



# IPAA – Oil and Gas Investment Symposium

– April 9-10, 2018 –

Nasdaq Ticker: PVAC

# Forward Looking and Cautionary Statements

Certain statements contained herein that are not descriptions of historical facts are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We use words such as "guidance," "projects," "estimates," "expects," "continues," "intends," "plans," "believes," "forecasts," "future," and variations of such words or similar expressions in this presentation to identify forward-looking statements. Because such statements include assumptions, risks, uncertainties and contingencies, actual results may differ materially from those expressed or implied by such forward-looking statements. These risks, uncertainties and contingencies include, but are not limited to, the following: risks related to the recently completed acquisitions, including the Company's ability to realize their expected benefits; our ability to satisfy our short-term and long-term liquidity needs, including our ability to generate sufficient cash flows from operations or to obtain adequate financing to fund our capital expenditures and meet working capital needs; negative events or publicity adversely affecting our ability to maintain our relationships with our suppliers, service providers, customers, employees, and other third parties; plans, objectives, expectations and intentions contained in this presentation that are not historical; our ability to execute our business plan in volatile and depressed commodity price environments; any decline in and volatility of commodity prices for oil, NGLs, and natural gas; our anticipated production and development results; our ability to develop, explore for, acquire and replace oil and natural gas reserves and sustain production; our ability to generate profits or achieve targeted reserves in our development and exploratory drilling and well operations; any impairments, write-downs or write-offs of our reserves or assets; the projected demand for and supply of oil, NGLs and natural gas; our ability to contract for drilling rigs, frac crews, and services at reasonable costs; our ability to obtain adequate pipeline transportation capacity for our oil and gas production at reasonable cost and to sell the production at, or at reasonable discounts to, market prices; the uncertainties inherent in projecting future rates of production for our wells and the extent to which actual production differs from that estimated in our proved oil and natural gas reserves; drilling and operating risks; concentration of assets; our ability to compete effectively against other oil and gas companies; leasehold terms expiring before production can be established and our ability to replace expired leases; costs or results of any strategic initiatives; environmental obligations, results of new drilling activities, locations and methods, costs and liabilities that are not covered by an effective indemnity or insurance; the timing of receipt of necessary regulatory permits; the effect of commodity and financial derivative arrangements; the occurrence of unusual weather or operating conditions, including force majeure events and hurricanes; our ability to retain or attract senior management and key employees; potential adverse effects of the completed bankruptcy proceedings on our liquidity, results of operations, business prospects, ability to retain financing and other risks and uncertainties related to our emergence from bankruptcy; our post-bankruptcy capital structure and the adoption of fresh start accounting, including the risk that assumptions and factors used in estimated enterprise value vary significantly from the current estimates in connection with the application of fresh start accounting; counterparty risk related to the ability of these parties to meet their future obligations; compliance with and changes in governmental regulations or enforcement practices, especially with respect to environmental, health and safety matters; physical, electronic and cybersecurity breaches; litigation that impacts us, our assets or our midstream service providers; uncertainties relating to general domestic and international economic and political conditions; and other risks set forth in our filings with the SEC. Additional information concerning these and other factors can be found in our press releases and public filings with the SEC. Many of the factors that will determine our future results are beyond the ability of management to control or predict. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. The statements in this presentation speak only as of the date of this presentation. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

## Oil and Gas Reserves

Statements of reserves are only estimates and may not correspond to the ultimate quantities of oil and gas recovered. Investors are urged to consider closely the disclosure in Penn Virginia's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 on its website at [www.pennvirginia.com](http://www.pennvirginia.com) under Investors – SEC Filings. You can also obtain these reports from the SEC's website at [www.sec.gov](http://www.sec.gov).

## Definitions

Proved reserves are those quantities of oil and gas which, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether the estimate is a deterministic estimate or probabilistic estimate. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves, but which are as likely than not to be recoverable (there should be at least a 50% probability that the quantities actually recovered will equal or exceed the proved plus probable reserve estimates). Possible reserves are those additional reserves that are less certain to be recoverable than probable reserves (there should be at least a 10% probability that the total quantities actually recovered will equal or exceed the proved plus probable plus possible reserve estimates). Estimated ultimate recovery (EUR) is the sum of reserves remaining as of a given date and cumulative production as of that date. EUR is a measure that by its nature is more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly is less certain.

## Cautionary Statements

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that a company anticipates as of a given date to be economically and legally producible and deliverable by application of development projects to known accumulations. We use certain terms in this presentation, such as total resource potential, that the SEC's rules strictly prohibit us from including in filings with the SEC. These measures are by their nature more speculative than estimates of reserves prepared in accordance with SEC definitions and guidelines and accordingly are less certain. We also note that the SEC strictly prohibits us from aggregating proved, probable and possible reserves (3P) in filings with the SEC due to the different levels of certainty associated with each reserve category. The estimates and guidance presented in this presentation are based on assumptions of capital expenditure levels, prices for oil, natural gas and NGLs, current indications of supply and demand for oil, well results and operating costs. IP-24 production results might not be indicative of production over longer periods in the life of the well. Data regarding acreage that is expected to be acquired is based on currently available information about such acreage, including reserves and production, that was provided to us by third parties. The guidance provided in this presentation does not constitute any form of guarantee or assurance that the matters indicated will be achieved. While we believe these estimates and the assumptions on which they are based are reasonable, they are inherently uncertain and are subject to, among other things, significant business, economic, operational and regulatory risks and uncertainties and are subject to material revision. Actual results may differ materially from estimates and guidance.

## Reconciliation of Non-GAAP Financial Measures

This presentation contains references to certain non-GAAP financial measures. Reconciliations between GAAP and non-GAAP financial measures are available in the appendix to this presentation. The non-GAAP financial measures presented may not provide information that is directly comparable to that provided by other companies, as other companies may calculate such financial results differently. The Company's non-GAAP financial measures are not measurements of financial performance under GAAP and should not be considered as alternatives to amounts presented in accordance with GAAP. The Company views these non-GAAP financial measures as supplemental and they are not intended to be a substitute for, or superior to, the information provided by GAAP financial results.

# Company Overview

Pure Play Eagle Ford Shale Operator

## Financial & Operational Profile

|  |                 |
|--|-----------------|
| Exchange: Ticker   | NASDAQ:<br>PVAC |
| Share Price <sup>(2)</sup>                                       | \$34.75         |
| Shares Outstanding (MM) as of 12/31/2017                         | 15.0            |
| Market Capitalization (\$MM) <sup>(2)</sup>                      | \$521           |
| Long Term Debt (\$MM) <sup>(1)</sup>                             | \$375           |
| Enterprise Value (\$MM)  | \$885           |
| PV-10 PDP at Strip Pricing (\$MM) <sup>(1),(3)</sup>             | \$556           |
| PV-10 Total Proved at Strip Pricing (\$MM)<br><sup>(1),(3)</sup> | \$823           |
| Proved Reserves (MMBOE) <sup>(1)</sup>                           | 85              |

- ~83,100<sup>(1)</sup> net acres in Gonzales, Lavaca and Dewitt Counties; 99% Operated
- ~93% HBP with high-percentage oil and robust EBITDAX margins
- Active 3-rig program
- Substantial Eagle Ford inventory ~589 gross locations (~500 net)<sup>(1)</sup>
- Targeting Y-o-Y production growth of ~125%<sup>(4)</sup> with current development program

1) As of December 31, 2017, pro forma for Hunt acquisition.

2) As of April 5, 2018.

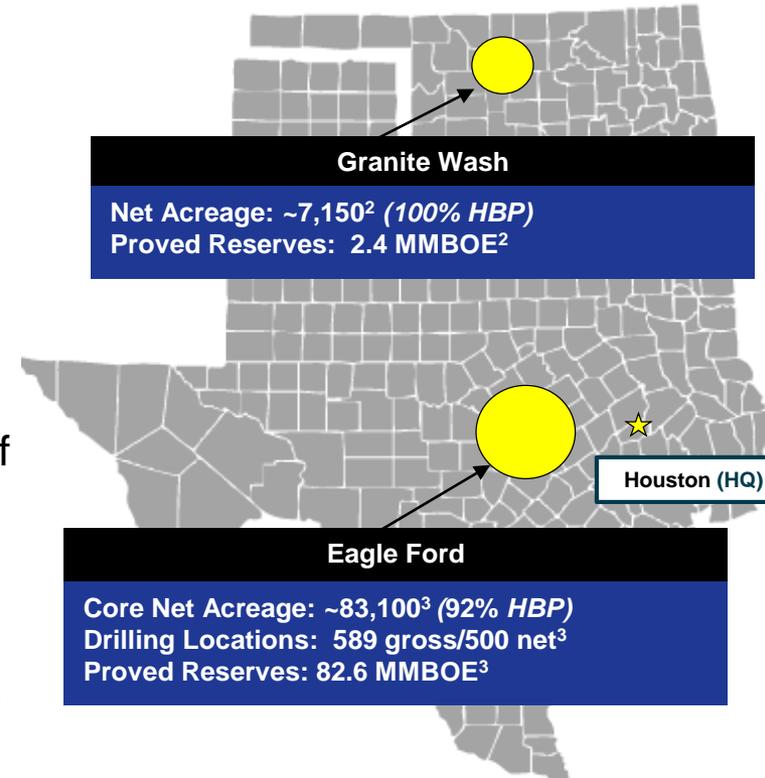
3) PV-10 is a non-GAAP measure reconciled to Standardized Measure in the Appendix of this presentation, pro forma for Hunt acquisition.

4) Assumes mid-point of 2018 production guidance.

# Strong Operational Performance

## Full-Year 2017 and Recent Highlights

- Strong well results continue to delineate Area 2 with Geo-Hunter and Southern Hunter-Amber pads
- Expanded technical team and upgraded drilling and completion equipment delivering significant improvements
- Increased proved reserves by 47%; replaced ~710% of 2017 production at a drill-bit F&D cost of \$4.40/BOE<sup>(1)</sup>
- Increased borrowing base under the credit facility by more than 40% to \$340 MM in conjunction with closing of the Hunt acquisition



1) For an explanation of these supplemental measures, see the section titled "Reserve Replacement Ratio and Drill-bit Finding and Development - Definition" at the end of this presentation.

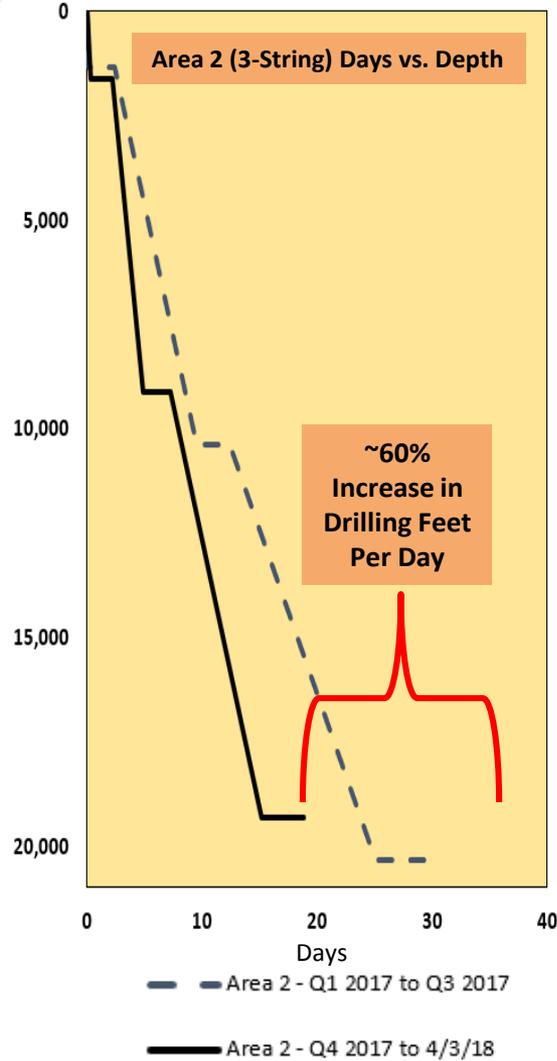
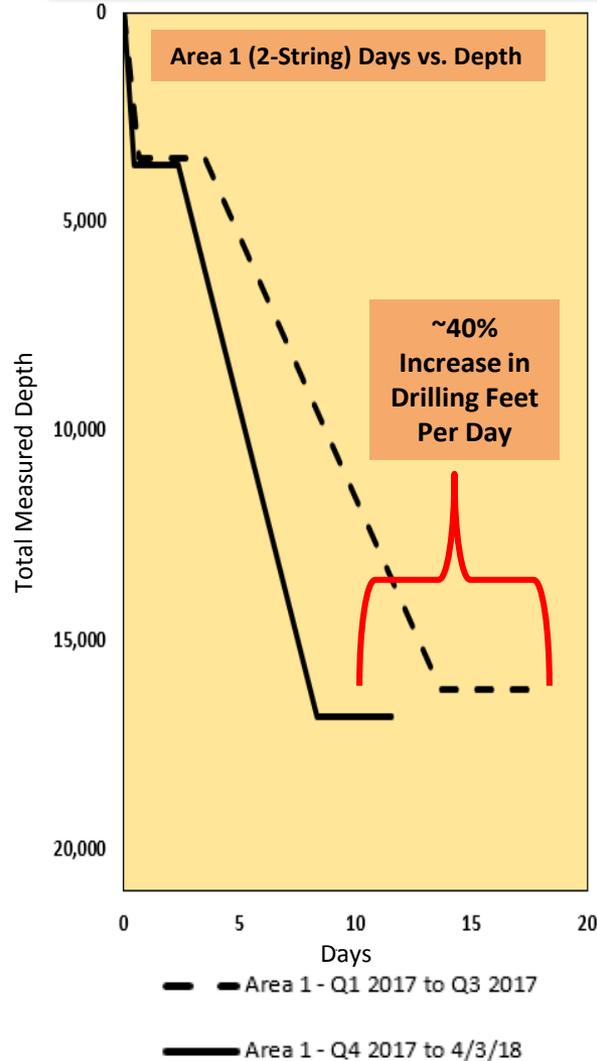
2) As of December 31, 2017.

3) As of December 31, 2017, pro forma for Hunt acquisition.

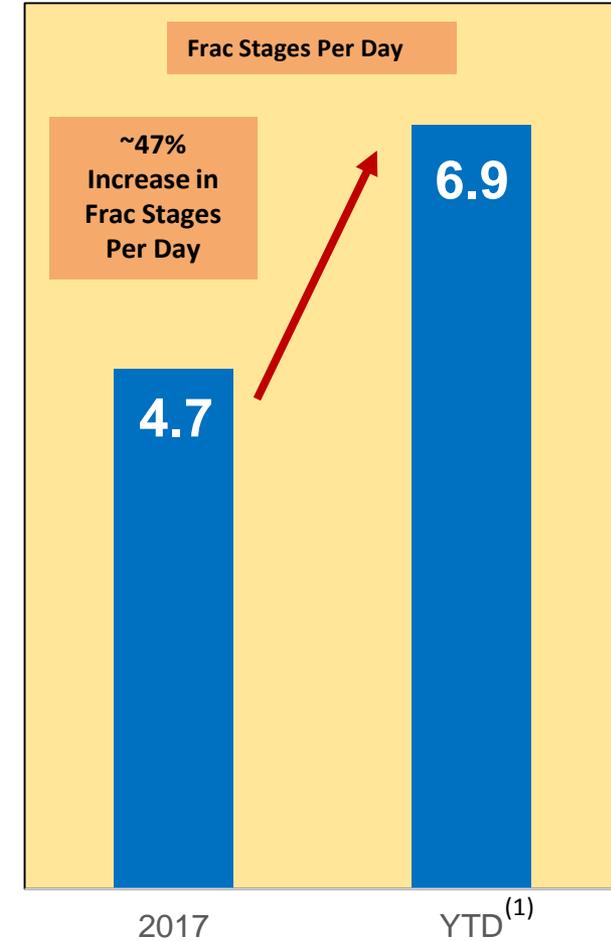
# Improved Operational Efficiency

Expanded Technical Team & Upgraded Equipment Driving Improved Operational Execution

## Increased Drilling Efficiency – Avg. Feet / Day from Spud-to-Rig Release



## Increased Completion Efficiency



1) 01-01-18 to 03-31-18.

# 2018 Capital Plan

- Estimated Capital Expenditures: Between \$320 and \$360 Million
- 95% of Capital Expected to be Directed to Eagle Ford D&C
- Expected to Drill a Total of 55 to 60 Gross Wells (45 to 50 net wells) (22 gross XRLs)
  - Area 1 - 33 to 35 Gross Wells (26 to 28 Net Wells)
  - Area 2 - 22 to 25 Gross Wells (19 to 22 Net Wells)

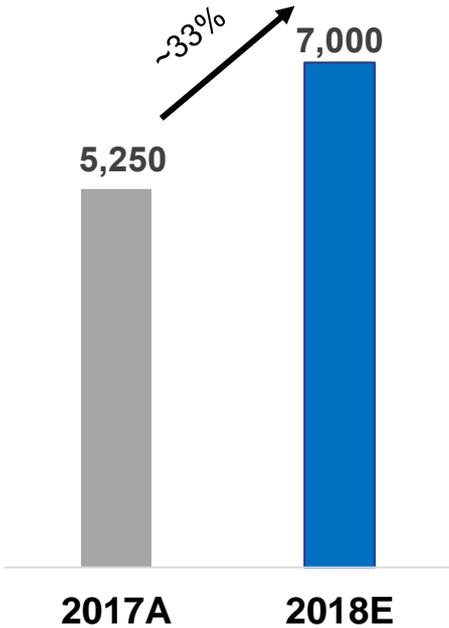
Capital by Area



Wells By Area

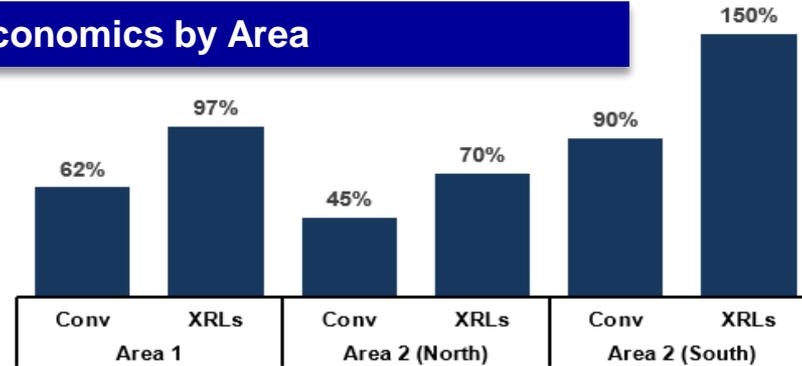


Average Treatable Lateral Length



# Large Inventory of Locations With Attractive Returns

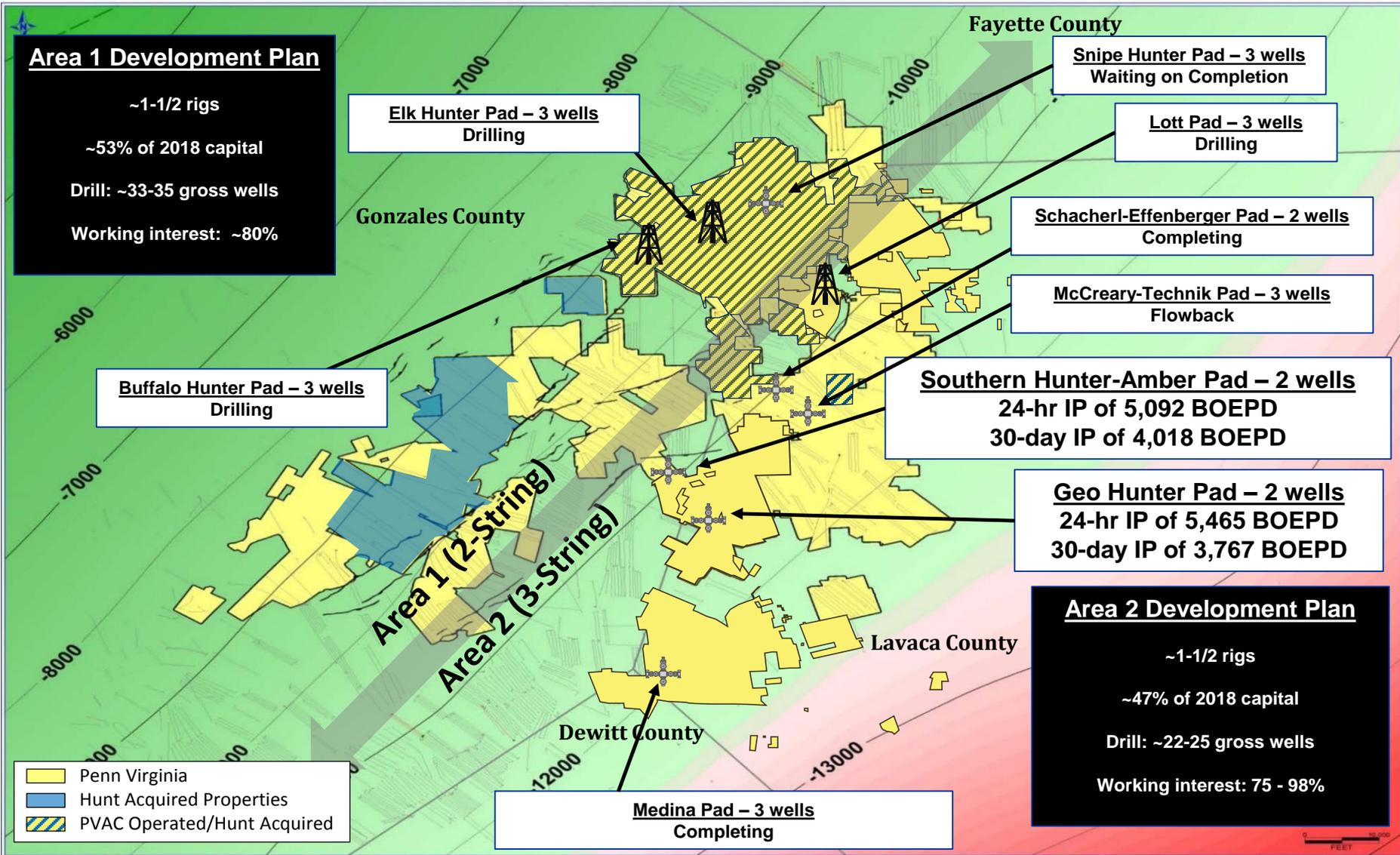
## Eagle Ford Economics by Area



|                           |       |       |       |       |       |        |
|---------------------------|-------|-------|-------|-------|-------|--------|
| <b>Producing Wells</b>    | 227   | -     | 75    | -     | 71    | 2      |
| <b>Drilling Locations</b> | 307   | 26    | 144   | 41    | 38    | 33     |
| <b>EUR (Mboe)</b>         | 485   | 710   | 620   | 920   | 1,120 | 1,865  |
| <b>% Oil</b>              | 87%   | 87%   | 70%   | 70%   | 41%   | 41%    |
| <b>% NGL</b>              | 7%    | 7%    | 16%   | 16%   | 33%   | 33%    |
| <b>% Gas</b>              | 6%    | 6%    | 13%   | 13%   | 26%   | 26%    |
| <b>EUR per foot (boe)</b> | 81    | 81    | 100   | 100   | 187   | 187    |
| <b>Lateral Length</b>     | 6,000 | 8,800 | 6,200 | 9,200 | 6,000 | 10,000 |
| <b>Well Cost (MM\$)</b>   | 5.3   | 6.6   | 6.6   | 8.3   | 6.5   | 8.8    |
| <b>PV10 BTAX (MM\$)</b>   | 4.1   | 7.4   | 3.8   | 7.2   | 6.8   | 13.5   |
| <b>ROR BTAX (%)</b>       | 62%   | 97%   | 45%   | 70%   | 90%   | 150%   |
| <b>Payout (Yrs)</b>       | 1.3   | 1.0   | 1.6   | 1.2   | 1.0   | 0.7    |

Note: Based on management's internal estimates as of February 14, 2018; economics based of \$56 WTI and \$3 natural gas. Drilling locations as of December 31, 2017.

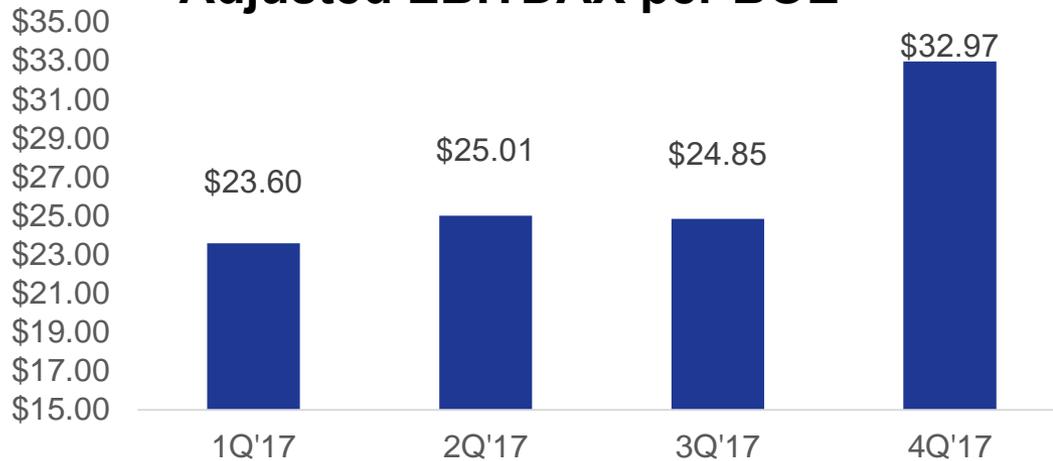
# 2018 Development Plans



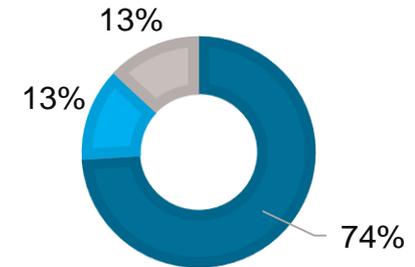
# Strong and Improving Adjusted EBITDAX per BOE

## Penn Virginia's Production Receives Premium LLS Prices

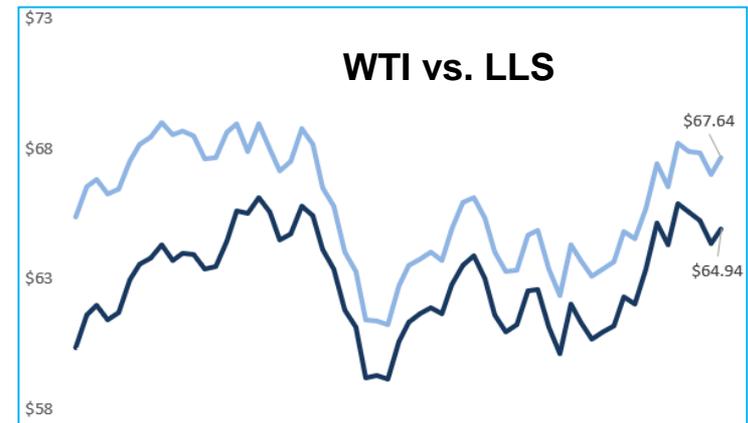
### Adjusted EBITDAX per BOE (1)



■ Crude Oil ■ NGLs  
■ Natural Gas



- **74% of Production - Crude Oil**
- **Approximately 43 Degree API Gravity**
- **Receives LLS Pricing; Premium to WTI**
- **14% of Production - NGLs**
- **Realized Pricing 38% of WTI**



First Quarter 2018

Note: Production mix as of the fourth quarter 2017.

1) Adjusted EBITDAX per BOE is a non-GAAP financial measure. Definitions of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the closest GAAP-based financial measures appear at the end of this presentation.

# Production Growth

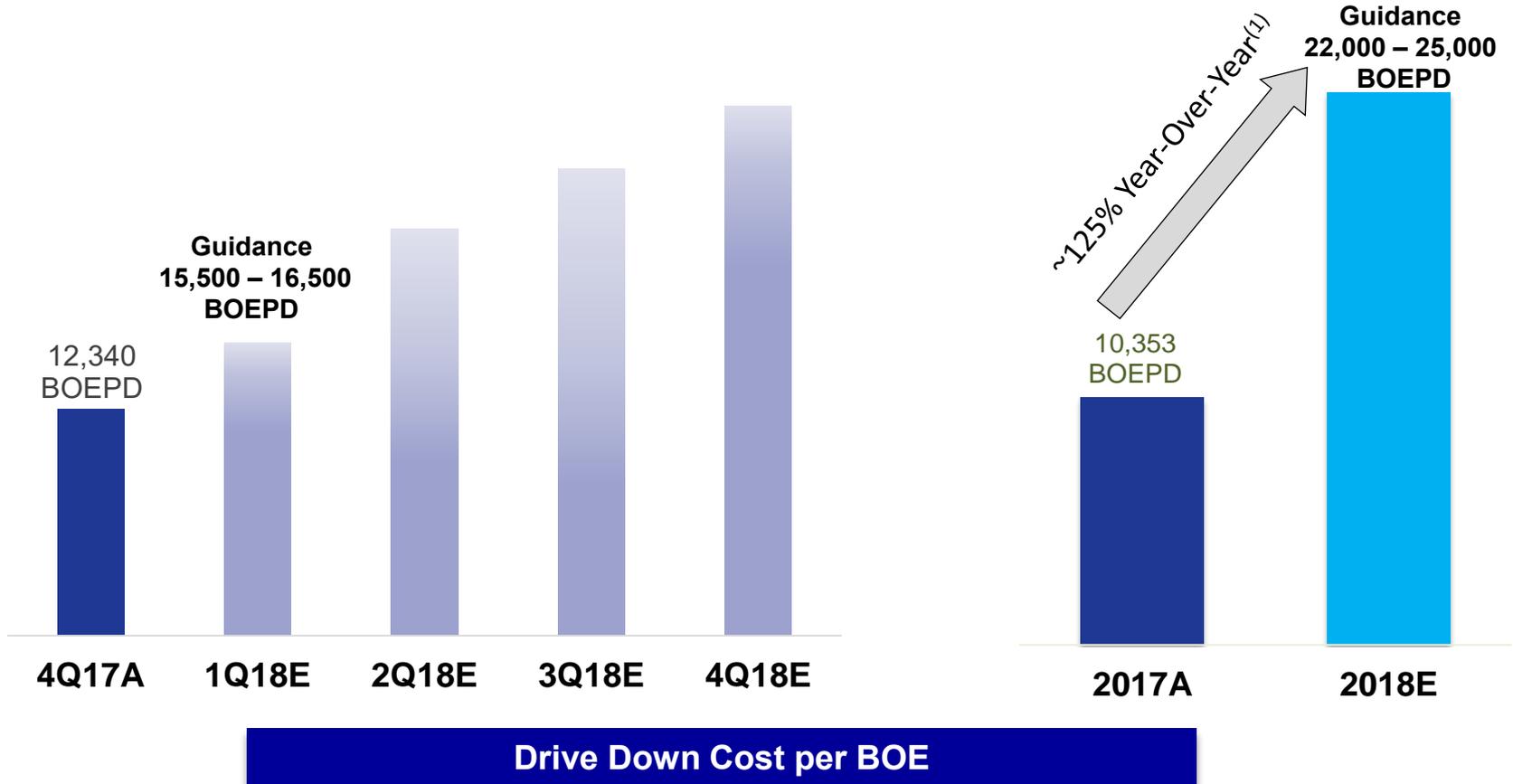
Targeting ~125% Year-Over-Year Production Growth

Increasing  
Production  
~125% Y-O-Y

Lower  
Operating  
Cost per BOE

Increasing Adjusted  
EBITDAX per BOE

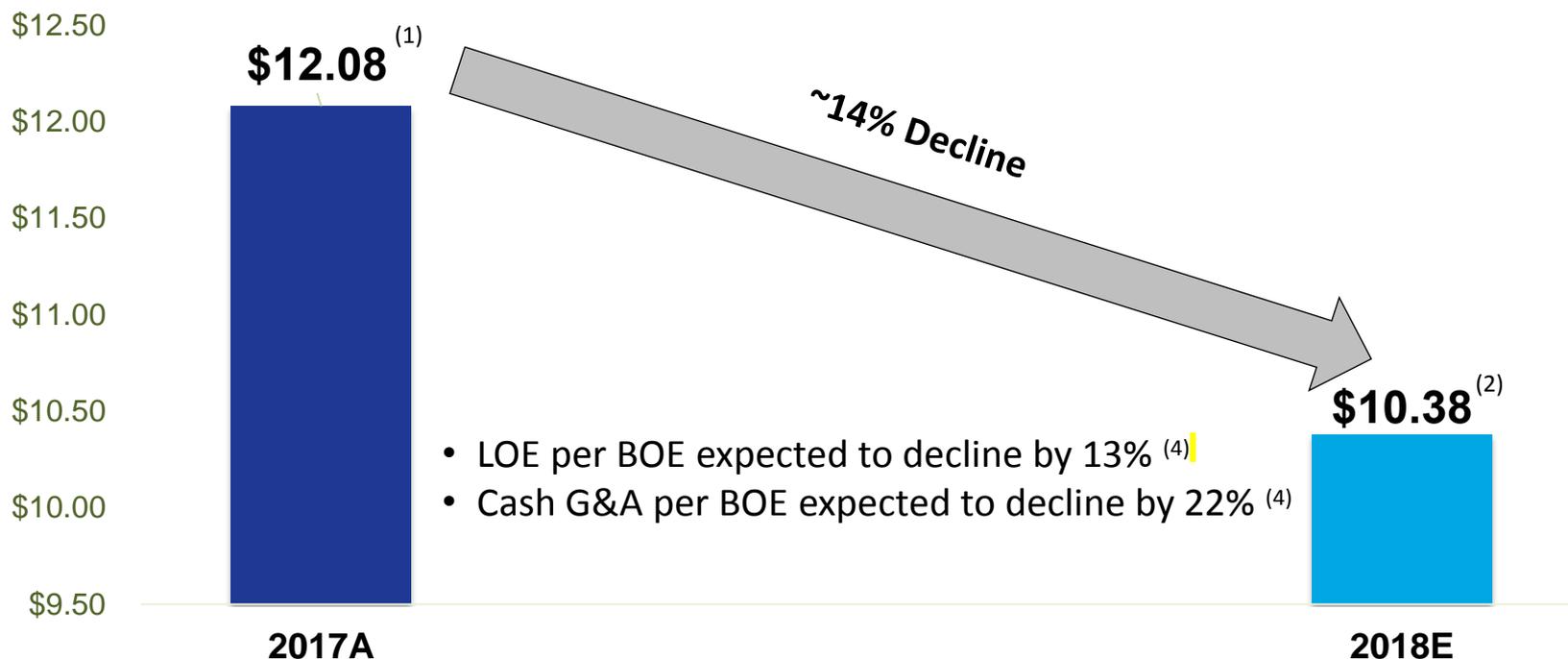
Lowers  
Leverage  
Metric



Note: Graphical representation of production growth profile only – Not intended to be quarterly guidance. Not to scale.

1) Assumes mid-point of 2018 production guidance.

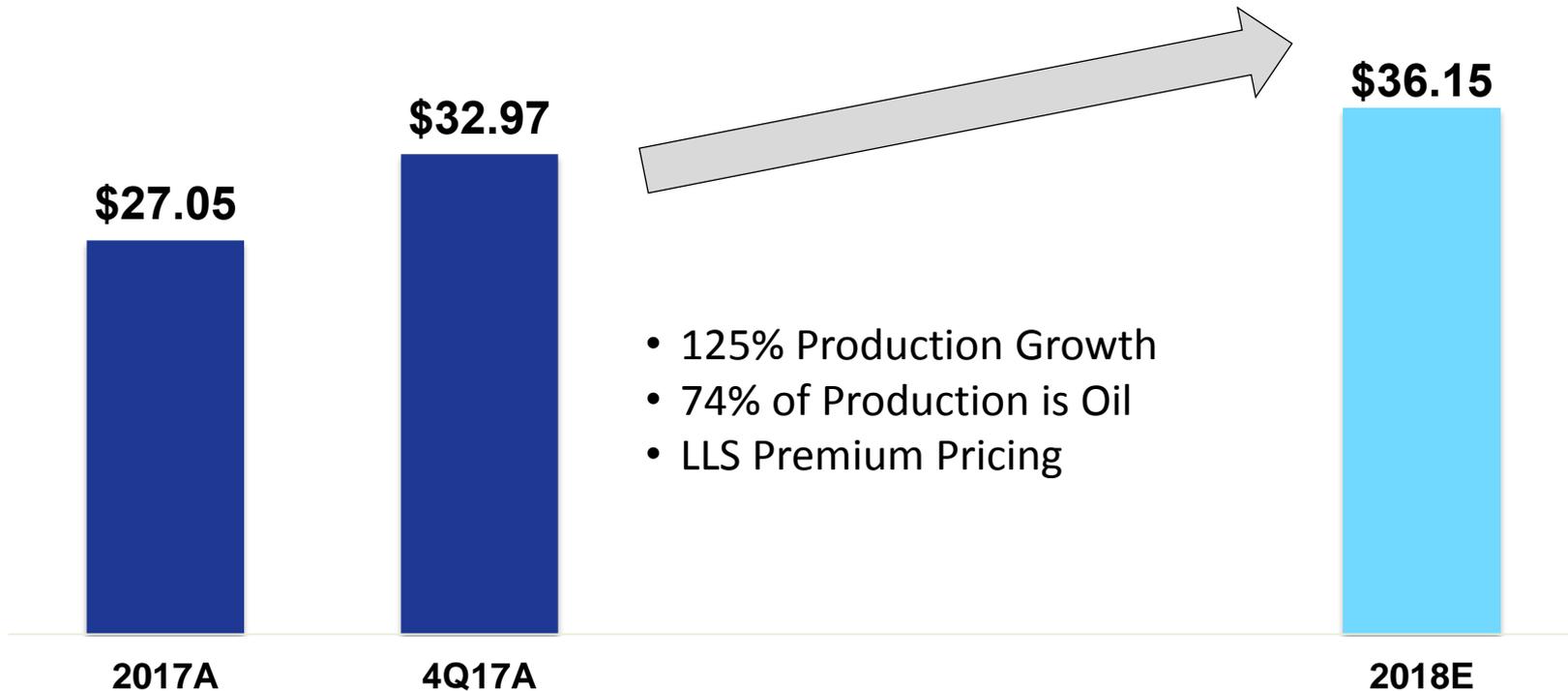
# Declining Cash Cost per BOE



**2018 Cash Cost per BOE Expected to Decrease Significantly by Year-end**

1) 2017A Cash Cost per BOE is comprised of the sum of (Lease Operating Expense (\$5.76/BOE) + GPT Expense (\$2.84/BOE) + Adjusted Cash G&A<sup>(3)</sup> (\$3.48/BOE)) divided by actual 2017 production).  
 2) 2018E Cash Cost per BOE is comprised of the sum of mid-point of guidance of (Lease Operating Expense + GPT Expense + Cash G&A Expense), which can be found in the Appendix of this presentation.  
 3) Adjusted Cash G&A is a non-GAAP financial measure. Definitions of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the closest GAAP-based financial measures appear at the end of this presentation.  
 4) Based on mid-point of guidance

# Adjusted EBITDAX per BOE (1)

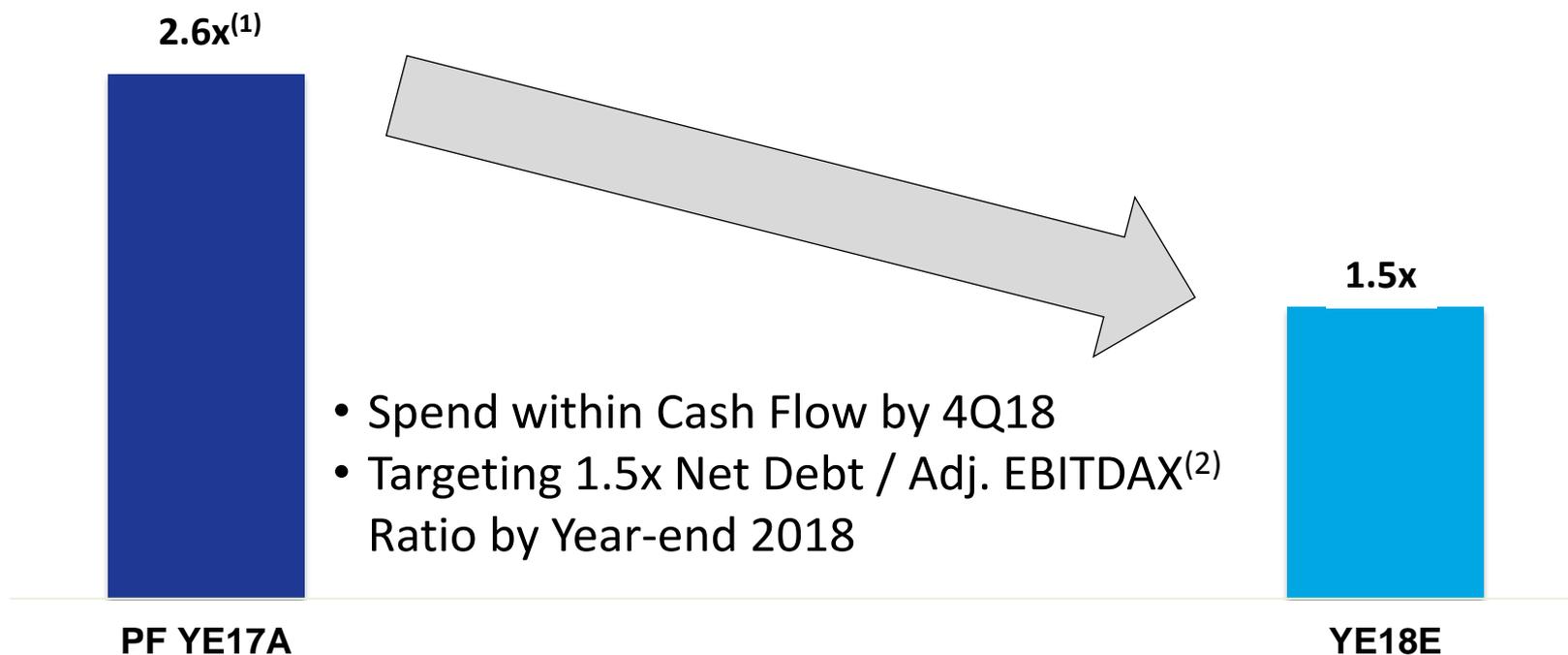


**Adjusted EBITDAX per BOE Accelerates Throughout 2018**

1) Adjusted EBITDAX per BOE is a non-GAAP measure. See appendix for explanation of these non-GAAP calculations

# Balance Sheet Improvement

Debt to Adjusted EBITDAX



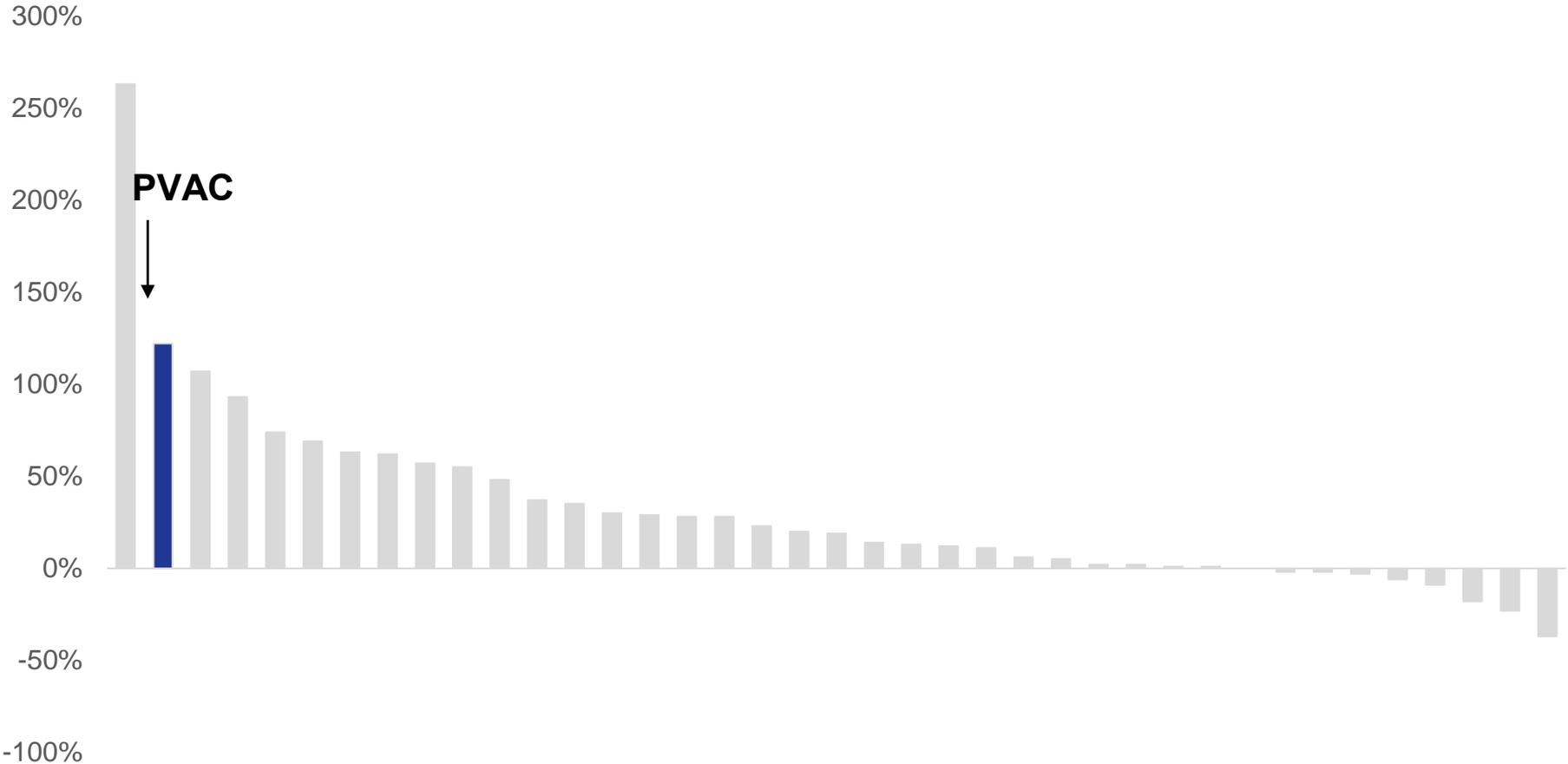
**Strong Cash Flow Growth Rapidly Improves Balance Sheet**

1) Pro forma for Hunt Acquisition (2017 year-end net debt / Adjusted EBITDAX was 2.3x).

2) As defined in the Company's credit facility.

# PVAC vs. Peers - Production Growth Rate

One of the Highest Production Growth Rates - 2018 over 2017 <sup>(1)</sup>

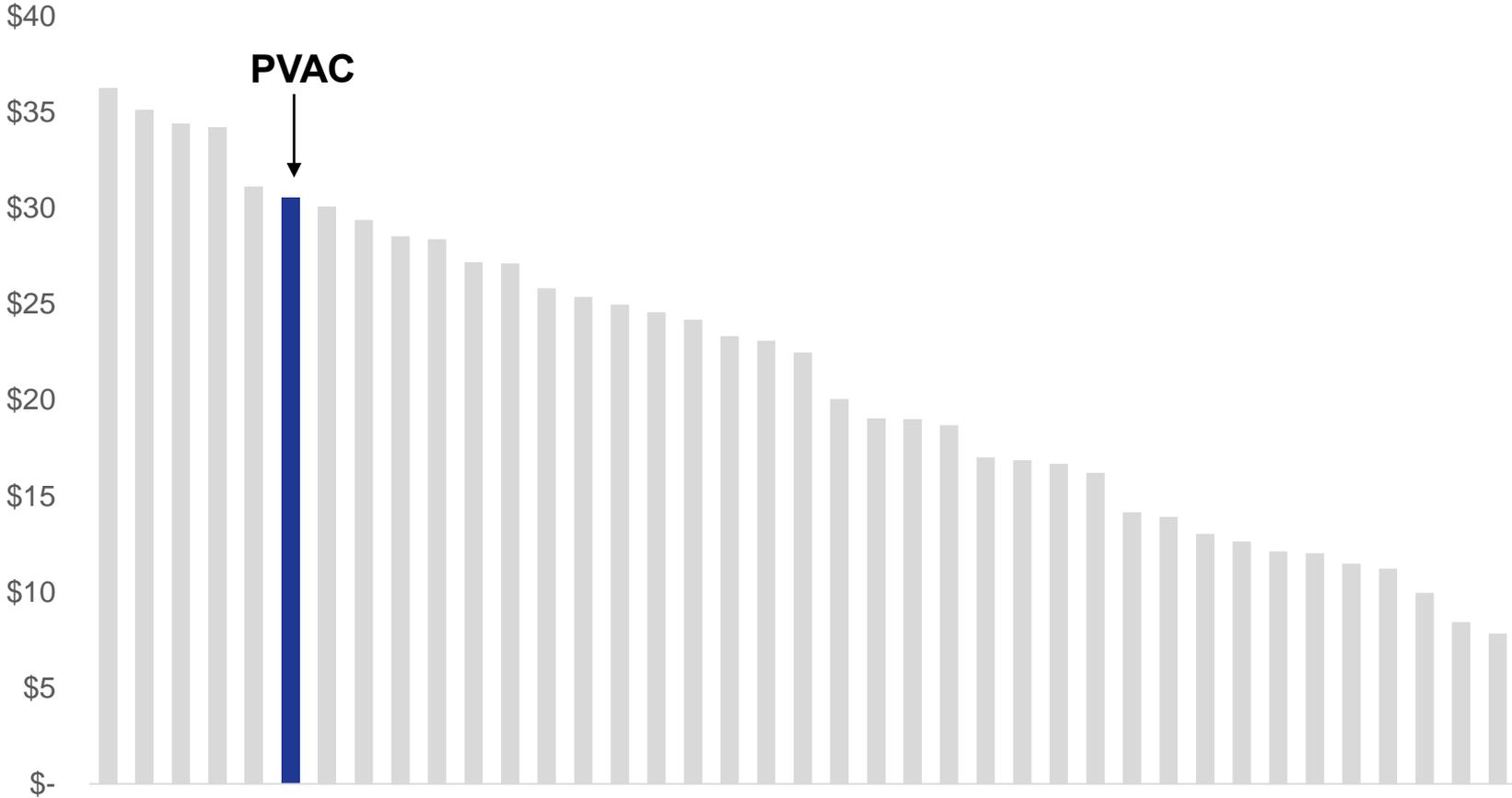


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Note: Peer Group Companies include AREX, BCEI, CRC, CPE, CRZO, CHK, CRK, MCF, DNR, ESTE, ECR, EPE, XOG, GST, GPOR, HK, BBG, JAG, JONE, LPI, LLEX, LONE, NOG, OAS, PVAC, PQ, QEP, REN, REXX, REI, SN, SD, SBOW, SM, SWN, SRCI, SGY, UPL and WRD Source: RBC Market data based on public information available as of 03/23/2018.  
 1) 2018 projected growth rate over 2017

# PVAC vs. Peers: 2018E EBITDA / BOE

One of Highest EBITDAX Per BOE

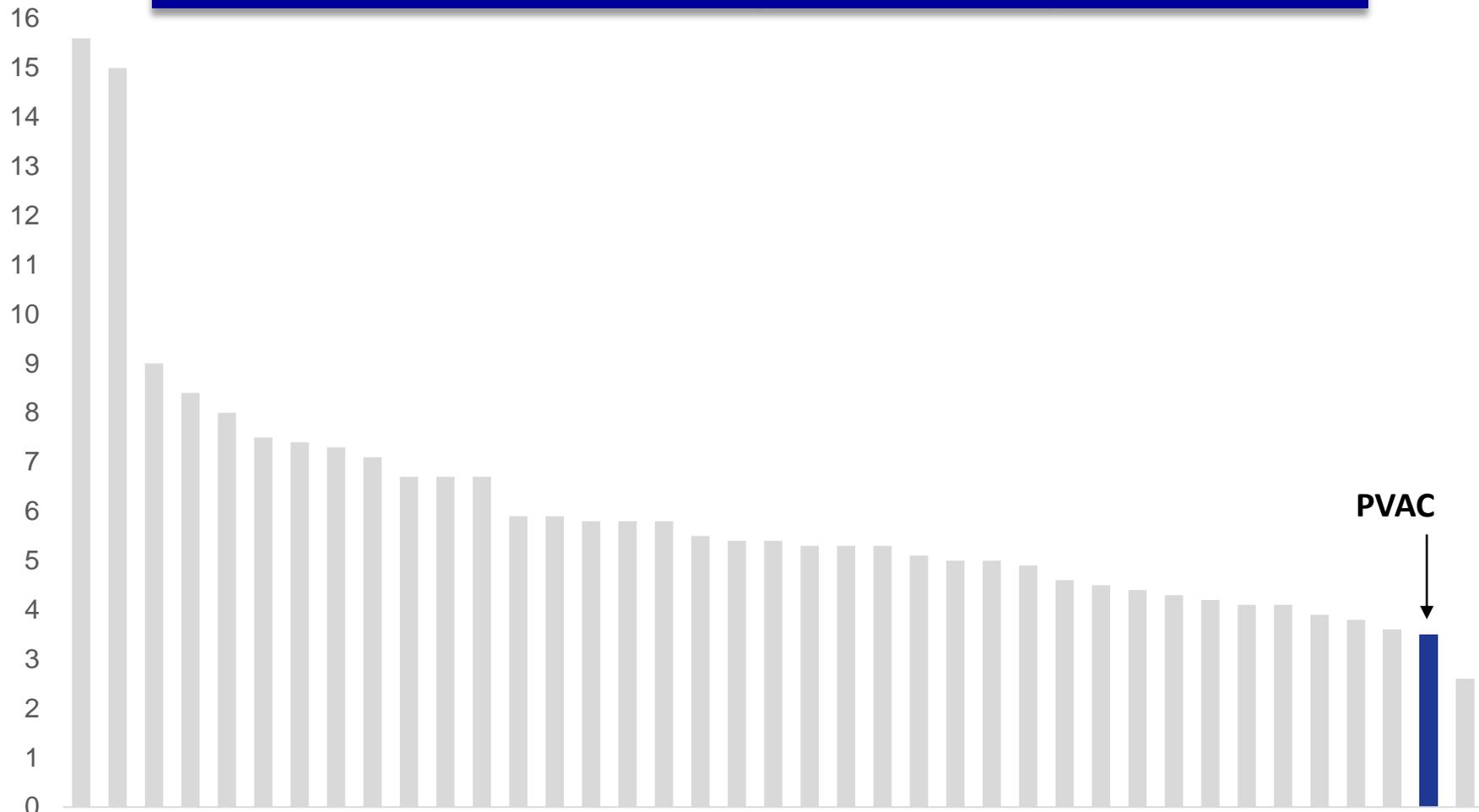


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# PVAC vs. Peers: TEV / 2018 EBITDA

One of the Lowest EBITDA Multiple in Small/Mid-Cap E&P Sector



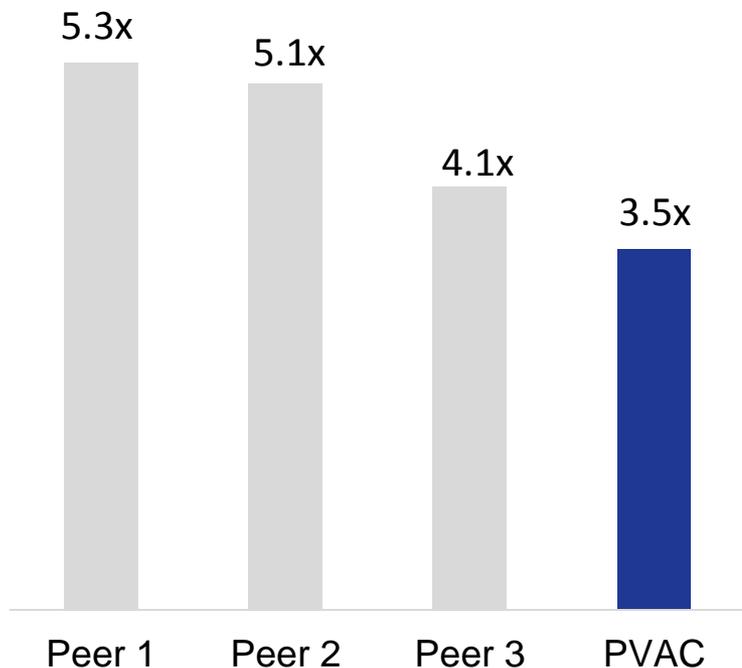
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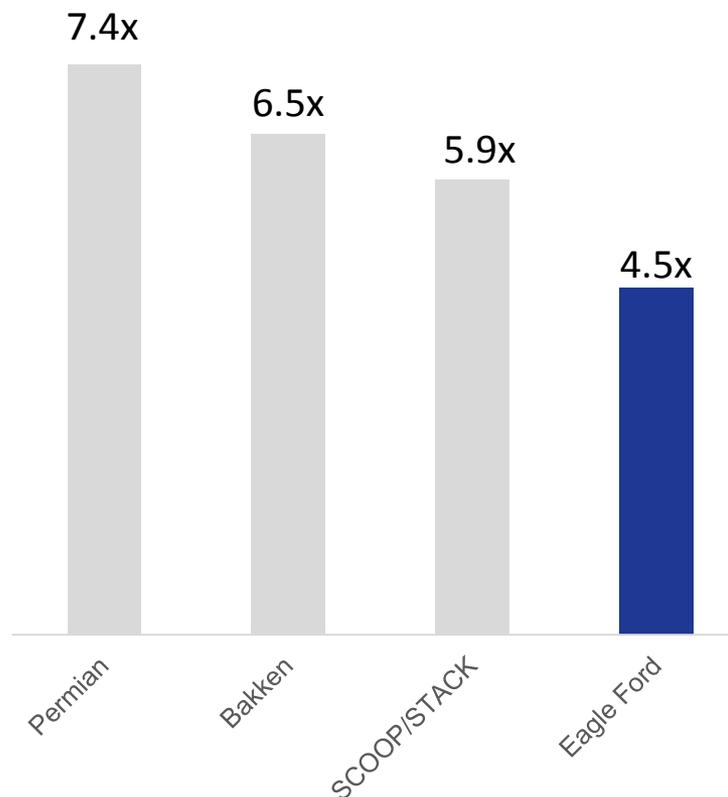
# TEV / 2018E EBITDA

## Penn Virginia Provides Attractive Valuation

### TEV/ 2018E EBITDA



### TEV / 2018E EBITDA



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- 1) Peers include: CRZO, SN and WRD.
- 2) Average of companies EV/2018E EBITDA multiples that are primarily located in Permian, Bakken, SCOOP/STACK and Eagle Ford basins.
- 3) Source: RBC Market data based on public information available as of 03/23/2018.
- 4) TEV/2018E EBITDA = Total Enterprise Value / consensus estimates of 2018 EBITDA

# Balance Sheet and Liquidity

- Increased borrowing base under the credit facility by more than 40% to \$340 MM, effective March 1, 2018

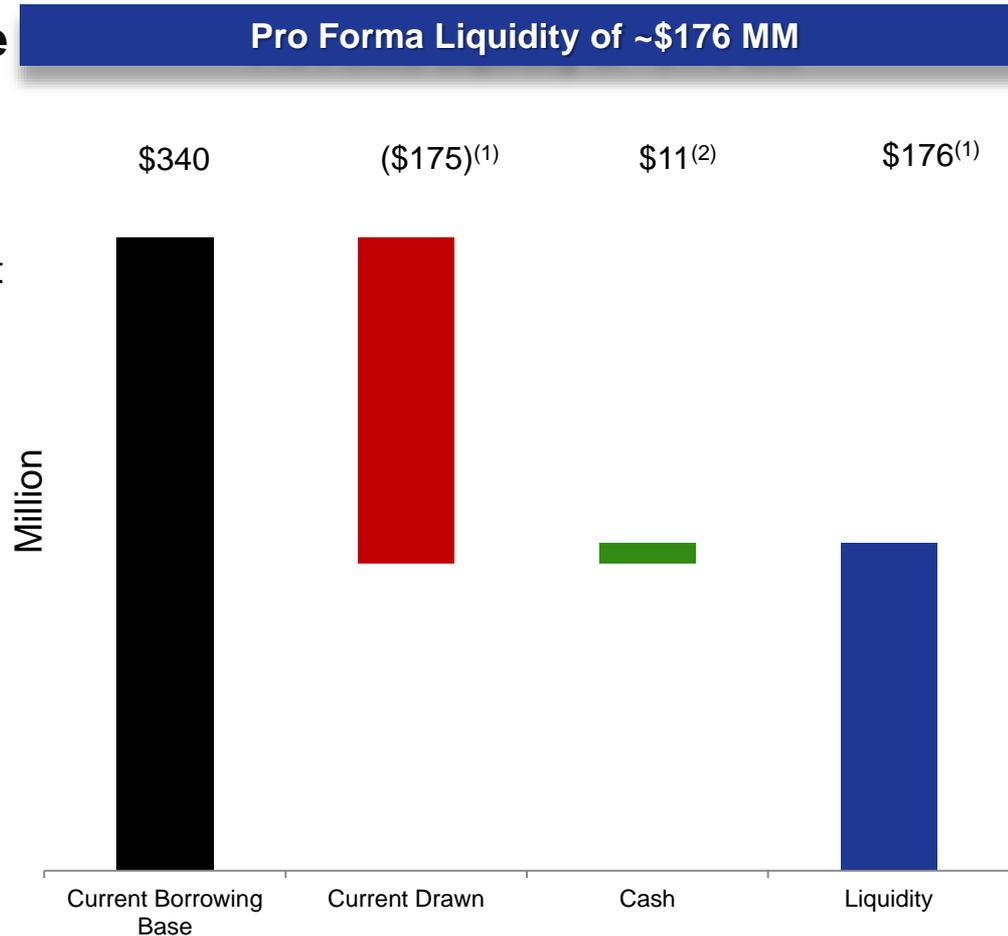
- Borrowing base increase exceeds the Hunt acquisition, improving liquidity

- Pro Forma Liquidity of ~\$176 MM<sup>(1)</sup>

- Restoring Low Leverage

- Target net debt to Adjusted EBITDAX of 1.5x by end of 2018

- Expected to spend within cash flow by fourth quarter of 2018



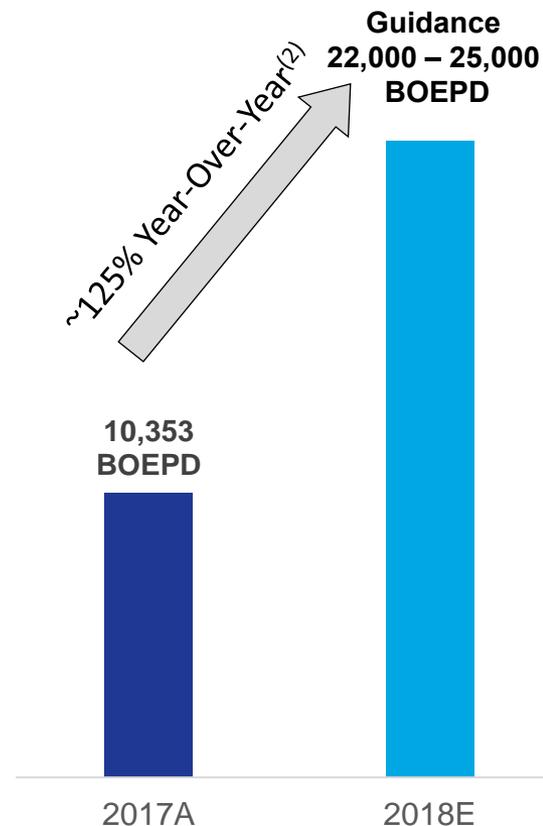
**Preserve Strong Balance Sheet and Ample Liquidity**

1) As of March 1, 2018, post closing for the Hunt acquisition and subject to change, does not include letters of credit of \$0.8 million.  
 2) As December 31, 2017.

# Guidance (1)

The table below sets forth the Company's current financial and operational guidance for 2018:

|  | <u>2018</u>     |              |
|--|-----------------|--------------|
| <b>Production (BOEPD)</b>                                    |                 | <b>% oil</b> |
| First Quarter  | 15,500 – 16,500 | 74%          |
| Full Year  | 22,000 – 25,000 | 74%          |
| <b>Realized Price Differentials</b>                          |                 |              |
| Oil (off WTI, per barrel)                                    | \$1.00 - \$2.00 |              |
| Natural gas (off Henry Hub, per MMBtu)                       | \$0.10 - \$0.20 |              |
| <b>Direct Operating Expenses</b>                             |                 |              |
| Lease operating expense (per BOE)                            | \$4.75 - \$5.25 |              |
| GPT expense (per BOE)  | \$2.75 - \$3.00 |              |
| Ad valorem and production taxes (percent of product revenue) | 5.5% - 6.0%     |              |
| Cash G&A expense (per BOE)                                   | \$2.25 - \$2.75 |              |
| <b>Capital Expenditures (millions)</b>                       | \$320 - \$360   |              |



- **Expected to Drill a Total of 55 to 60 Gross Wells (45 to 50 Net Wells) (22 Gross XRLs)**
  - **Area 1 - 33 to 35 Gross Wells (26 to 28 Net Wells)**
  - **Area 2 - 22 to 25 Gross Wells (19 to 22 Net Wells)**

1) Guidance is as of March 1, 2018 and the Company is not confirming guidance.

2) Assumes mid-point of 2018 production guidance.

# Why Penn Virginia?

## Pure Play

- ⑩ “Pure play” Eagle Ford company
- ⑩ Contiguous Eagle Ford acreage position of ~83,100 net acres <sup>(1)</sup>
- ⑩ Focused on returns: Well returns anticipated to be 45% to 150%

## Quality Assets

- ⑩ Situated in “volatile” oil window
- ⑩ Heavily weighted oil portfolio; 87% liquids (74% crude oil)
- ⑩ Strong LLS pricing yields robust EBITDAX margins

## Financial Discipline

- ⑩ Strong balance sheet and ample liquidity
- ⑩ Expect to spend within cash flow by 4Q 2018; Targeting 1.5x net debt / Adjusted EBITDAX
- ⑩ Approximately 50% of oil hedged in 2018

## Growth Potential

- ⑩ Estimated 2018 production growth: ~125% <sup>(2)</sup> (Y-O-Y)
- ⑩ Multi-year drilling inventory with robust economics
- ⑩ Inventory upside from Upper Eagle Ford and Austin Chalk

1) As of December 31, 2017, pro forma for Hunt acquisition

2) Based on mid-point of guidance

# *Appendix*



# Year End 2017 Production Overview

|   | <u>Successor</u><br>Three Months<br>Ended<br>December 31,<br>2017 | <u>Successor</u><br>Three Months<br>Ended<br>September 30,<br>2017 | <u>Predecessor</u><br>Three Months<br>Through<br>December 31,<br>2016 | <u>Successor</u><br>Year<br>Ended<br>December 31,<br>2017 |
|---|---|--|---|---|
| <b>Production</b>                                   |   |  |   |   |
| Crude oil (MBbls)                                   | 845   | 627  | 583   | 2,764   |
| NGLs (MBbls)  | 148   | 125  | 137   | 523   |
| Natural gas (MMcf)                                  | 855   | 676  | 820   | 2,949   |
| <b>Total (MBOE)</b>                                 | <b>1,135</b>  | <b>864</b>   | <b>857</b>  | <b>3,779</b>  |
| <b>Prices</b>                                       |   |  |   |   |
| Crude oil (\$ per Bbl)                              | \$ 57.42  | \$ 47.78   | \$ 47.41  | \$ 50.96  |
| NGLs (\$ per Bbl)                                   | \$ 22.47  | \$ 19.19   | \$ 17.29  | \$ 19.25  |
| Natural gas (\$ per Mcf)                            | \$ 2.71   | \$ 2.92  | \$ 2.82   | \$ 2.89   |
| <b>Prices - Adjusted for derivative settlements</b> |   |  |   |   |
| Crude oil (\$ per Bbl)                              | \$ 55.24  | \$ 49.04   | \$ 48.07  | \$ 49.69  |
| NGLs (\$ per Bbl)                                   | \$ 22.47  | \$ 19.19   | \$ 17.29  | \$ 19.25  |
| Natural gas (\$ per Mcf)                            | \$ 2.71   | \$ 2.92  | \$ 2.82   | \$ 2.89   |

## Highlights

- Q4 production of 12,340 BOEPD, 74% oil, majority sold into LLS market (includes contribution from Devon acquisition)
- Q4 exit rate of 14,650 BOEPD (last 5 days of December production, post GeoHunter pad turn-in-line)
- Full year 2017 production of 10,353 BOEPD, 73% oil
- Realized oil price of \$57.42 for Q4 and \$49.69 for full year 2017. Aggregate price of \$47.69 per BOE for Q4 and \$42.20 per BOE for 2017
- Hedges lowered the realized crude oil price by \$2.18 for Q4 and \$1.27 for full year 2017

# Year End 2017 Financial Overview

(in thousands)

|  | Three Months<br>Ended<br>December 31,<br>2017 | Three Months<br>Ended<br>September 30,<br>2017 | Three Months<br>Ended<br>December 31,<br>2016 | Year<br>Ended<br>December 31,<br>2017 |
|--|---|--|---|---------------------------------------|
| <b>Revenues</b>                          |   |  |   |                                       |
| Crude oil                                | \$ 48,499                                     | \$ 29,963                                      | \$ 27,649                                     | \$ 140,886                            |
| Natural gas liquids (NGLs)               | 3,328   | 2,393  | 2,374   | 10,066                                |
| Natural gas                              | 2,317   | 1,977  | 2,315   | 8,517                                 |
| Total product revenues                   | 54,144  | 34,333   | 32,338  | 159,469                               |
| Gain (loss) on sales of assets, net      | 24  | 9  | (49)  | (36)                                  |
| Other, net                               | 159   | 117  | 365   | 621                                   |
| Total revenues                           | 54,327  | 34,459   | 32,654  | 160,054                               |
| <b>Operating expenses</b>                |   |  |   |                                       |
| Lease operating                          | 6,244   | 5,254  | 4,575   | 21,784                                |
| Gathering, processing and transportation | 3,229   | 2,399  | 2,467   | 10,734                                |
| Production and ad valorem taxes          | 3,048   | 1,668  | 2,123   | 8,814                                 |
| General and administrative               | 2,360   | 5,939  | 3,531   | 14,453                                |
| Total direct operating expenses          | 14,881  | 15,260   | 12,696  | 55,785                                |
| Share-based compensation                 |   |  |   |                                       |
| - equity classified awards               | 1,102   | 1,013  | 81  | 3,809                                 |
| Depreciation, depletion and amortization | 17,104  | 10,659   | 9,623   | 48,649                                |
| Total operating expenses                 | 33,087  | 26,932   | 22,400  | 108,243                               |
| <b>Operating income (loss)</b>           | 21,240  | 7,527  | 10,254  | 51,811                                |
| <b>Other income (expense)</b>            |   |  |   |                                       |
| Interest expense                         | (3,378)                                       | (1,202)  | (661)   | (6,392)                               |
| Derivatives                              | (33,621)                                      | (12,275)                                       | (12,253)                                      | (17,819)                              |
| Other                                    | 15  | 3  | 805   | 119                                   |
| Income (loss) before income taxes        | (15,744)                                      | (5,947)  | (1,855)                                       | 27,719                                |
| Income tax benefit (expense)             | -   | -  | -   | -                                     |
| <b>Net income (loss)</b>                 | (15,744)                                      | (5,947)  | (1,855)                                       | 27,719                                |
| <b>Adjusted EBITDAX<sup>(1)</sup></b>    | \$ 37,367                                     | \$ 21,486                                      | \$ 21,080                                     | \$ 102,169                            |

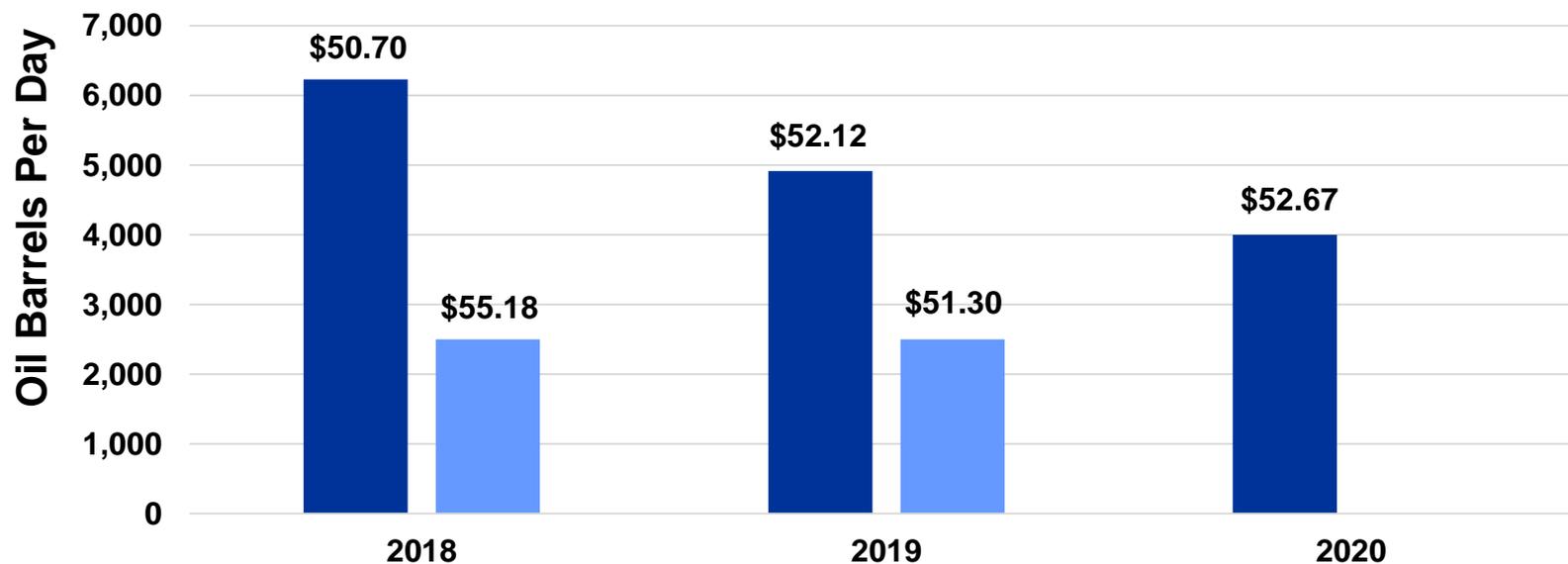
## Highlights

- Q4 product revenue of \$54.1 million, 90% from oil sales, \$47.69 per BOE; \$159.5 million or \$40.89 per BOE for 2017
- Net income adjusted for non-cash derivatives of \$16,036 for Q4 and \$42,027 for 2017
- Adj EBITDAX of \$32.92 per BOE for Q4 and \$27.04 per BOE for 2017

1) Adjusted EBITDAX and adjusted net income are non-GAAP measures, both are reconciled to net income in the Appendix of this presentation.

# Updated Hedge Portfolio (1)

## Mitigating Commodity Price Volatility Through Proactive Hedging Program



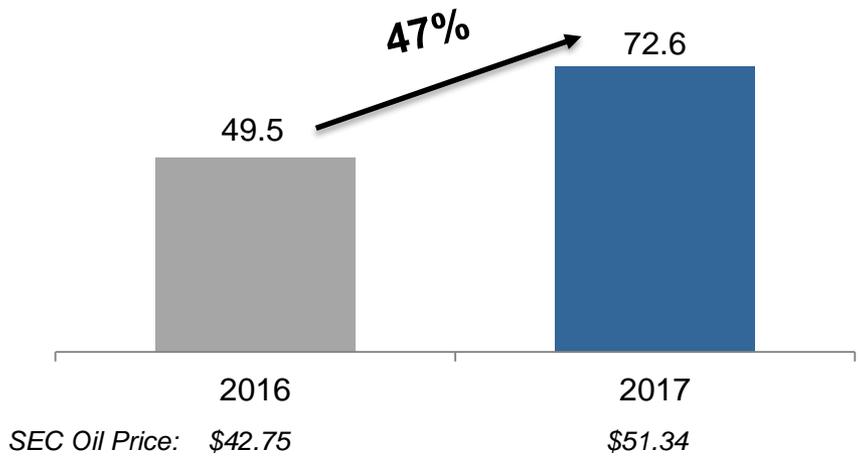
|      | WTI<br>Volumes<br>(Bbls / Day) | WTI<br>Average Price<br>(\$ / Bbl) | LLS<br>Volumes<br>(Bbls / Day) | LLS<br>Average Price<br>(\$ / Barrel) |
|------|--------------------------------|------------------------------------|--------------------------------|---------------------------------------|
| 2018 | 6,227                          | \$50.70                            | 2,500                          | \$55.18                               |
| 2019 | 4,915                          | \$52.12                            | 2,500                          | \$51.30                               |
| 2020 | 4,000                          | \$52.67                            | -                              | -                                     |

1) As of 02/13/2018.

# Year-End 2017 Proved Reserves (excludes Hunt acquisition)

47% Increase in Proved Reserves

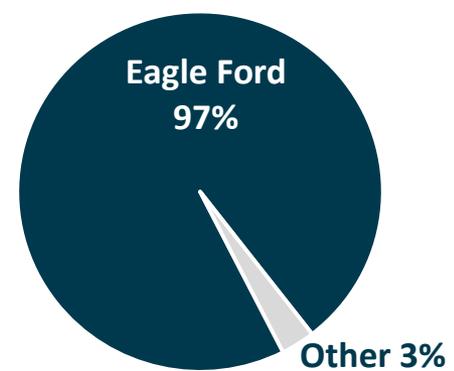
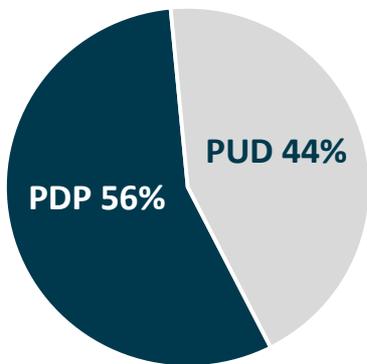
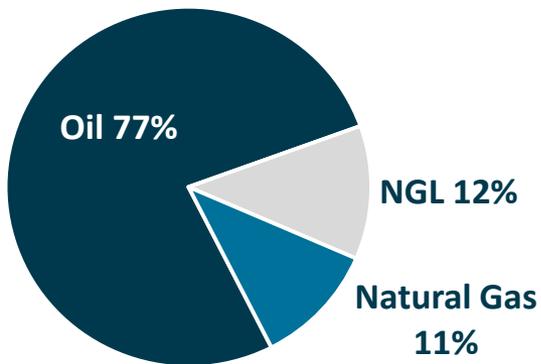
## Proved Reserves (MMBOE) Growth



## 2017 Year-End Reserves Highlights

- Standardized Measure / PV-10 value with SEC pricing of \$590 million and \$609 million, respectively<sup>(1)</sup>
- PV-10 valued at strip pricing of \$632 million, with \$460 million provided by PDP reserves <sup>(2)</sup>
- Replaced 710% of 2017 production at drill-bit F&D of ~\$4.40 per BOE <sup>(3)</sup>

## 2017 Year-End Reserves Composition and Location



1) PV-10 is a non-GAAP measure reconciled to GAAP Standardized Measure in the Appendix of the presentation.  
 2) Monthly NYMEX pricing as of closing on December 31, 2017. See Appendix for pricing. Proved reserves were not changed for the change in pricing.  
 3) For an explanation of these supplemental measures, see the section titled "Reserve Replacement Ratio and Drill-bit Finding and Development - Definition" at the end of this presentation.

# Hunt Acquisition Overview

## Bolt-on Acquisition

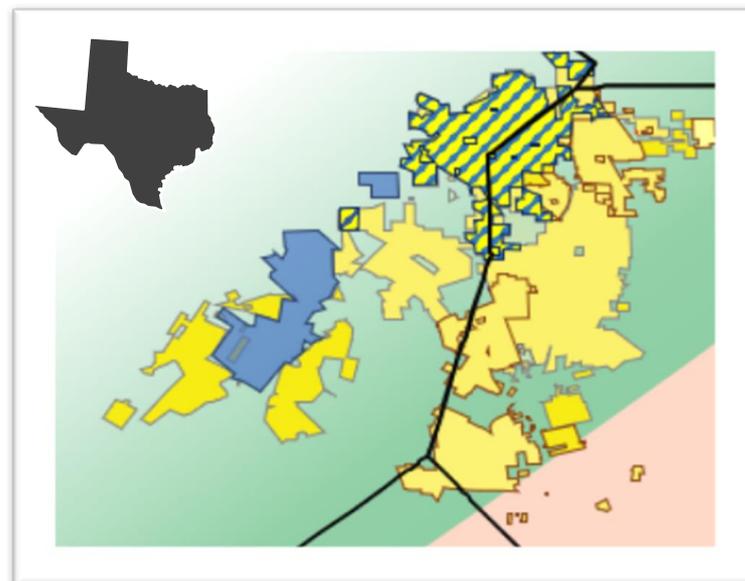
### Transaction Summary

- On January 2, 2018, the Company announced a \$86 MM acquisition of certain of Hunt Oil Company's ("Hunt") Eagle Ford Shale assets, primarily in Gonzales and Lavaca Counties, TX.
- Closed on March 1, 2018 with effective date of October 1, 2017.
- Funded with borrowings under the Company's credit facility.

### Transaction Highlights

- Expands the Company's acreage ~13%, or 9,700 net acres in Area 1, 5,700 net acres were operated by Penn Virginia. Increases operated acreage to 99%;
- Includes production ~1,870 BOEPD<sup>(1)</sup> (89% oil) and 75 de-risked net lower Eagle Ford locations;
- Adds PDP reserves of approximately 3.8 MMBOE (86% oil) and ~8 MMBOE of PUDs; resource potential > 29 MMBOE;
- Provides economies of scale; increases PVAC's cash operating margin; requires minimal G&A or additional drilling rigs to capture value;
- Acquired acreage for ~\$2,100 per net acre, including net production value of ~\$65.5 million (\$35,000 per flowing BOEPD); and
- Accretive to Penn Virginia under all measures, including earnings, cash flow and net asset value per share.

### PVAC / Hunt Asset Map



- Penn Virginia
- Hunt Acquired Properties
- PVAC Operated/Hunt Acquired

1) Average production for the month of September 2017.

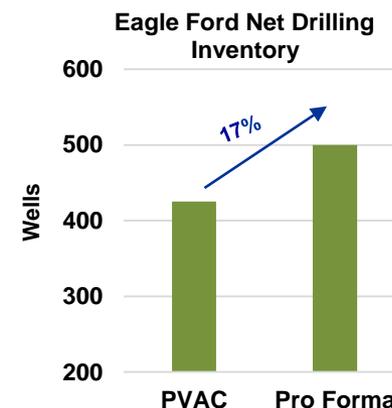
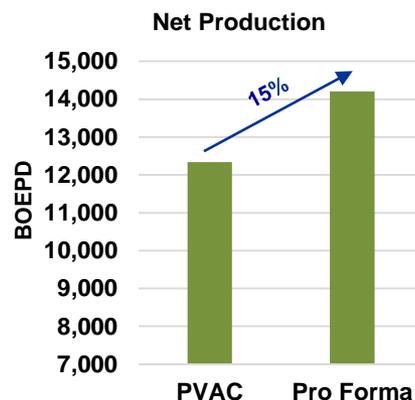
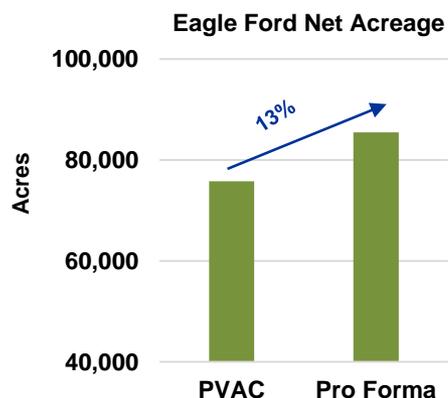
# Transaction and Asset Highlights

Increases Leasehold Position and Drilling Inventory By Approximately 13% and 17%, respectively

- Nearly 90% of production is crude oil, which receives premium LLS pricing.

*All numbers are approximate*

|  | Pre-Acquisition Penn Virginia | Acquisition          | Post-Acquisition Penn Virginia <sup>(5)</sup> | Percent Change |
|--|-------------------------------|----------------------|---|----------------|
| Net production (BOEPD)                                 | 12,340 <sup>(1)</sup>         | 1,870 <sup>(2)</sup> | 14,210  | 15%            |
| Oil - percent of BOEPD                                 | 74% <sup>(1)</sup>            | 89% <sup>(2)</sup>   | 76%   | 2%             |
| Eagle Ford net acreage                                 | 73,400 <sup>(3)</sup>         | 9,700                | 83,100  | 13%            |
| Eagle Ford gross drilling inventory                    | 589 <sup>(3)</sup>            | -                    | 589   | -              |
| Eagle Ford net drilling inventory                      | 425 <sup>(3)</sup>            | 75                   | 500   | 17%            |
| Eagle Ford net treatable lateral length <sup>(4)</sup> | 2.8 MM feet                   | 0.5 MM feet          | 3.3 MM feet                                   | 16%            |



1) Average production for the 4Q 2017.  
 2) Average production for the month of September 2017.  
 3) As of December 31, 2017.  
 4) Represents total treatable lateral length in net drilling inventory.  
 5) Metrics represent direct impact of acquisition as shown but does not necessarily represent the Company's results for future periods.

# Non-GAAP Reconciliation – Adjusted EBITDAX - Unaudited

## Reconciliation of GAAP "Net income (loss)" to Non-GAAP "Adjusted EBITDAX"

Adjusted EBITDAX represents net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization expense, exploration, and share-based compensation expense, further adjusted to exclude the effects of gains and losses on sales of assets, accretion of firm transportation obligation, non-cash changes in the fair value of derivatives, and special items including acquisition transaction costs, reorganization items, strategic and financial advisory costs, restructuring expenses and account write-offs and reserves prior to our emergence from bankruptcy. We believe this presentation is commonly used by investors and professional research analysts for the valuation, comparison, rating, and investment recommendations of companies within the oil and gas exploration and production industry. We use this information for comparative purposes within our industry. Adjusted EBITDAX is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to net income (loss). Adjusted EBITDAX as defined by Penn Virginia may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating income or cash flows from operating activities. Adjusted EBITDAX should not be considered in isolation or as a substitute for an analysis of Penn Virginia's results as reported under GAAP.

| <i>In thousands, except per unit amounts</i>                       | <b>Successor</b> | <b>Successor</b> | <b>Successor</b> | <b>Successor</b>  | <b>Successor</b> | <b>Predecessor</b> |
|--|------------------|------------------|------------------|-------------------|------------------|--------------------|
|  | Three Months     | Three Months     | Three Months     | Year              | September 13     | January 1          |
|  | Ended            | Ended            | Through          | Ended             | Through          | Through            |
|  | December 31,     | September 30,    | December 31,     | December 31,      | December 31,     | September 12,      |
|  | 2017             | 2017             | 2016             | 2017              | 2016             | 2016               |
| Net income (loss)  | \$ (10,801)      | \$ (5,947)       | \$ (1,855)       | \$ 32,662         | \$ (5,296)       | \$ 1,054,602       |
| Adjustments to reconcile to Adjusted EBITDAX:                      |                  |                  |                  |                   |                  |                    |
| Interest expense, net  | 3,378            | 1,202            | 661              | 6,392             | 879              | 58,018             |
| Income tax benefit   | (4,943)          | -                | -                | (4,943)           | -                | -                  |
| Depreciation, depletion and amortization                           | 17,104           | 10,659           | 9,623            | 48,649            | 11,652           | 33,582             |
| Exploration  | -                | -                | -                | -                 | -                | 10,288             |
| Share-based compensation expense (equity-classified)               | 1,102            | 1,013            | 81               | 3,809             | 81               | 1,511              |
| (Gain) loss on sale of assets, net                                 | (24)             | (9)              | 49               | 36                | 49               | (1,261)            |
| Accretion of firm transportation obligation                        | -                | -                | -                | -                 | -                | 317                |
| Adjustments for derivatives:                                       |                  |                  |                  |                   |                  |                    |
| Net losses (gains)   | 33,621           | 12,275           | 12,253           | 17,819            | 16,622           | 8,333              |
| Cash settlements, net  | (1,841)          | 788              | 384              | (3,511)           | 384              | 48,008             |
| Adjustment for special items:                                      |                  |                  |                  |                   |                  |                    |
| Acquisition transaction costs                                      | (165)            | 1,505            | -                | 1,340             | -                | -                  |
| Reorganization items, net  | -                | -                | -                | -                 | -                | (1,144,993)        |
| Strategic and financial advisory costs                             | -                | -                | -                | -                 | -                | 18,036             |
| Restructuring expenses   | -                | -                | (116)            | (20)              | (98)             | 3,821              |
| Account write-offs and reserves prior to emergence from bankruptcy | -                | -                | -                | -                 | -                | 3,123              |
| <b>Adjusted EBITDAX</b>  | <b>\$ 37,431</b> | <b>\$ 21,486</b> | <b>\$ 21,080</b> | <b>\$ 102,233</b> | <b>\$ 24,273</b> | <b>\$ 93,385</b>   |
| <b>Adjusted EBITDAX per BOE</b>                                    | <b>\$ 32.97</b>  | <b>\$ 24.85</b>  | <b>\$ 24.60</b>  | <b>\$ 27.05</b>   | <b>\$ 23.35</b>  | <b>\$ 27.91</b>    |

# Non-GAAP Reconciliation – Adjusted EBITDAX - Unaudited

## Reconciliation of GAAP "Net income (loss)" to Non-GAAP "Adjusted EBITDAX"

Adjusted EBITDAX represents net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization expense, exploration, and share-based compensation expense, further adjusted to exclude the effects of gains and losses on sales of assets, accretion of firm transportation obligation, non-cash changes in the fair value of derivatives, and special items including acquisition transaction costs, reorganization items, strategic and financial advisory costs, restructuring expenses and account write-offs and reserves prior to our emergence from bankruptcy. We believe this presentation is commonly used by investors and professional research analysts for the valuation, comparison, rating, and investment recommendations of companies within the oil and gas exploration and production industry. We use this information for comparative purposes within our industry. Adjusted EBITDAX is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to net income (loss). Adjusted EBITDAX as defined by Penn Virginia may not be comparable to similarly titled measures used by other companies and should be considered in conjunction with net income (loss) and other measures prepared in accordance with GAAP, such as operating income or cash flows from operating activities. Adjusted EBITDAX should not be considered in isolation or as a substitute for an analysis of Penn Virginia's results as reported under GAAP.

| <i>In thousands, except per unit amounts</i>                       | <u>Successor</u>                      | <u>Successor</u>                       | <u>Successor</u>                | <u>Successor</u>                 |
|--|---------------------------------------|--|---------------------------------|----------------------------------|
|  | Three Months<br>Ended<br>December 31, | Three Months<br>Ended<br>September 30, | Three Months<br>End<br>June 30, | Three Months<br>End<br>March 31, |
|  | 2017                                  | 2017                                   | 2017                            | 2017                             |
| Net income (loss)  | \$ (10,801)                           | \$ (5,947)                             | \$ 21,329                       | \$ 28,407                        |
| Adjustments to reconcile to Adjusted EBITDAX:                      |                                       |  |                                 |                                  |
| Interest expense, net  | 3,378                                 | 1,202                                  | 1,224                           | 538                              |
| Income tax benefit   | (4,943)                               | -                                      | -                               | -                                |
| Depreciation, depletion and amortization                           | 17,104                                | 10,659                                 | 11,076                          | 9,810                            |
| Exploration  | -                                     | -                                      | -                               | -                                |
| Impairments  | -                                     | -                                      | -                               | -                                |
| Share-based compensation expense (equity-classified)               | 1,102                                 | 1,013                                  | 848                             | 846                              |
| (Gain) loss on sale of assets, net                                 | (24)                                  | (9)                                    | 134                             | (65)                             |
| Accretion of firm transportation obligation                        | -                                     | -                                      | -                               | -                                |
| Adjustments for derivatives:                                       |                                       |  |                                 |                                  |
| Net losses (gains)   | 33,621                                | 12,275                                 | (11,061)                        | (17,016)                         |
| Cash settlements, net  | (1,841)                               | 788                                    | (466)                           | (1,992)                          |
| Adjustment for special items:                                      |                                       |  |                                 |                                  |
| Acquisition transaction costs                                      | (165)                                 | 1,505                                  | -                               | -                                |
| Reorganization items, net  | -                                     | -                                      | -                               | -                                |
| Strategic and financial advisory costs                             | -                                     | -                                      | -                               | -                                |
| Restructuring expenses   | -                                     | -                                      | -                               | (20)                             |
| Account write-offs and reserves prior to emergence from bankruptcy | -                                     | -                                      | -                               | -                                |
| <b>Adjusted EBITDAX</b>  | <b>\$ 37,431</b>                      | <b>\$ 21,486</b>                       | <b>\$ 23,134</b>                | <b>\$ 20,508</b>                 |
| <b>Adjusted EBITDAX per BOE</b>                                    | <b>\$ 32.97</b>                       | <b>\$ 24.85</b>                        | <b>\$ 25.01</b>                 | <b>\$ 23.60</b>                  |

# Non-GAAP Reconciliation – Adjusted Cash G&A - Unaudited

## Reconciliation of GAAP "General administrative expenses" to Non-GAAP "Adjusted cash-based general and administrative expenses"

Adjusted cash-based general and administrative expense ("Adjusted G&A") is a supplemental non-GAAP financial measure that excludes certain non-recurring expenses and non-cash share-based compensation expense. We believe that the non-GAAP measure of Adjusted G&A is useful to investors because it provides readers with a meaningful measure of our recurring G&A expense and provides for greater comparability period-over-period. The table details all adjustments to G&A on a GAAP basis to arrive at Adjusted G&A.

| <i>In thousands, except per unit amounts</i>                           | <u>Successor</u><br>Three Months<br>Ended<br>December 31,<br>2017 | <u>Successor</u><br>Three Months<br>Ended<br>September 30,<br>2017 | <u>Successor</u><br>Three Months<br>Through<br>December 31,<br>2016 | <u>Successor</u><br>Year<br>Ended<br>December 31,<br>2017 | <u>Successor</u><br>September 13<br>Through<br>December 31,<br>2016 | <u>Predecessor</u><br>January 1<br>Through<br>September 12,<br>2016 |
|--|---|--|---|---|---|---|
| General and administrative expenses - direct                           | \$ 2,360  | \$ 5,939   | \$ 3,531  | \$ 14,453   | \$ 5,007  | \$ 37,434   |
| Share-based compensation - equity-classified awards                    | 1,102   | 1,013  | 81  | 3,809   | 81  | 1,511   |
| <b>GAAP General and administrative expenses</b>                        | <b>3,462</b>  | <b>6,952</b>   | <b>3,612</b>  | <b>18,262</b>   | <b>5,088</b>  | <b>38,945</b>   |
| Less: Share-based compensation - equity-classified awards              | (1,102)   | (1,013)  | (81)  | (3,809)   | (81)  | (1,511)   |
| Significant special charges:   |   |  |   |   |   |   |
| Acquisition transaction costs  | 165   | (1,505)  | -   | (1,340)   | -   | -   |
| Strategic and financial advisory costs                                 | -   | -  | -   | -   | -   | (18,036)  |
| Restructuring expenses   | -   | -  | 116   | 20  | 98  | (3,821)   |
| <b>Adjusted cash-based general and administrative expenses</b>         | <b>\$ 2,525</b>   | <b>\$ 4,434</b>  | <b>\$ 3,647</b>   | <b>\$ 13,133</b>  | <b>\$ 5,105</b>   | <b>\$ 15,577</b>  |
| <b>Adjusted cash-based general and administrative expenses per BOE</b> | <b>\$ 2.22</b>  | <b>\$ 5.13</b>   | <b>\$ 4.26</b>  | <b>\$ 3.48</b>  | <b>\$ 4.91</b>  | <b>\$ 4.66</b>  |

# Non-GAAP Reconciliation – Adjusted Net Income

## Reconciliation of GAAP "Net income (loss)" to Non-GAAP "Adjusted net income (loss) attributable to common shareholders"

Adjusted net income (loss) is a non-GAAP financial measure that represents net income (loss) adjusted to exclude the effects, net of income taxes, of non-cash changes in the fair value of derivatives, net gains and losses on the sales of assets, acquisition transaction costs, reorganization items, strategic and financial advisory costs, restructuring expenses and account write-offs and reserves prior to our emergence from bankruptcy. We believe that Non-GAAP adjusted net income (loss) and non-GAAP adjusted net income (loss) per share amounts provide meaningful supplemental information regarding our operational performance. This information facilitates management's internal comparisons to the Company's historical operating results as well as to the operating results of our competitors. Since management finds this measure to be useful, the Company believes that our investors can benefit by evaluating both non-GAAP and GAAP results. Adjusted net income (loss) non-GAAP is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to net income (loss).

*In thousands, except per unit amounts*

|  | Successor<br>Three<br>Months<br>Ended<br>December<br>31,<br>2017 | Successor<br>Three Months<br>Ended<br>September<br>30,<br>2017 | Successor<br>Three<br>Months<br>Through<br>December<br>31,<br>2016 | Successor<br>Year<br>Ended<br>December<br>31,<br>2017 | Successor<br>September<br>13<br>Through<br>December<br>31,<br>2016 | Predecessor<br>January 1<br>Through<br>September<br>12,<br>2016 |
|--|--|--|--|---|--|---|
| Net income (loss)  | \$ (10,801)  | \$ (5,947)   | \$ (1,855)   | \$ 32,662   | \$ (5,296)   | \$ 1,054,602  |
| Adjustments for derivatives:   |  |  |  |   |  |   |
| Net losses (gains)   | 33,621   | 12,275   | 12,253   | 17,819  | 16,622   | 8,333   |
| Cash settlements, net  | (1,841)  | 788  | 384  | (3,511)   | 384  | 48,008  |
| (Gain) loss on sale of assets, net   | (24)   | (9)  | 49   | 36  | 49   | (1,261)   |
| Acquisition transaction costs  | (165)  | 1,505  | -  | 1,340   | -  | -   |
| Reorganization items, net  | -  | -  | -  | -   | -  | (1,144,993)   |
| Strategic and financial advisory costs   | -  | -  | -  | -   | -  | 18,036  |
| Restructuring expenses   | -  | -  | (116)  | (20)  | (98)   | 3,821   |
| Account write-offs and reserves prior to emergence from bankruptcy                       | -  | -  | -  | -   | -  | 3,123   |
| Impact of adjustment on income taxes   | (4,943)  | -  | -  | (4,943)   | -  | -   |
| <b>Adjusted net income (loss)</b>  | <b>\$ 15,847</b>   | <b>\$ 8,612</b>  | <b>\$ 10,715</b>   | <b>\$ 43,383</b>                                      | <b>\$ 11,661</b>   | <b>\$ (10,331)</b>  |
| <b>Adjusted net income (loss) attributable to common shareholders, per diluted share</b> | <b>\$ 1.06</b>   | <b>\$ 0.57</b>   | <b>\$ 0.71</b>   | <b>\$ 2.88</b>  | <b>\$ 0.78</b>   | <b>\$ (0.08)</b>  |

# Non-GAAP Reconciliation - PV-10 - Unaudited

## Reconciliation of GAAP “Standardized Measure of Discounted Future Net Cash Flows” to Non-GAAP “PV-10”

Non-GAAP PV-10 value is the estimated future net cash flows from estimated proved reserves discounted at an annual rate of 10 percent before giving effect to income taxes. The standardized measure of discounted future net cash flows is the after-tax estimated future cash flows from estimated proved reserves discounted at an annual rate of 10 percent, determined in accordance with generally accepted accounting principles (GAAP). We use non-GAAP PV-10 value as one measure of the value of our estimated proved reserves and to compare relative values of proved reserves among exploration and production companies without regard to income taxes. We believe that securities analysts and rating agencies use PV-10 value in similar ways. Our management believes PV-10 value is a useful measure for comparison of proved reserve values among companies because, unlike standardized measure, it excludes future income taxes that often depend principally on the characteristics of the owner of the reserves rather than on the nature, location and quality of the reserves themselves.

| (in thousands)   | December 31,     |                     |
|--|------------------|---------------------|
|  | 2017             | 2016 <sup>(1)</sup> |
| Standardized measure of future discounted cash flows   | \$590,484        | \$317,550           |
| Present value of future income taxes discounted at 10% | 18,486           | -                   |
| PV-10  | <u>\$608,970</u> | <u>\$317,550</u>    |

<sup>(1)</sup> Due primarily to our net operating loss carry forwards, our standardized measure of future discounted cash flows does not include any income tax effect.

# Strip Pricing as of December 31, 2017

## NYMEX Pricing Used in the Calculation of PV-10 at Strip

|      | <u>Calendar Year Average</u> |                    |
|------|------------------------------|--------------------|
|      | <b>Oil</b>                   | <b>Natural Gas</b> |
|      | <b>(per barrel)</b>          | <b>(per MMBtu)</b> |
| 2018 | \$59.55                      | \$2.87             |
| 2019 | \$56.22                      | \$2.81             |
| 2020 | \$53.79                      | \$2.82             |
| 2021 | \$52.29                      | \$2.85             |
| 2022 | \$51.70                      | \$2.89             |
| 2023 | \$51.59                      | \$2.93             |
| 2024 | \$51.76                      | \$2.97             |
| 2025 | \$52.07                      | \$3.01             |
| 2026 | \$52.47                      | \$3.07             |

The Company used the average pricing for the year shown above and flat pricing after 2026.

## **Drill-Bit Finding and Development Cost - Definition**

Drill-bit finding and development costs for full year 2017 of approximately \$4.40 per BOE was calculated by dividing the sum of development costs of \$133.0 million by total reserve, extensions and discoveries of 30.2 MMBOE. Drill-bit finding and development cost is a supplemental used to assist in an evaluation of how much it costs the Company, on a per BOE basis, to add proved reserves. This calculation does not include the future development costs required for the development of proved undeveloped reserves.

## **Reserve Replacement Ratio - Definition**

The Company uses the reserves replacement ratio as an indicator of the Company's ability to replenish annual production volumes and grow its reserves, thereby providing some information on the sources of future production. The reserves replacement ratio is a statistical indicator that is limited because it typically varies widely based on the extent and timing of discoveries and property acquisitions. Its predictive and comparative value is also limited for the same reasons. In addition, since the ratio does not embed the cost or timing of future production of new reserves, it cannot be used as a measure of value creation. The reserve replacement ratio of approximately 710% was calculated by dividing net proved reserve additions of 26.9 MMBOE (the sum of extensions, discoveries, revisions and purchases) by production of 3.8 MMBOE.