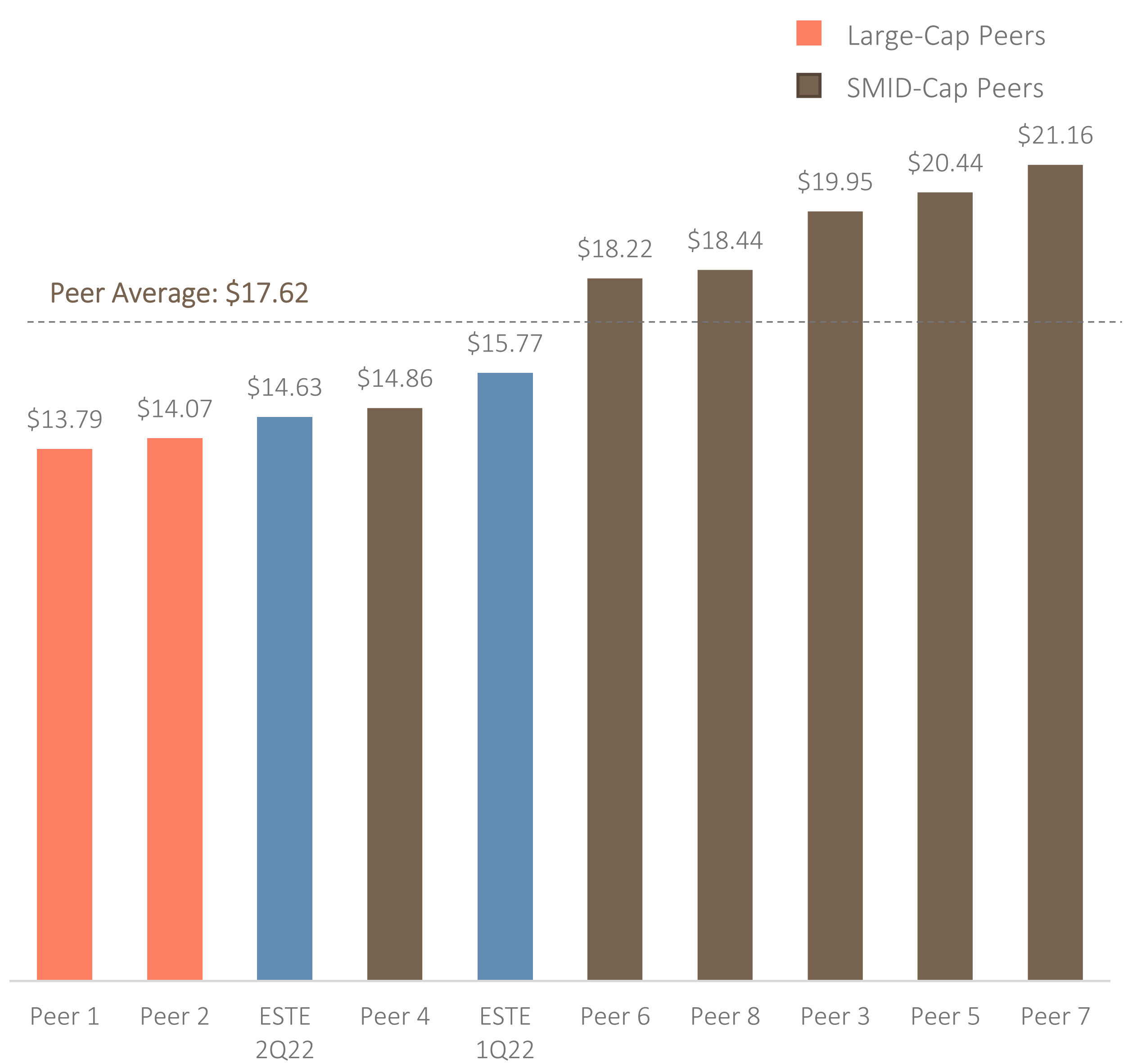
1. Earthstone management estimate of proved developed reserve volumes and values as of 8/1/22, discounting cash flows at a rate of 10% and utilizing NYMEX strip prices as of 7/27/22.
2. Represents management's estimates for combined reserves of Earthstone and Titus as of 8/1/22 utilizing NYMEX strip pricing as of 7/27/22.
3. Includes all locations across reserve categories.

Focused On Remaining a Low-Cost Leader With Top Tier Cash Margins

1Q22 Unhedged Cash Margins[1]



1Q22 "All-in" Cash Costs[1]



1. Cash margins are calculated as revenues less all-in cash costs which consist of LOE, ad valorem & production taxes, transportation expense, cash G&A, and interest expense. Large-Cap peers include FANG and PXD. SMID-Cap peers include CDEV, CPE, HPK, LPI, MTDR and SM. Cash G&A is a non-GAAP financial measure defined as general and administrative expenses excluding stock-based compensation.

Strategic Advantages Gained Through Our Expanded Scale

1

Expanded Capital Program

Greatly expanded footprint and highly-economic inventory allows for increased capital deployment and supports program consistency

2

Enhanced Optionality

Diversification and capital flexibility in the Delaware and Midland mitigate concentration risk

3

Recent Delaware Additions

Recently acquired Delaware Basin assets improve oil content as development ramps (impact in 2023 and beyond)

4

Operational Efficiency

Scaled activity levels drives D&C efficiency and enhances relationships with key service providers

5

Low Decline Asset Base

PDP decline rate of ~25% provides for low reinvestment rate with some organic growth

Company Guidance

Production Guidance[1]	1H22 Actuals	ESTE + Titus 3Q22	ESTE + Titus 4Q22	Implied FY22
Production (Boe/d)	56,432	86,000 - 90,000	96,000 - 100,000	73,858 - 75,875
% Oil	39%	~41%	~44%	~41%
% Liquids	67%	~68%	~70%	~68%

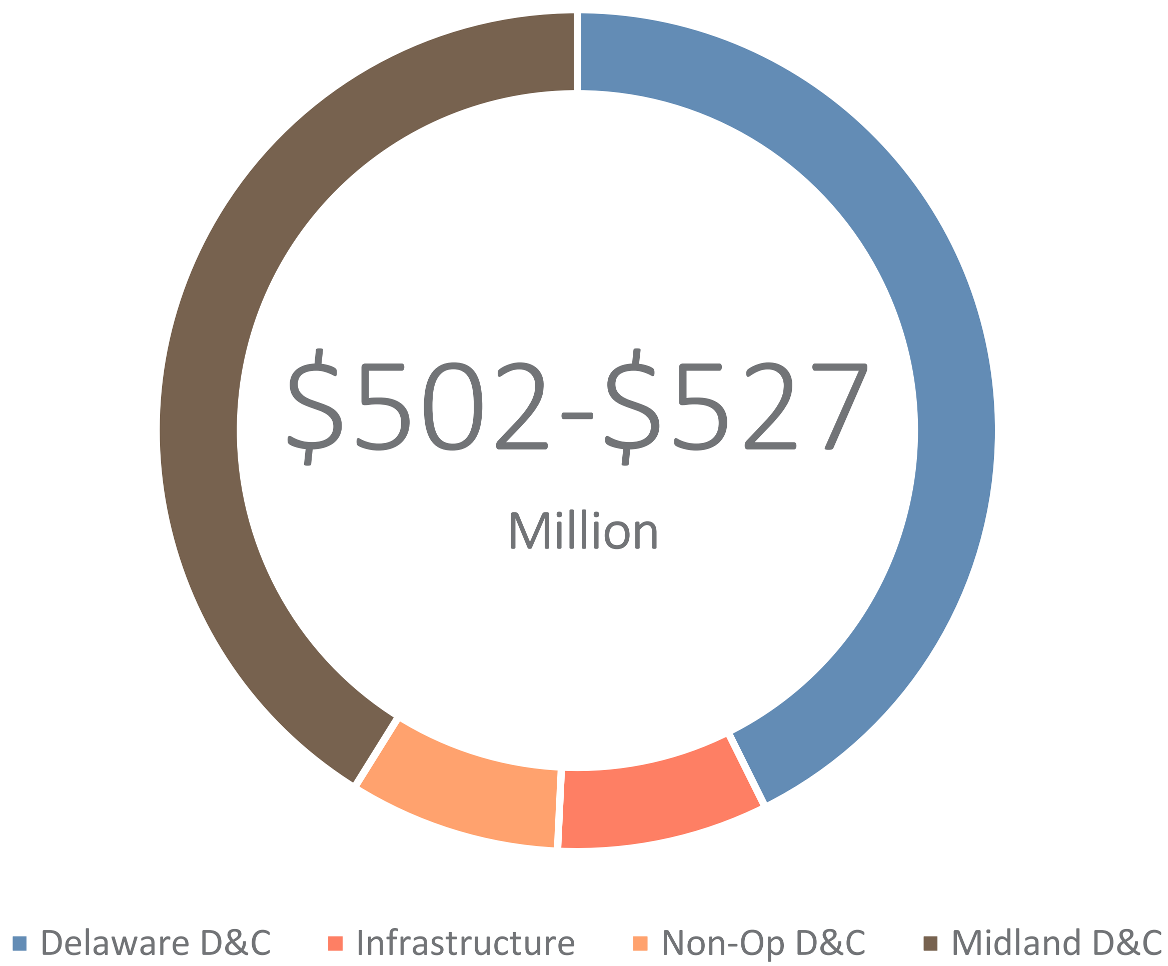
Expense & Capex Guidance[1]	1H22 Actuals	ESTE + Titus 2H22	Implied FY22
Total Capital Expenditures ($MM)	$202	$300 - $325	$502 - $527
Lease Operating Expense ($/Boe)	$7.06	$7.50 - $8.00	$7.33 - $7.65
Production & Ad Valorem Taxes (% of Revenue)	7.1%	7.5% - 8.0%	7.3% - 7.7%
Cash G&A ($MM)[2]	$15	$20 - $22	$35 - $37

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. Guidance assumes Titus Acquisition closes in mid-August.
2. Cash G&A is a non-GAAP financial measure defined as general and administrative expenses excluding stock-based compensation.

Expanded Scale Supports Continuous Asset Development

2022 Capital Budget



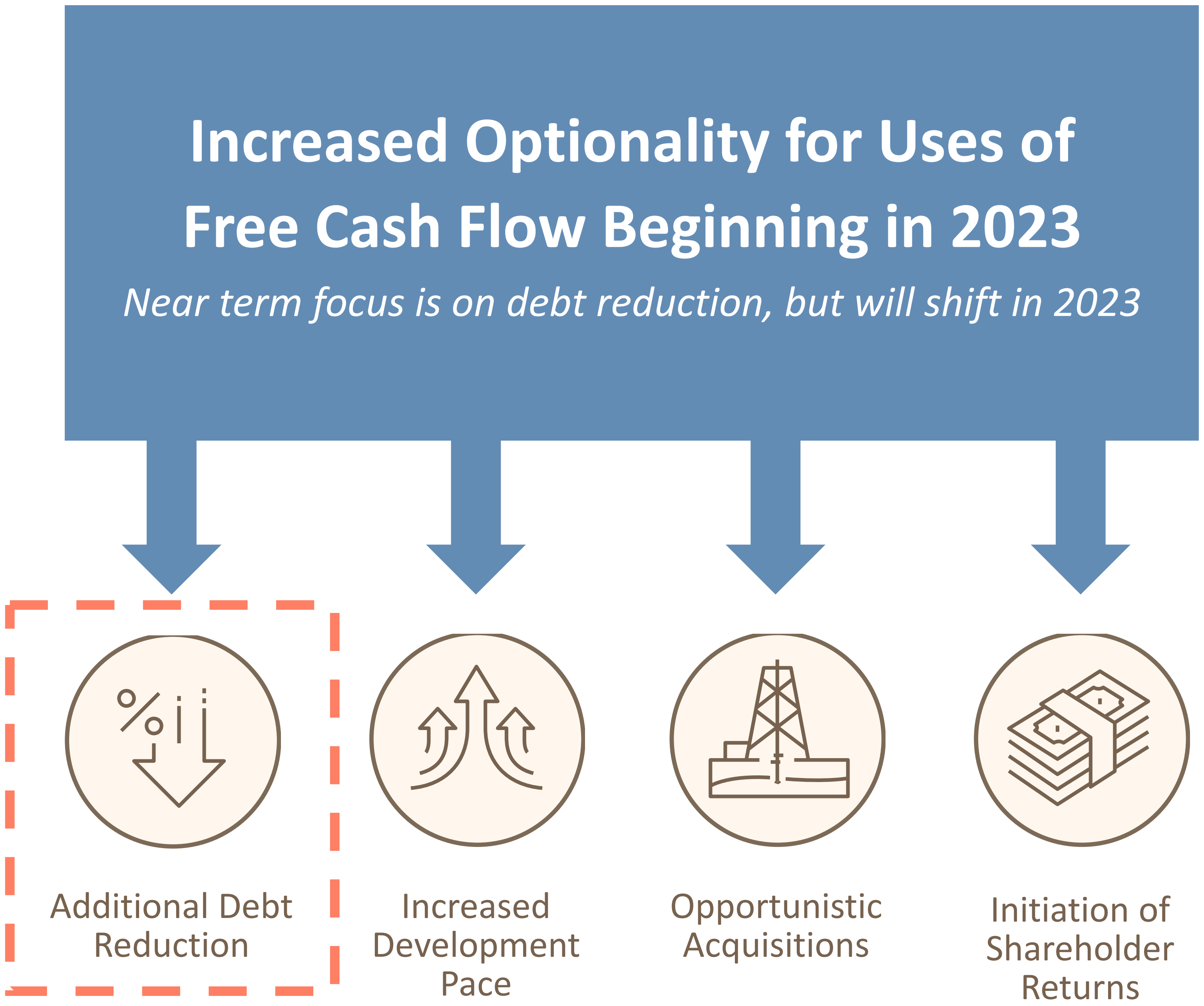
Midland Basin

- 2 Rigs
- Spud ~38 Gross Operated Wells
- Average Well Lateral Length of ~9,200 Feet
- ~90% Average Working Interest

Delaware Basin

- 2 Rigs Going to 3 Rigs in 3Q22
- Spud ~28 Gross Operated Wells
- Average Well Lateral Length of ~8,500 Feet
- ~70% Average Working Interest

Opportunities Broaden for Free Cash Flow Allocation in the Future



FCF Likely Shifts Away from Deleveraging in 2023

- Efficiency of capital development allows for some growth with reinvestment of just 40-50% of operational cash flow
- Expect to generate >$1.7 B in revenue and >$600 MM in FCF annually at $85 oil and $3 gas[1]
- With debt levels below target threshold of 1.0x, a broader opportunity for FCF allocation becomes available
- Additional debt reduction becomes less critical and allows for greater focus on scale opportunities and consideration of shareholder returns

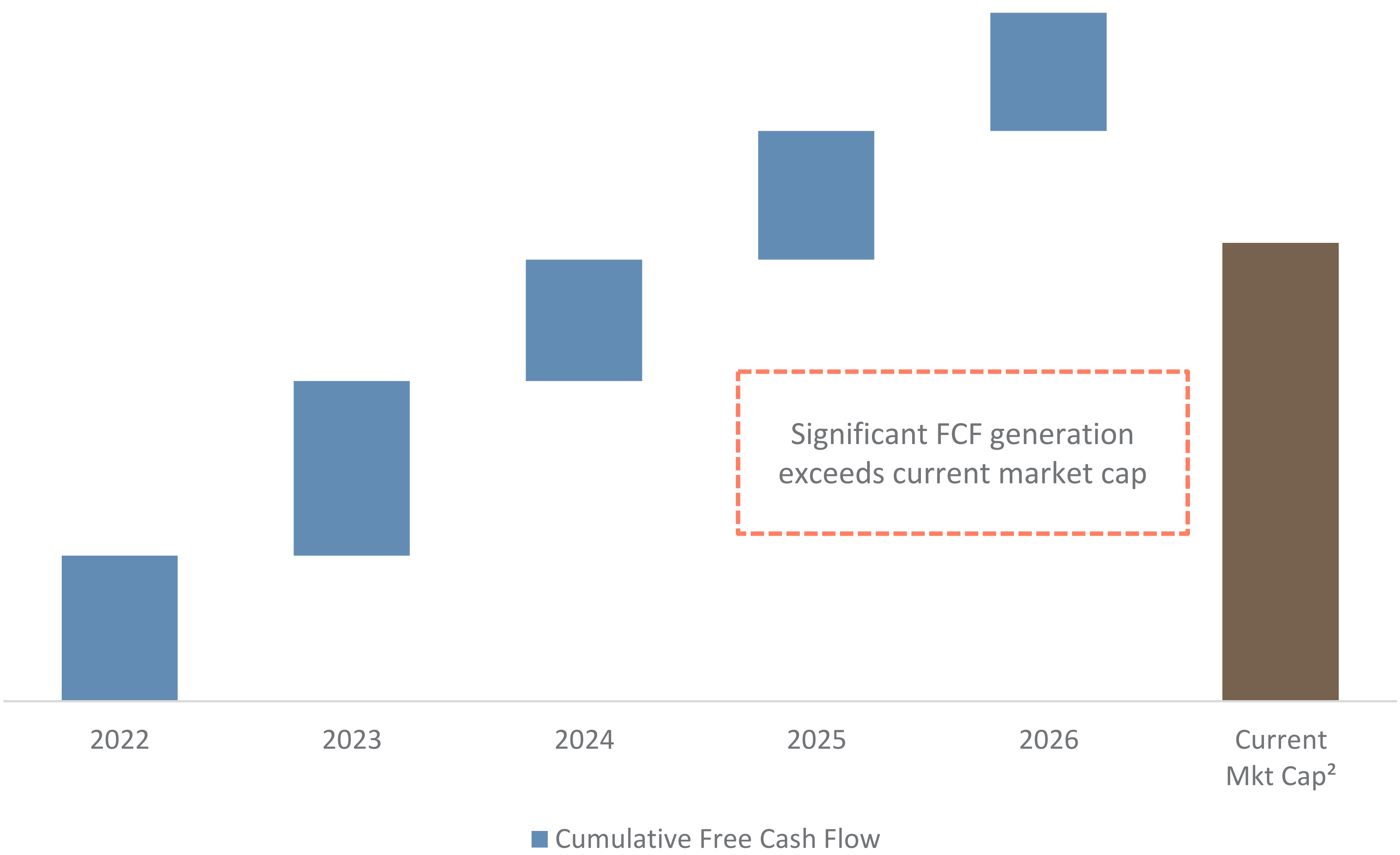
1. FCF estimates based upon a maintenance capital scenario that holds production for 2023+ approximately flat with 2H22 current guidance levels. Free cash flow is a non-GAAP measure defined as Adjusted EBITDAX less interest expense less capital expenditures (accrual basis). See appendix for additional notes.

Durable Multi-Year Free Cash Flow Profile Provides Extensive Options

Reliable Production and Reduced Capital Needs Provide a "Mountain" of FCF

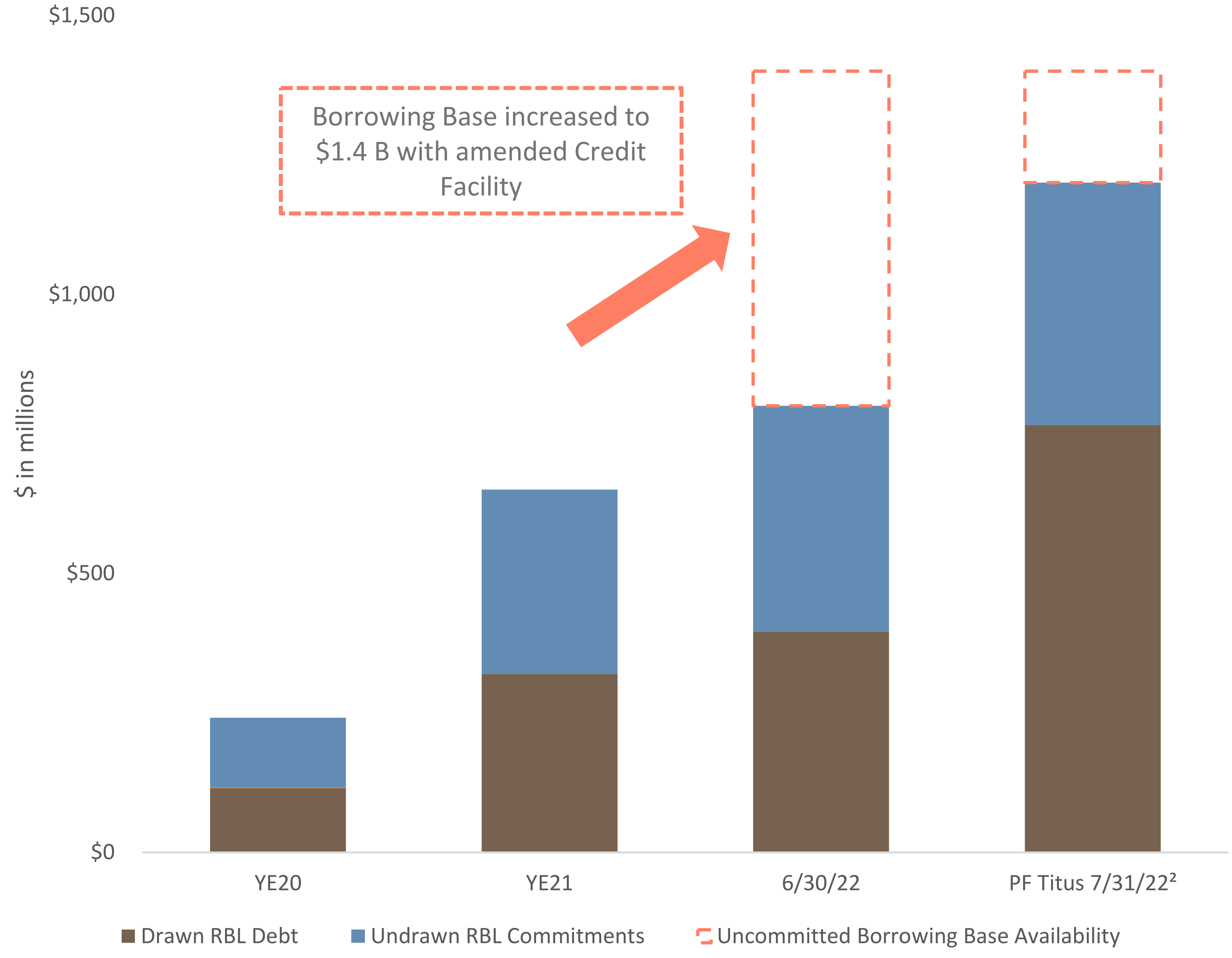
- Based upon a continuous maintenance capital scenario, recent strip pricing generates more than $3.0 B in cumulative FCF by 2026[1]
- Increased scale, cash flow, and relative debt ratios support credit rating improvement and lower corporate cost of capital over time

Free Cash Flow Outlook Under Maintenance Capital Program[1]



1. FCF estimates based upon a maintenance capital scenario that holds production for 2023+ approximately flat with 2H22 current guidance levels at NYMEX strip pricing as of 7/27/22. Free cash flow is a non-GAAP measure defined as Adjusted EBITDAX less interest expense less capital expenditures (accrual basis). Market Capitalization based on ESTE stock price as of 8/2/22. See appendix for additional notes.
2. Based on current shares outstanding, adjusted for the anticipated mid-August closing of Titus.

Liquidity and Capital Structure Benefitting from Expanded Scale and Recent Offering



Significant Liquidity Supports All Potential Capital Deployment Scenarios

- Borrowing Base has grown from $240 MM at YE20 to $1.4 B driven primarily by high value reserves and production additions[1]
- Robust estimated PD reserves of ~$4.9 B with low corporate decline rate (~25%) support continued availability[1]
- YE22 facility utilization estimated to be <50% of elected commitments of $1.2 B upon closing of the Titus Acquisition[2]
- Amended Credit Facility in June 2022 to extend maturity to 2027 with a borrowing base of $1.4 B and elected commitments of $800 MM that will increase to $1.2 B upon closing of the Titus Acquisition
- $550 MM unsecured senior notes, 8% coupon, matures in 2027

1. Estimated PD reserves of ~$4.9 billion reflect proved developed reserves as of 8/1/22 utilizing NYMEX strip pricing as of 7/27/22. Pro forma for the anticipated Titus Acquisition closing. See appendix for additional details.
2. Based on ESTE estimated borrowings at 7/31/22, all adjusted for the anticipated mid-August closing of Titus.

Responsible Management of Fugitive Emissions and Flaring

"Do the Right Thing" approach and proactive plan driving reductions in GHG emissions and flaring

2021 Greenhouse Gas Emissions Intensity of 7.9 (T CO2e / Mboe)

36%

Reduction vs. 2020

44%

Below peer average

2021 Flaring Intensity of 0.7% (operated gas flared / operated gas produced)

68%

Reduction vs. 2020

66%

Below peer average

Note: Peers include CDEV, CPE, FANG, LPI, MTDR, PXD and SM. Data complied from company published data for most recent available year (2020 or 2021) and from publicly available EPA reports as of June 30, 2022.

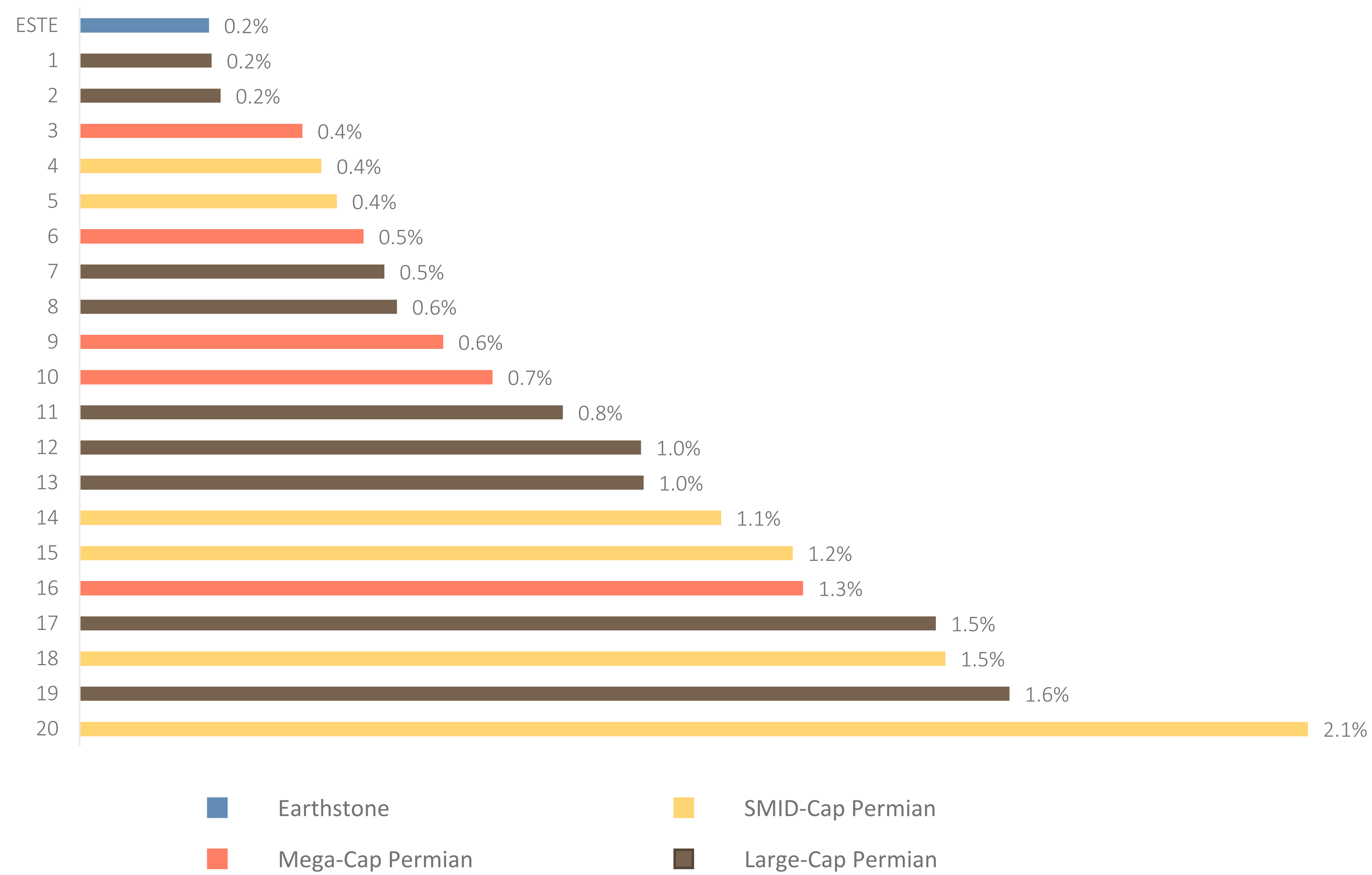
Progressing Our Sustainability Initiatives While Leading the Pack

Key Environmental Priorities Focus on Responsible Operatorship

- ✓ Minimize fugitive emissions with the installation of emission reducing equipment in conjunction with new facility construction:
  - Vapor Recovery Units ("VRUs")
  - Air compression equipment for Pneumatic Actuators
  - Participation in fly over surveys
- ✓ Leak Detection and Repair ("LDAR") active since 2019 and complemented by FLIR imagery feedback program
- ✓ Target Zero Flaring: Connect natural gas pipelines ahead of flowback and first production negates need for flaring
- ✓ Vast majority of water disposal occurs on pipeline, reducing truck hauls and CO2 emissions

THE ENVIRONMENTAL PARTNERSHIP
An Initiative of the U.S. Natural Gas and Oil Industry

ESTE Among the Leaders in Permian Flaring Intensity Regardless of Market Cap[1,2]



1. Data courtesy of Rystad Energy, "Permian Flaring Intensity Report from February 2022".
2. Mega-Cap peers include BP, COP, CVX, and XOM. Large-Cap peers include APA, CLR, DVN, EOG, FANG, MRO, OVV, OXY, and PXD. SMID-Cap peers include CDEV, CPE, CTRA, LPI, MTDR, PDCE and SM.

Focused on Providing Shareholders a Path to Value Accretion

Earthstone Management has *consistently* shown *fundamental conservatism* in assessing and executing a broader corporate strategy of *value driven investment in high quality assets*, *operating cost leadership*, and *management of its balance sheet* offering investors a *reliable* and *predictable opportunity* to invest in a *growing operator*.

- **Greater Efficiency Achieved from Increased Critical Mass** ✓
- **Historically Low Leverage and Expected to be Below 1.0x by YE22** ✓
- **Robust Inventory in the Premier Shale Basins of the US** ✓
- **Improving the Opportunity to Implement Meaningful Shareholder Returns** ✓
- **Growing Free Cash Flow Generation with Low Reinvestment Needs** ✓
- **Committed to Delivering for Stakeholders, Employees, and the Environment** ✓

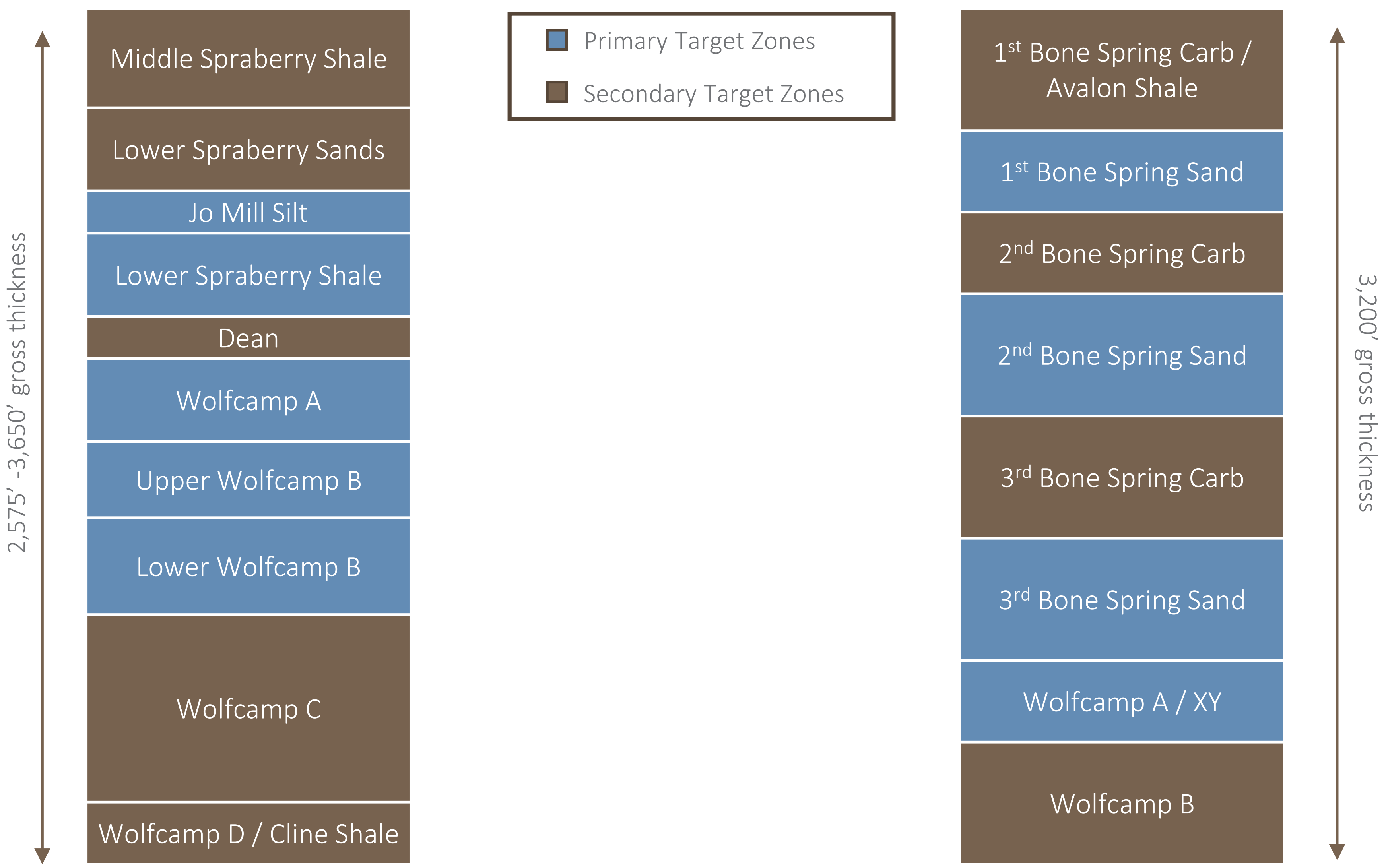
Appendix

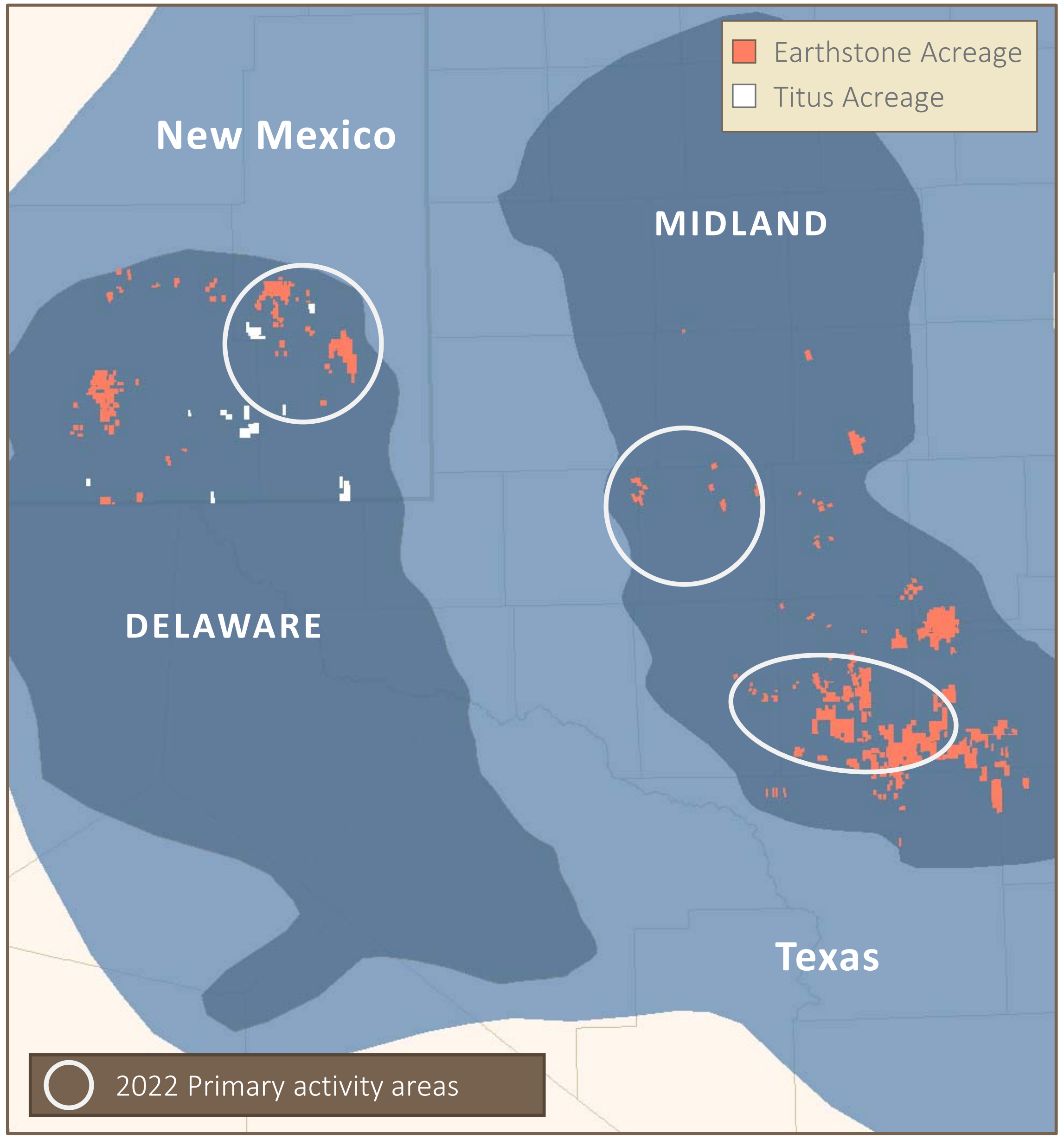
Development Optionality Across A Larger Footprint

Scaled Development Plans

Continuous multi-zone development program spread across both Midland and Delaware Basin positions with typical development spacing at 3-5 wells per section

Midland: ~208,000 net acres **Delaware: ~38,000 net acres**



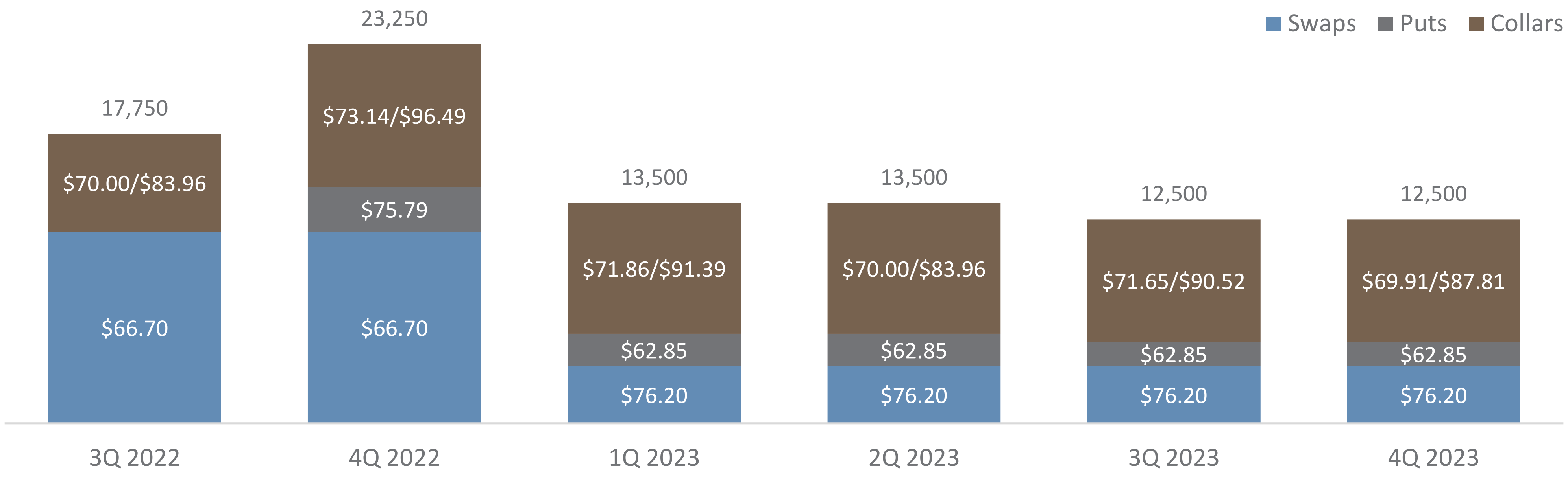


Oil and Gas Hedge Summary

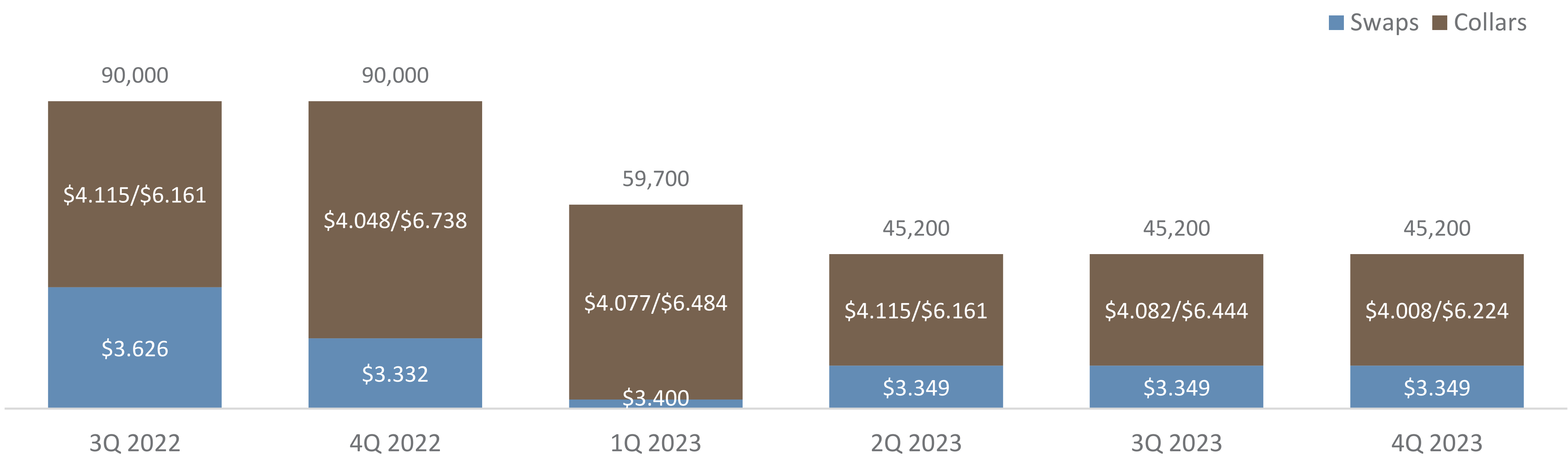
Focused on protecting cash flow while leaving upside for a stronger commodity outlook

- Utilize a mix of collars, swaps and puts on oil and gas production
- ~50% hedged for 2H22 and ~30% for 2023

Oil Hedge Positions (WTI based, Bbls/d, and $/Bbl)[1]



Natural Gas Hedge Positions (HH based, MMBtu/d, and $/MMBtu)[2]



Note: Includes all WTI and Henry Hub hedges as of 6/30/22. Does not include basis swaps.
1. Reflects weighted average swap price, put price (net of deferred premiums) and weighted average collar floor / ceiling prices each quarter.
2. Reflects weighted average swap price and weighted average collar floor / ceiling prices each quarter.

Oil and Gas Hedge Positions

WTI Oil Hedges - Swaps

Period	Volume (Bbls)	Volume (Bbls/d)	$/Bbl
3Q 2022	1,081,000	11,750	$66.70
4Q 2022	1,081,000	11,750	$66.70
1Q 2023	315,000	3,500	$76.20
2Q 2023	318,500	3,500	$76.20
3Q 2023	322,000	3,500	$76.20
4Q 2023	322,000	3,500	$76.20

WTI Oil Hedges - Collars

Period	Volume (Bbls)	Volume (Bbls/d)	$/Bbl (Floor)	$/Bbl (Ceiling)
3Q 2022	552,000	6,000	$70.00	$83.96
4Q 2022	805,000	8,750	$73.14	$96.49
1Q 2023	720,000	8,000	$65.88	$92.57
2Q 2023	728,000	8,000	$65.88	$92.57
3Q 2023	690,000	7,500	$65.60	$91.20
4Q 2023	690,000	7,500	$65.60	$91.20

WTI Midland Argus Crude Basis Swaps

Period	Volume (Bbls)	Volume (Bbls/d)	$/Bbl (Differential)
3Q 2022	1,150,000	12,500	$0.51
4Q 2022	1,932,000	21,000	$0.68
1Q 2023	1,215,000	13,500	$0.60
2Q 2023	1,228,500	13,500	$0.60
3Q 2023	1,150,000	12,500	$0.59
4Q 2023	1,150,000	12,500	$0.59

WTI Deferred Premium Puts

Period	Volume (Bbls)	Volume (Bbls/d)	$/Bbl (Put Price)	$/Bbl (Net of Premium)
4Q 2022	253,000	2,750	$80.00	$75.79
1Q 2023	180,000	2,000	$70.00	$62.85
2Q 2023	182,000	2,000	$70.00	$62.85
3Q 2023	138,000	1,500	$70.00	$62.85
4Q 2023	138,000	1,500	$70.00	$62.85

HH Gas Hedges - Swaps

Period	Volume (MMBtu)	Volume (MMBtu/d)	$/MMBtu
3Q 2022	3,266,000	35,500	$3.626
4Q 2022	1,893,500	20,582	$3.332
1Q 2023	232,500	2,583	$3.400
2Q 2023	1,137,500	12,500	$3.349
3Q 2023	1,150,000	12,500	$3.349
4Q 2023	1,150,000	12,500	$3.349

HH Gas Hedges - Collars

Period	Volume (MMBtu)	Volume (MMBtu/d)	$/MMBtu (Floor)	$/MMBtu (Ceiling)
3Q 2022	5,014,000	54,500	$4.115	$6.161
4Q 2022	6,386,500	69,418	$4.048	$6.738
1Q 2023	5,140,500	57,117	$4.161	$7.363
2Q 2023	2,975,700	32,700	$3.061	$4.191
3Q 2023	3,008,400	32,700	$3.061	$4.191
4Q 2023	3,008,400	32,700	$3.061	$4.191

WAHA Differential Basis Swaps

Period	Volume (MMBtu)	Volume (MMBtu/d)	$/MMBtu
3Q 2022	1,840,000	20,000	($0.327)
4Q 2022	1,840,000	20,000	($0.327)
1Q 2023	9,000,000	100,000	($1.466)
2Q 2023	9,100,000	100,000	($1.466)
3Q 2023	9,200,000	100,000	($1.466)
4Q 2023	9,200,000	100,000	($1.466)
FY 2024	36,600,000	100,000	($1.050)

Note: Hedgebook as of 6/30/22.

SEC Stand-Alone Reserves Summary & PV-10 – Year-End 2021

As shown in the table below, Earthstone's stand-alone estimated proved reserves at year end 2021 were independently estimated by Cawley, Gillespie & Associates, Inc. ("CGA"), independent petroleum engineers, and which was prepared in accordance with Securities and Exchange Commission ("SEC") guidelines, were approximately 147.6 million barrels of oil equivalent ("MMBoe"). SEC rules require that calculations of economically recoverable reserves use the unweighted average price on the first day of the month for the prior twelve-month period. The resulting oil and natural gas prices used for Earthstone's stand-alone 2021 year end reserve report, prior to adjusting for quality and basis differentials, were $66.56 per barrel and $3.598 per million British Thermal Units ("MMBtu"), respectively. SEC prices net of differentials were $65.64 per barrel, $30.16 per equivalent barrel of NGL and $3.01 per Mcf.

Stand-Alone Year-End 2021 SEC Proved Reserves

Reserves Category	Oil (Mbbls)	Gas (MMcf)	NGL (Mbbls)	Total (Mboe)	PV-10 ($ in thousands)
Proved Developed	35,824	190,999	25,917	93,575	1,371,697
Proved Undeveloped	25,251	93,882	13,114	54,012	644,989
Total	**61,075**	**284,881**	**39,031**	**147,587**	**$2,016,686**

PV-10 is a measure not prepared in accordance with accounting principles generally accepted in the United States ("GAAP") 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	$2,016,686
Future income taxes, discounted at 10%	$198,314
Standardized measure of discounted future net cash flows	**$1,818,372**

Estimated Proved Reserves Summary as of 8/1/22 at NYMEX Strip Pricing as of 7/27/22

This summary of proved developed reserve volumes and values as shown in the table below are pro forma for the Titus Acquisition that are based on management estimates and has been prepared as of August 1, 2022, utilizing NYMEX strip benchmark prices and basis differentials as of July 27, 2022, and in regard to PV-10, discounting cash flows at a rate of 10%.

	Combined PV-10 Value ($mm)[1]
Proved Developed	$4,929
Proved Undeveloped	$1,227
Total Proved	$6,156

	Combined 1P Reserves (MMBoe)[1]
Proved Developed	270.3
Proved Undeveloped	89.2
Total Proved	359.6

1. Pro forma for the anticipated mid-August closing of the Titus Acquisition.

Reconciliation of Non-GAAP Financial Measure – Adjusted EBITDAX

Earthstone uses Adjusted EBITDAX, a financial measure that is not presented in accordance with 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 (loss) income plus, when applicable, (gain) on sale of oil and gas properties, net; accretion of asset retirement obligations; depletion, depreciation and amortization; transaction costs; interest expense, net; exploration expense; unrealized loss on derivative contracts; stock based compensation(1); and income tax (benefit) expense. Earthstone excludes the foregoing items from net (loss) income 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 (loss) income 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:

2Q 2022 Adjusted EBITDAX ($ in 000s)

	2Q22
Net income (loss)	$218,025
Accretion of asset retirement obligations	$708
Depreciation, depletion and amortization	$66,463
Interest expense, net	$16,625
Transaction costs	($402)
(Gain) on sale of oil and gas properties	$0
Exploration expense	$0
Unrealized (gain) loss on derivative contracts	($29,192)
Stock based compensation[(1)]	$5,960
Income tax expense (benefit)	$22,688
Adjusted EBITDAX	**$300,875**

FY 2021 Adjusted EBITDAX ($ in 000s)

	FY21
Net (loss) income	$61,506
Accretion of asset retirement obligations	$1,065
Depreciation, depletion and amortization	$106,367
Interest expense, net	$10,796
Transaction costs	$4,875
(Gain) on sale of oil and gas properties	($738)
Exploration expense	$341
Unrealized loss on derivative contracts	$40,795
Stock based compensation[(1)]	$21,014
Income tax (benefit) expense	$1,859
Adjusted EBITDAX	**$247,880**

1. Consists of expense for non-cash equity awards and cash-based liability awards that are expected to be settled in cash. No cash-based liability awards were settled in cash during 2021. On February 9, 2022, cash-based liability awards were settled in the amount of $8.1 million. Stock-based compensation is included in General and administrative expense in the Condensed Consolidated Statements of Operations.

Market Capitalization Table

Provided as of 8/2/2022[1]

($ in millions, except share price)	As of 6/30/22[1]	Pro Forma Titus As of 7/31/22[2]
Class A Common Stock (MM)	104.4	108.3
Class B Common Stock (MM)	34.3	34.3
Total Common Stock Outstanding (MM)	**138.7**	**142.6**
Stock Price (as of 8/2/22)	$14.29	$14.29
Market Capitalization	**$1,982.1**	**$2,037.8**
Plus: Total Debt	$932.9	$1,303.9
Less: Cash	$0.0	$0.0
Enterprise Value	**$2,914.9**	**$3,341.7**

1. Shares outstanding as of 7/28/22.
2. Based on shares outstanding as of 7/28/22 and ESTE estimated net debt at 7/31/22 all adjusted for the anticipated mid-August closing of the Titus Acquisition.

Notes and Supplemental Information

- Management has provided forwarding looking charts and figures on various slides that utilize a "maintenance capital" scenario. These figures are for example purposes only and do not constitute specific guidance beyond 2022. Proposed corporate guidance for 2023 and beyond will be designated as such at the time it is made available. In addition, the assumptions utilized for these scenario are as follows;
  - Future production levels beyond 2022 are roughly flat with the projected 2H22 guidance provided by management
  - Capital costs for development and operating field costs on a unit basis are held roughly flat to 2H22 guidance
  - The corporate PDP decline rate is estimated at ~25% for 2022 and continues to decline at slightly lower rates in the following years

Recent Strip Pricing (7/27/2022)

Year	WTI	HH
2022	$97.90	$7.17
2023	$85.47	$5.81
2024	$79.06	$4.72
2025	$74.64	$4.54
2026	$71.42	$4.43

Supplementary Footnotes (Page 4)

1. Pro Forma for the anticipated mid-August closing of the Titus Acquisition.
2. Total estimated proved reserves as of 8/1/22 using NYMEX strip pricing as of 7/27/22.
3. Cash margins are calculated as revenues less all-in cash costs which consist of LOE, ad valorem & production taxes, transportation expense, cash G&A, and interest expense.
4. Based on current shares outstanding and ESTE estimated net debt at 7/31/22, all adjusted for the anticipated mid-August closing of the Titus Acquisition.