Energy Prospectus Group
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Civitas Resources, Inc.

Company Profile

December 10, 2024

Management

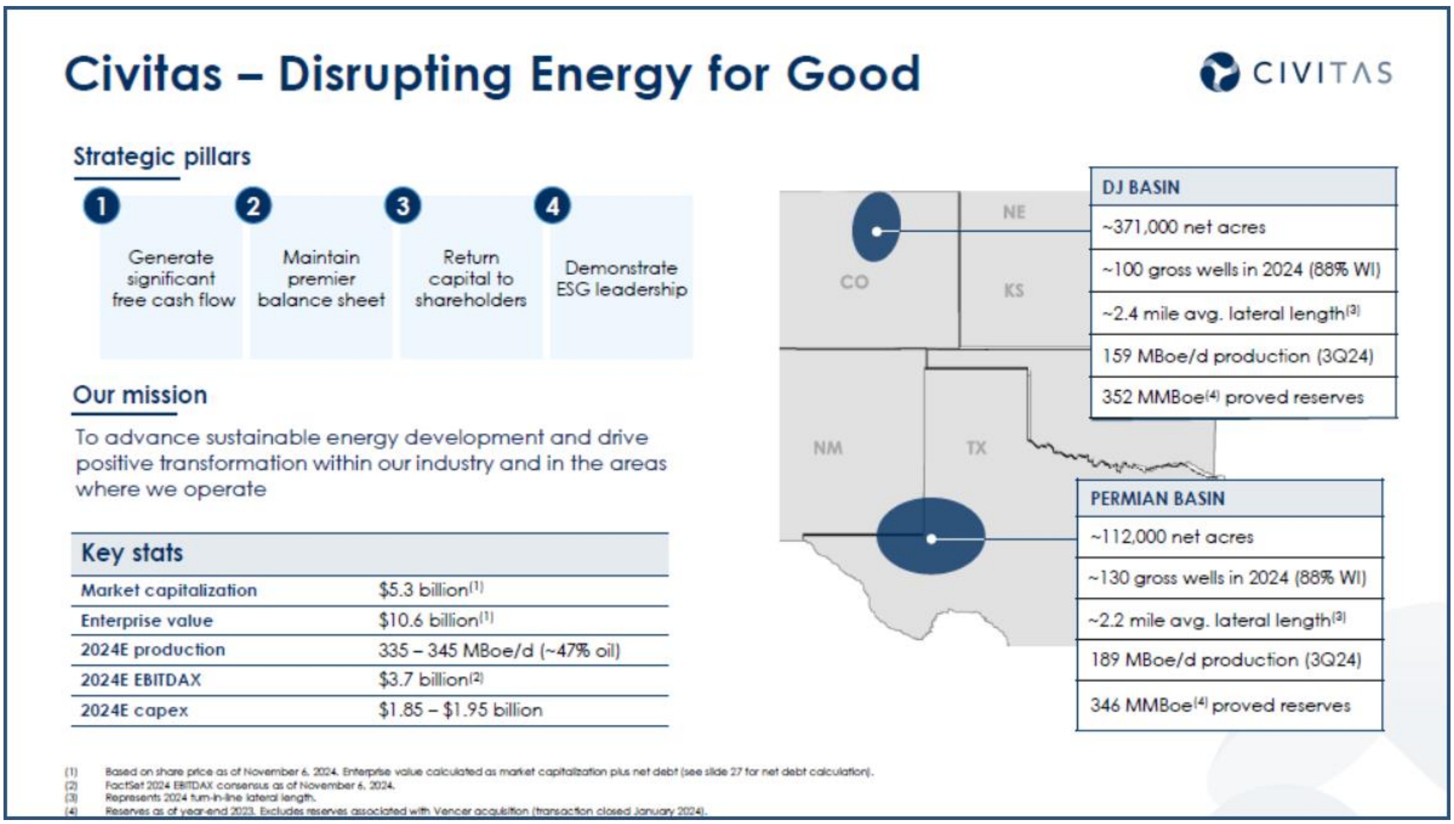
M. Christopher Doyle, Pres & CEO
Thomas Hodge Walker, COO
Marianella Foschi, CFO
Travis L. Counts, CAO
Jeffrey S. Kelly, CTO

www.civitasresources.com

EPG Commentary by Dan Steffens

Civitas Resources, Inc. (NYSE: CIVI) is a large-cap upstream company in our *High Yield Income Portfolio.* It is an independent exploration and production company focused on the acquisition, development, and production of oil and associated liquids-rich natural gas primarily in the Denver-Julesburg (DJ) Basin in Colorado and Permian Basin in Texas and New Mexico.

The Company has a "Base + Variable" dividend policy. The Base dividend is $0.50/quarter and the Variable dividend is ~50% of the previous 12-month's free cash flow per share after Base dividends. They paid combined dividends of $6.28 per share in 2022 and $7.60 per share in 2023. During the nine months that ended September 30, 2024 Civitas paid cash dividends of $4.47 per share. For the 4th quarter, the Company's BOD decided to only pay the base dividend of $0.50 per share and use the variable portion for debt repayment and stock buybacks. Over time stock buybacks increase per share valuations.



My Fair Value Estimate for CIVI is $93.00/share

Compare to TipRank's Price Target of $74.13

Disclosure: I have a long position in CIVI. I do not intend on buying or selling any shales in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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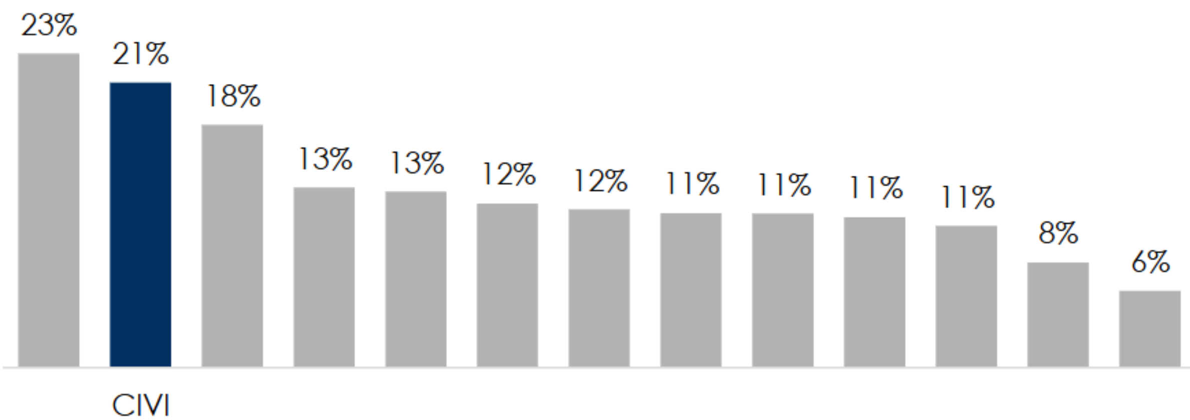
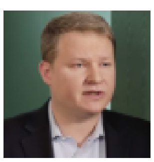
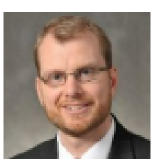
Civitas has the 2nd highest free cash flow yield within its peer group.



TipRanks: “In the last 3 months, 9 ranked analysts set 12-month price targets for CIVI. The average price target among the analysts is $74.13.

Recent Price Target submitted to TipRanks

	Zach Parham J.P. Morgan	**Buy** 12/05/24	**$68.00**
	Mark Lear Piper Sandler	**Buy** 11/18/24	**$83.00**
	Scott Hanold RBC Capital	**Buy** 11/13/24	**$70.00**
	Gabriele Sorbara Siebert Williams Shank & Co	**Buy** 11/08/24	**$79.00**

Vencer Energy Acquisition closed January 2, 2024

Civitas' acquisition of certain oil and gas assets in the Permian Basin from Vencer Energy, LLC, a Vitol investment, closed on January 2, 2024, in exchange for approximately 7.2 million shares of Civitas stock along with $1.55 billion in cash ($1 billion paid at closing and a remaining $550 million payable on January 3, 2025).

The deal increased the Company's Permian basin scale and balanced the portfolio between premium Permian basin and Denver-Julesburg (DJ) basin positions. The deal with Vencer added about 44,000 net acres in the Midland basin across five counties with current production of about 62,000 boe/d (50% oil).

With the deal, Civitas gained an estimated 400 gross development drilling locations primarily in the Spraberry and Wolfcamp formations. Some 40% of the new locations have an estimated IRR of more than 40% at $70/bbl WTI, according to the operator. **Civitas now holds more than 1,200 high-quality oil development locations in the Permian basin.** In 2024, Civitas expects to run four rigs in the Midland basin, two in the Delaware basin, and two in the DJ basin. With the added assets, Civitas expects its 2024 total company production will be 335,000–345,000 boe/d and total capital expenditures will be $1.85 – $1.95 billion.

Primarily the result of the Permian Basin acquisitions, the Company's production increased from 173,491 Boepd in Q2 2023 to 335,500 Boepd in Q4 2023. The Company's production was 348,120 Boepd in Q3 2024 and is now forecast to be up ~62.5% year-over-year in 2024.

On May 2, 2024, Civitas announced the execution of a definitive agreement to repurchase approximately 1.04 million shares of its common stock from Vitol at a price of $72.00 per share, totaling $75 million. Along with other open market stock purchases since the first of the year, the repurchase brings Vitol's current equity position in Civitas to less than 2% of Civitas' outstanding shares.

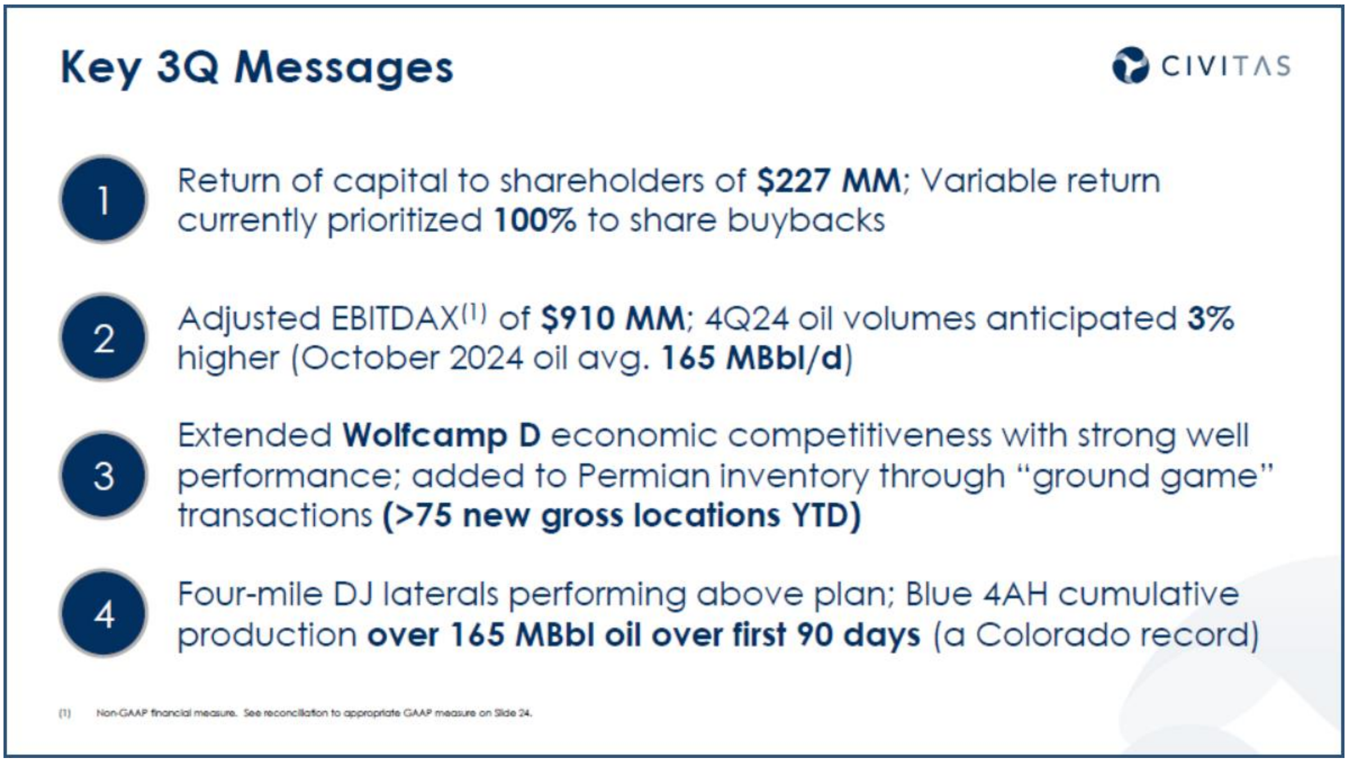
Combined with share repurchases in the first quarter of 2024, Civitas has now bought back $142 million worth of its shares (2.07 million shares at an average price of $68.56) year-to-date. Following the completion of the transaction, Civitas' remaining share repurchase authorization will be approximately $338 million through the end of 2024.

In addition to the share repurchases, Civitas has agreed to pay $75 million of its $550 million deferred payment obligation to Vitol prior to the due date. Of this amount, the Company paid $37.5 million in May 2024 and plans an additional $37.5 million in July 2024. The remaining $475 million will remain payable to Vitol on or before January 3, 2025.

In March 2024 Civitas repurchased 876,000 shares from NGP Tap Rock Holdings, LLC

On February 27, 2024, Civitas announced the execution of a definitive agreement to repurchase approximately 876,000 shares of its common stock at a price of $64.54 per share from NGP Tap Rock Holdings, LLC and certain of its affiliates. Following the transaction, NGP no longer owns any shares of Civitas. NGP's original ownership in Civitas was established through Civitas' mid-2023 acquisition of Tap Rock Resources, LLC.

Over the past two years, Civitas has returned over $1.5 billion to its owners, representing approximately a quarter of Company's current market cap, through share repurchases and dividends. Civitas' current share price represents a compelling valuation for a company with a solid balance sheet and lots of "Running Room" in two core areas.

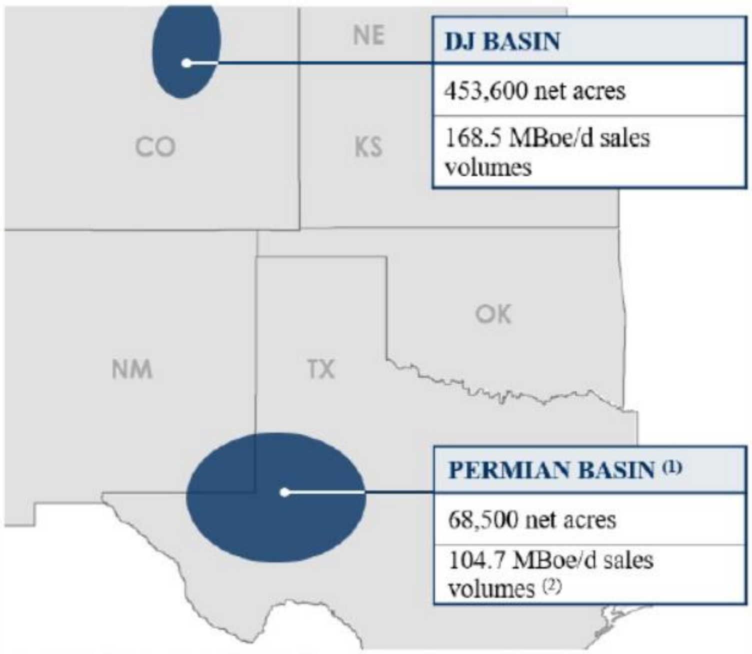


CIVITAS

Company Overview

Civitas Resources, Inc. is an independent exploration and production company focused on the acquisition, development, and production of crude oil and associated liquids-rich natural gas primarily in the DJ Basin in Colorado and the Permian Basin in Texas and New Mexico. Its primary objective is to maximize stockholder returns by responsibly developing its crude oil and natural gas resources. To achieve this, Civitas is guided by four foundational pillars that it believes will add long-term, sustainable value. These pillars are: generate Free Cash Flow, maintain a premier balance sheet, return cash to stockholders, and demonstrate ESG leadership.

Operations & Reserves



(1) Excludes net acreage and sales volumes associated with the Vencer Acquisition, which closed on January 2, 2024.
(2) Average sales volumes per day for the Permian Basin is calculated based on the number of days between the closing of the Hibernia Acquisition and the Tap Rock Acqusition on August 2, 2023 and December 31, 2023.

Civitas' operations are concentrated in the DJ Basin and Permian Basin. The following table summarizes estimated proved reserves, net sales volumes, and costs incurred for the year ended December 31, 2023 for these areas:

	DJ Basin	Permian Basin	Total
Proved reserves			
Crude oil (MBbl)	132,860	139,945	272,805
Natural gas (MMcf)	729,425	590,877	1,320,302
NGL (MBbl)	97,466	107,477	204,943
Total proved reserves (MBoe) (1)	351,897	345,902	697,799
Relative percentage	50 %	50 %	100 %
Proved developed %	87 %	68 %	78 %
Net sales volumes			
Crude oil (MBbl)	28,925	7,801	36,726
Natural gas (MMcf)	110,339	23,482	133,821
NGL (MBbl)	14,199	4,201	18,400
Total net sales volumes (MBoe) (1)	61,514	15,916	77,430
Average daily equivalents (MBoe/d) (1)(2)	168.5	104.7	273.2
Relative percentage	62 %	38 %	100 %

(1) Amounts may not calculate due to rounding.
(2) Average sales volumes per day for the Permian Basin is calculated based on the number of days between the closing of the Hibernia Acquisition and the Tap Rock Acquisition on August 2, 2023 and December 31, 2023.

Civitas Resources, Inc.

Total proved reserves as of December 31, 2023 increased 68% from December 31, 2022. Average daily equivalent sales volumes increased 61% for the combination of the year ended December 31, 2023 for the DJ Basin and the period between the closing of the Hibernia Acquisition and the Tap Rock Acquisition on August 2, 2023 and December 31, 2023, compared with the year ended December 31, 2022, primarily as a result of the Hibernia Acquisition and the Tap Rock Acquisition.

The table below sets forth information regarding Civitas' estimated proved reserves by category and operating region as of December 31, 2023:

Operating Region/Area	Crude Oil (MBbls)	Natural Gas (MMcf)	NGL (MBbls)	Crude Oil Equivalent (MBoe)	Percent
Proved developed reserves:					
DJ Basin	105,351	665,843	89,250	305,575	56 %
Permian Basin	94,234	411,378	72,867	235,664	44 %
Total proved developed reserves	199,585	1,077,221	162,117	541,239	100 %
Proved undeveloped reserves:					
DJ Basin	27,509	63,582	8,216	46,322	30 %
Permian Basin	45,711	179,499	34,610	110,238	70 %
Total proved undeveloped reserves	73,220	243,081	42,826	156,560	100 %
Proved reserves:					
DJ Basin	132,860	729,425	97,466	351,897	50 %
Permian Basin	139,945	590,877	107,477	345,902	50 %
Total proved reserves[1]	272,805	1,320,302	204,943	697,799	100 %

[1] Items may not recalculate due to rounding.

Key Third Quarter 2024 Results

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Net Income ($MM)	$295.8	$687.6
Adjusted Net Income ($MM)[1]	$195.8	$670.5
Operating Cash Flow ($MM)	$835.0	$2,007.2
Adjusted EBITDAX ($MM)[1]	$910.1	$2,756.4
Sales Volumes (MBoe/d)	348.1	342.2
Oil Volumes (MBbl/d)	159.0	156.8
Capital Expenditures ($MM)	$438.4	$1,654.4
Adjusted Free Cash Flow ($MM)[1]	$366.3	$747.4

[1] Non-GAAP financial measure; see attached schedules at the end of this release for reconciliations to the most directly comparable GAAP financial measures.

Civitas Resources, Inc.

Third Quarter 2024 Additional Highlights

- Return of capital totaled $227 million, including $149 million in dividends (second quarter dividend paid in September) and $78 million in share repurchases. Rather than declaring a third quarter variable dividend, the Company has allocated 100% of its third quarter variable return of capital to share repurchases.
- Reduced total debt (inclusive of deferred Vencer acquisition payment) with cash payments of $88 million. Financial liquidity at the end of the third quarter totaled more than $1.4 billion, comprised of cash on hand and available borrowing capacity under the Company's credit facility.
- Fourth quarter oil volumes are anticipated to increase 3% from the third quarter, with October 2024 oil production averaging 165 MBbl/d.
- Average two-mile Midland Basin Wolfcamp A/B well costs (drilling, completion and equipment) have been reduced to $740 per lateral foot, a 13% decrease from the beginning of the year.
- Commenced production on 16 Wolfcamp D wells in the Midland Basin year-to-date, with higher than anticipated productivity. These results expand the economic competitiveness of the Wolfcamp D across Civitas' acreage position.
- **Running Room:** Year-to-date, the Company has added more than 75 gross locations in the Delaware and Midland Basins through multiple "ground game" transactions. In addition, via several land trades and acreage swaps, Civitas has significantly extended lateral footage on near-term core developments in the Permian Basin.
- Four-mile laterals in the DJ Basin are performing above expectation, with the Blue 4AH well producing a state-record 165 thousand barrels of oil in its initial 90 days (~1,833 BOPD).
- Received approval by Colorado's Energy and Carbon Management Commission of the Lowry Ranch Comprehensive Area Plan within the Watkins development area of the DJ Basin.

"We've accomplished great things in 2024, including rapidly integrating new assets, delivering sustainable capital efficiency gains, proving up new zones for future development, and capturing additional inventory that expands our runway of high-return opportunities… Our Board's recent action to further prioritize the balance sheet and share repurchases was well-timed, and we have been aggressively repurchasing our stock, while also reducing debt. As we look to 2025, we are focused on generating significant free cash flow, reducing leverage, and returning capital to shareholders. Our high-quality assets, with positions of scale in the lowest-cost oil basins in the U.S, strong capital discipline, and top-tier execution, position us well to create value in 2025 and beyond." **– M. Christohper Doyle, President and CEO**

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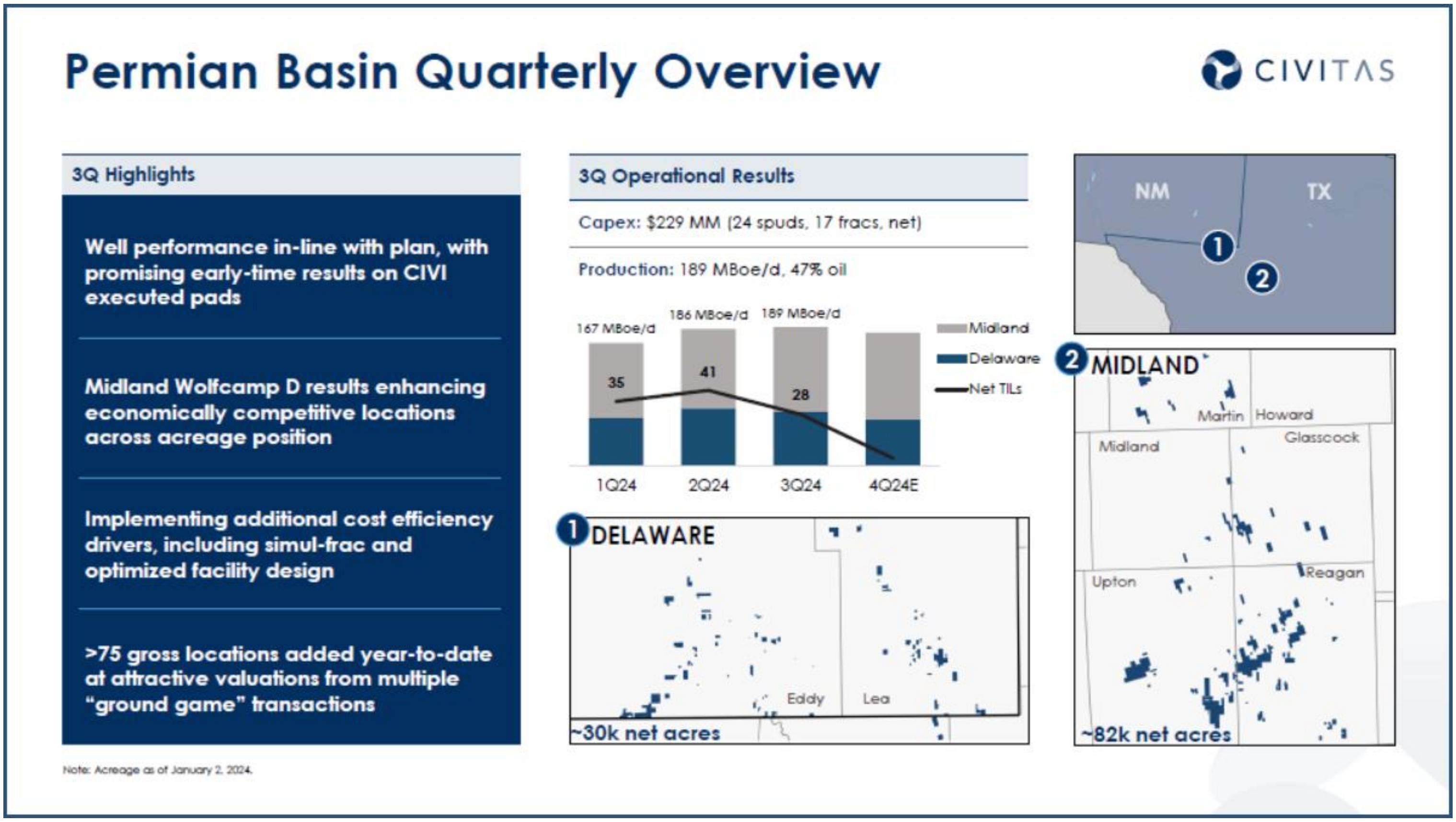


Third Quarter 2024 Financial and Operating Results

Crude oil, natural gas, and natural gas liquids sales for the third quarter of 2024 were $1.3 billion, with crude oil representing 87% of total revenue.

Sales volumes increased quarter over quarter to 348 MBoe/d, with increases in both the Permian and DJ Basins. Oil volumes were approximately 3% higher sequentially (adjusted for previously-announced non-core divestments), primarily due to new wells commencing production in the period. Third quarter oil volumes were impacted approximately 2 MBbl/d as a result of temporary third-party facility downtime in the DJ Basin and water takeaway constraints in the Permian Basin.

In the third quarter of 2024, differentials for the Company's crude oil and natural gas averaged a premium of $0.42 per barrel and a reduction of $1.98 per thousand cubic feet from the respective index prices. Crude oil realizations continue to benefit from strong values received for Niobrara-quality oil production in the DJ Basin, as well as higher WTI-Midland pricing. Natural gas differentials remained weak for Permian Waha basis, and the Company's NGL realizations averaged 26% of WTI crude oil in the third quarter of 2024.

"Increasing natural gas price realizations should significantly increase revenues in 2025." – Dan Steffens

The following table presents crude oil, natural gas, and NGL sales volumes by operating region as well as consolidated average sales prices for the periods presented:

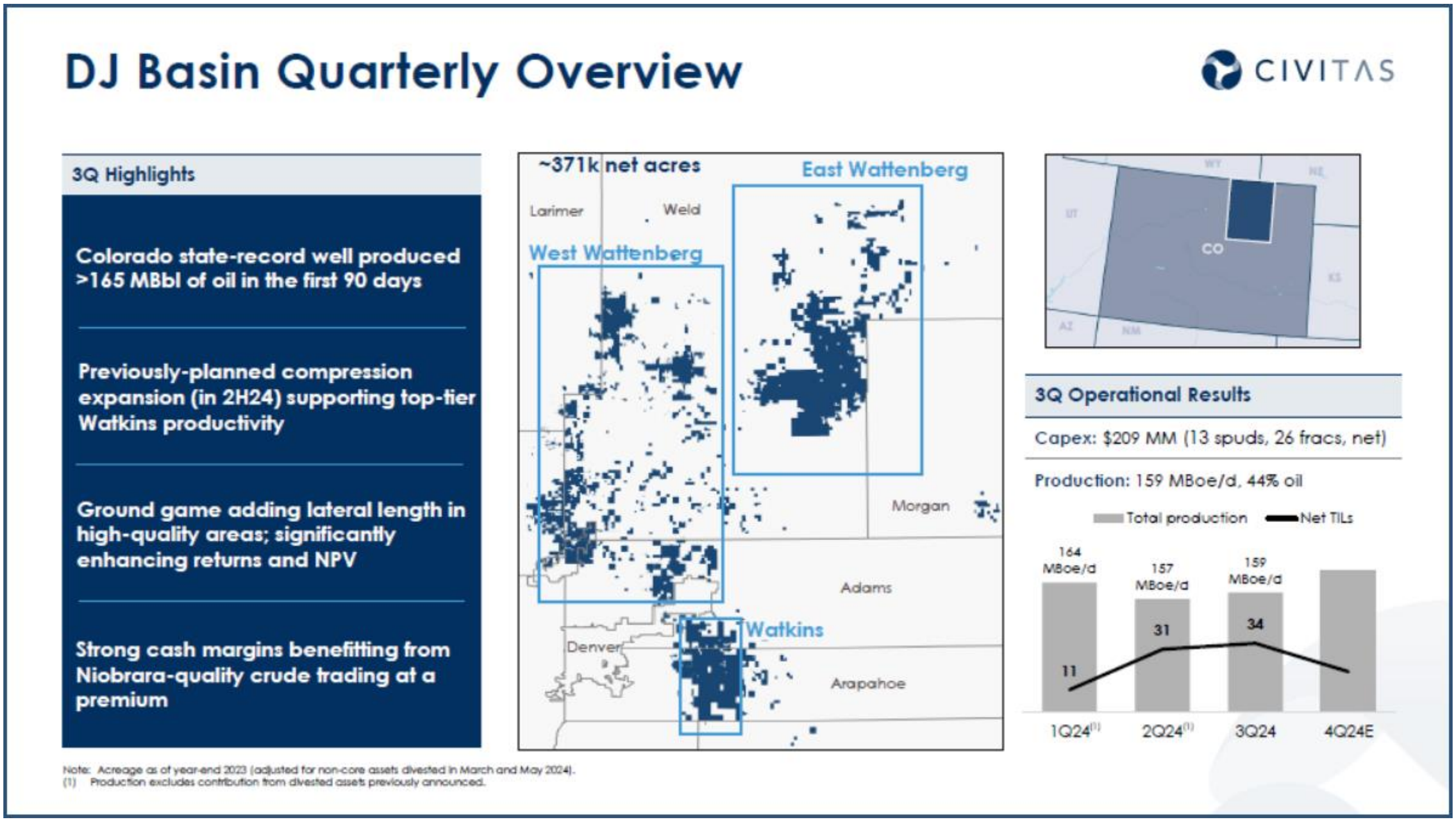
	Three Months Ended	
	September 30, 2024	June 30, 2024
Average sales volumes per day		
Crude oil (Bbls/d)		
DJ Basin	70,674	67,846
Permian Basin	88,326	87,495
Total	159,000	155,341
Natural gas (Mcf/d)		
DJ Basin	311,370	315,308
Permian Basin	291,630	282,659
Total	603,000	597,967
Natural gas liquids (Bbls/d)		
DJ Basin	36,804	36,648
Permian Basin	51,815	51,220
Total	88,619	87,868
Average sales volumes per day (Boe/d)		
DJ Basin	159,370	157,044
Permian Basin	188,750	185,824
Total	348,120	342,868
Average sales prices (before derivatives):		
Crude oil (per Bbl)	$ 75.46	$ 80.27
Natural gas (per Mcf)	$ 0.17	$ 0.17
Natural gas liquids (per Bbl)	$ 19.38	$ 20.94
Total (per Boe)	$ 39.70	$ 42.03

Realized hedging gains totaled $18 million for the third quarter of 2024, comprised of a $29 million gain from natural gas index and Waha basis swaps and an $11 million loss from crude oil hedges. The Company has added a number of new 2025 oil hedges, as well as new gas hedges (including basis swaps) for 2025 and 2026. An updated listing of derivative positions can be found in the Company's supplemental earnings materials posted on the Company's website. **See page 14 below for list of hedges**.

Total cash operating expense, including lease operating expense, gathering, transportation and processing expenses, midstream operating expense, as well as cash general and administrative (a non-GAAP measure), for the third quarter of 2024 was $9.32 per BOE, in line with expectations. Severance and ad valorem tax expenses were lower than anticipated as a result of a refinement in rates in the taxing districts where the Company operates.

Depreciation, depletion and amortization was $16.36 per BOE for the third quarter, lower than the second quarter of 2024, primarily as a result of timing differences between the recording of capital investments and reserve additions.

Interest expense of $118 million, which includes amortization on the remaining deferred Vencer acquisition payment, was in line with expectation. The Company's effective tax rate for the quarter was 24%, with all of the amount deferred.



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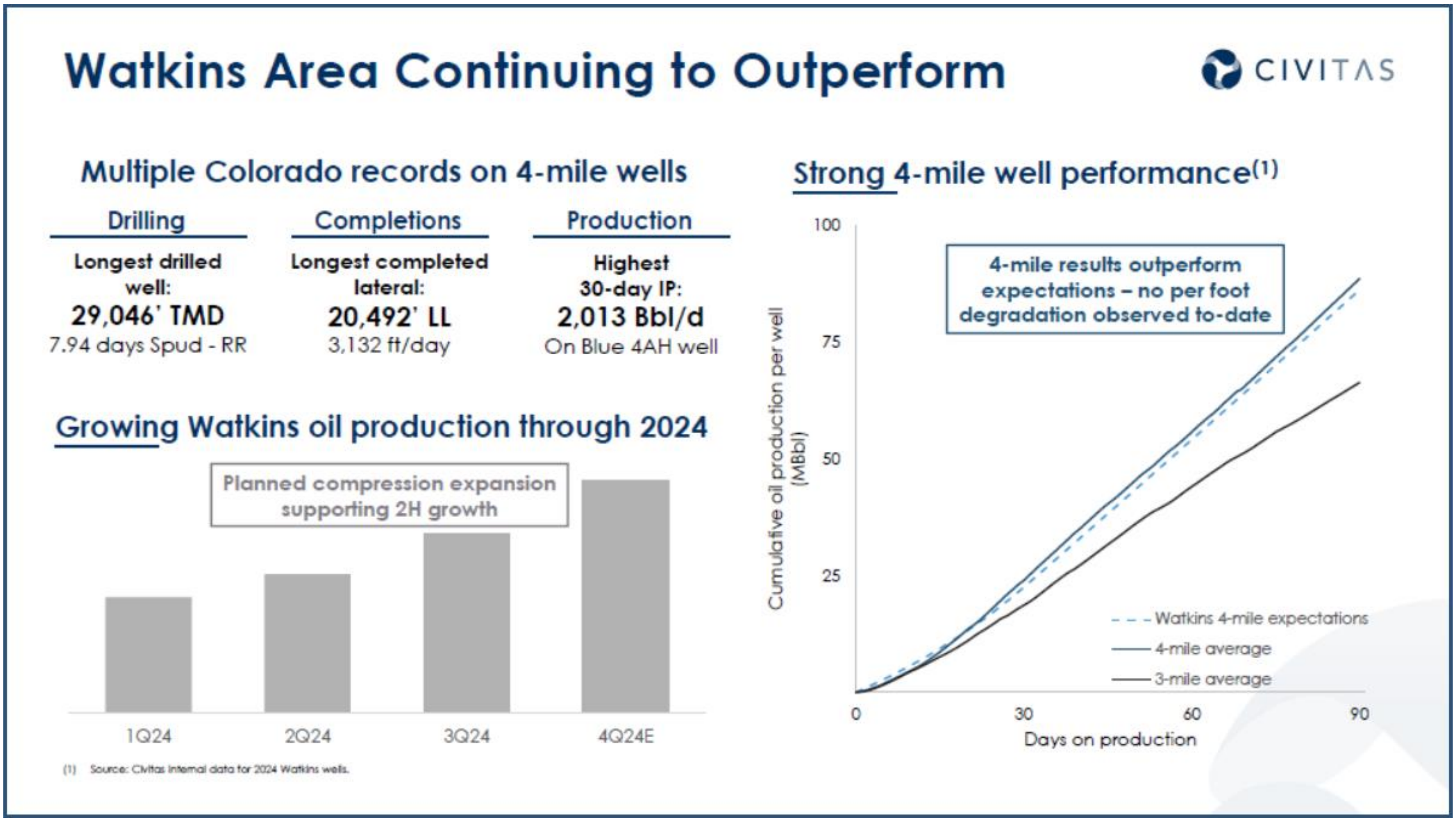


Third Quarter Efficiency Gains Driving Accelerated Activity

Capital expenditures for the third quarter totaled $438 million, above expectation as a result of continued efficiency gains delivering accelerated drilling and completion activity, as well as accelerated facility spend for upcoming large pads in both basins. During the third quarter, the Company drilled, completed, and turned to sales 26, 19, and 30 gross operated wells (24, 17, and 28 net), respectively, in the Permian Basin, and 14, 29, and 40 gross operated wells (13, 26, and 34 net), respectively, in the DJ Basin. The Company's average completed lateral length during the quarter was approximately 2 miles. The following table presents capital expenditures by operating region:

	Three Months Ended	
	September 30, 2024	June 30, 2024
Capital expenditures (in thousands)		
DJ Basin	$ 208,530	$ 264,402
Permian Basin	228,910	302,587
Other/Corporate	951	(480)
Total	$ 438,391	$ 566,509

Civitas Resources, Inc.

Prioritizing Balance Sheet and Buybacks

CIVITAS

Return of capital program provides flexibility for significant value creation

- 50% of FCF (after base dividend) to variable return of capital with remaining 50% supporting balance sheet
  - Reduced debt with cash payments of $88 MM in 3Q
- 100% of 3Q24 variable return of capital deployed as share repurchases
  - 3Q share repurchases of $104 MM at an avg. price of $56.44/share[2]
  - Accelerated return to shareholders with October buybacks rather than December variable dividend

$1.7 billion returned to shareholders since beginning of 2023

- Represents ~32% of current market cap in 1.75 years
- 18% base dividend (currently a ~3.7% dividend yield), 47% variable dividend, 35% share buybacks

3Q24 Return of capital ($MM)	
Average quarterly adj. free cash flow over prior 12 months[1]	$256
Less: quarterly base dividend ($0.50/sh)	(49)
Average quarterly adj. free cash flow after base dividend	$208
Variable return component: 50%	104
Less: 3Q24 share repurchases executed in 3Q24	(78)
Less: 3Q24 share repurchases executed in October 2024	(26)
Remaining variable dividend to shareholders	$0

3Q24 return of capital allocation

(1) Adjusted free cash flow is a non-GAAP financial measure and is calculated as operating cash flow before working capital changes, less capital expenditures. See slide 25 for a reconciliation to the most directly comparable GAAP financial measure; includes Permian Acquisition FCF contribution of $16MM, which adds pre-acquisition closing asset specific revenues, asset specific cash opex, and asset specific capex, including Vencer assets FCF from October 2023 to closing in January 2024.
(2) Includes $26MM of share repurchases executed in October 2024.

Return of Capital Focused on Share Buybacks and Debt Reduction

In July 2024, the Company's Board of Directors enhanced Civitas' shareholder return program to add flexibility in the way it returns capital to shareholders and to further advance the Company's balance sheet initiatives. The Company's base dividend of $0.50 per share quarterly was unchanged, with 50% of free cash flow after the base dividend to be allocated to share buybacks and/or variable dividends, and the remaining 50% to be allocated to the balance sheet.

Based on average quarterly free cash flow over the prior 12 months, the Company's third quarter variable return of capital was determined to be $104 million. During the third quarter, Civitas repurchased approximately 1.3 million of its outstanding shares for $78 million, with the remaining $26 million (0.5 million shares) repurchased in October in place of paying a third quarter variable dividend. From the beginning of 2023 through the Company's third quarter return of capital, Civitas has repurchased $616 million of its shares and paid over $1.1 billion in dividends, totaling a combined return to shareholders of approximately 32% of the Company's current market capitalization.

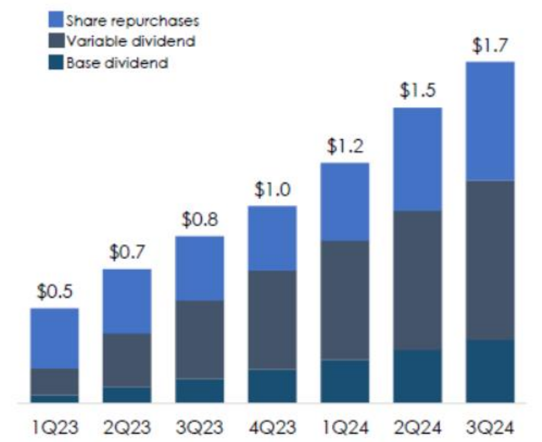
In addition, Civitas paid $37.5 million toward its remaining deferred Vencer acquisition payment during the third quarter and reduced borrowings on its revolving credit facility by $50 million.

Civitas Resources, Inc.

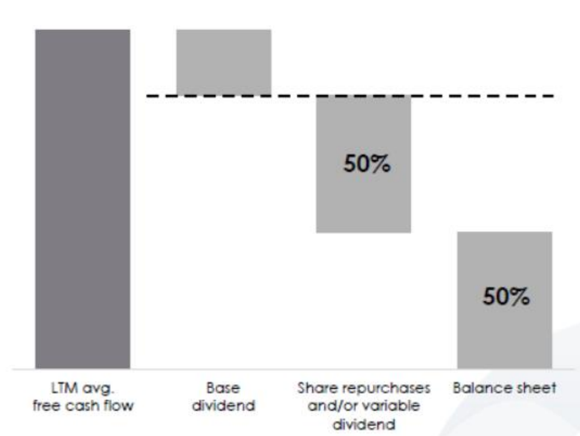
Track Record of Capital Return to Shareholders

CIVITAS

Cumulative return of capital ($B)



Current return of capital framework



Note: Historical capital return based on period of cash settlement (i.e. when dividends paid).

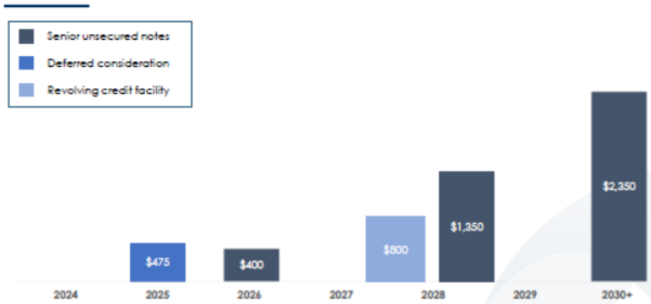
Capital Structure

CIVITAS

Illustrative Cap Table:	
($MM)	As of 09/30/2024
Revolving Credit Facility due 2028	$800
Total Secured Debt	**$800**
Vencer Deferred Consideration due Jan 2025	475
5.000% Senior Unsecured Notes due Oct 2026	400
8.375% Senior Unsecured Notes due Jul 2028	1,350
8.625% Senior Unsecured Notes due Nov 2030	1,000
8.750% Senior Unsecured Notes due Jul 2031	1,350
Total Debt	**$5,375**
(-) Cash and Cash Equivalents	(47)
Net Debt[1]	**$5,328**
Liquidity	
Revolving Credit Facility Borrowing Base	$3,400
Revolving Credit Facility Commitment Amount	2,200
Revolving Credit Facility Borrowings	(800)
Letters of Credit Issued	(2)
Net RCF Availability	**$1,398**
Cash and Cash Equivalents	47
Total Liquidity	**$1,445**
Net Utilization[2]	34%

- CIVI prepaid $37.5 MM of Vencer deferred consideration in July 2024
- Total liquidity of $1.4 B as of September 30, 2024
- Fitch upgraded LT Issuer Rating to BB+ in 3Q24

Debt maturity schedule ($MM)



(1) Net Debt is a non-GAAP financial measure. See slide 27 for a reconciliation to the most directly comparable GAAP financial measure.
(2) Net Utilization = (Revolving Credit Facility Borrowings – Cash and Cash Equivalents) / Revolving Credit Facility Commitment Amount.

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Fourth Quarter Outlook Highlights Oil Volume and Free Cash Flow Increase

Fourth quarter 2024 sales volumes are expected between 347 and 353 MBoe/d, and oil volumes are anticipated in a range of 162 to 166 MBbl/d, reflecting an increase in the DJ Basin and a decline in the Permian Basin. The DJ Basin increase is anticipated to benefit from Watkins production uplifts, and the Permian Basin decline reflects few new wells commencing production in the final quarter of the year.

Capital expenditures in the fourth quarter are anticipated to be $245 to $295 million, as the Company anticipates running 4 drilling rigs (3 Permian, 1 DJ) and 1.5 completion crews (1 Permian, 0.5 DJ) on average during the period. ***The Company's free cash flow generated in the fourth quarter is anticipated to be its highest quarter for the year, which will further benefit shareholder returns and debt reduction.***

CIVITAS

4Q Guidance – Significant Increase in Volumes and FCF

	FY24 Guide	YTD 3Q Actuals	4Q Guide	4Q Commentary
Total Production (MBoe/d)	335 – 345	342	347 – 353	Increase led by DJ Basin; Permian decline
Oil Production (MBbl/d)	157 – 163	157	162 – 166	Increase led by DJ Basin; Permian decline
% Liquids	71% – 73%	71%	71% – 73%	Oil increase outpacing BOEs
Oil Differential to NYMEX WTI ($/Bbl)	($0.40 - $0.75)	($0.36)	($0.60 – $1.20)	
Gas Differential to NYMEX HHUB ($/Mcf)	($1.00 – $1.50)	($1.45)	($1.20 – $1.80)	
NGL Realization as % of NYMEX WTI	26% – 30%	27%	26% – 30%	
Production Taxes (% of revenue)	8%	7%	8%	
Total Cash Opex[1] ($/Boe)	$9.00 – $9.40	$9.16	$9.25 – $9.45	
Interest Expense, cash ($MM)	$380 – $400	$295	$95 – $105	
Current Income Taxes ($MM)	$0 – $25	$8	$0 – $5	
Capital Expenditures ($MM)	$1,850 – $1,950	$1,654	$245 – $295	Running 4 drilling rigs (3 Permian, 1 DJ) and 1.5 completion crews (1 Permian, 0.5 DJ)

(1) Includes LOE, GT&P Expense, Midstream Expense, and Cash G&A. Cash G&A is a non-GAAP financial measure. See slide 26 for a reconciliation to the most directly comparable GAAP financial measure.

Hedging Position

Civitas periodically enters into commodity derivative contracts to mitigate a portion of its exposure to potentially adverse market changes in commodity prices for its expected future crude oil and natural gas production and the associated impact on cash flows. Civitas' commodity derivative contracts consist of swaps, collars, basis protection swaps, and puts. As of September 30, 2024, all derivative counterparties were members of the Credit Facility lender group, and all commodity derivative contracts are entered into for other-than-trading purposes. Civitas does not designate its commodity derivative contracts as hedging instruments.

A typical swap arrangement guarantees a fixed price on contracted volumes. If the agreed upon published third-party index price is lower than the fixed contract price at the time of settlement, Civitas receives the difference between the index price and the fixed contract price. If the index price is higher than the fixed contact price at the time of settlement, Civitas pays the difference between the index price and the fixed contract price.

A typical collar arrangement establishes a floor and ceiling price on contracted volumes through the use of a short call and a long put. When the index price is above the ceiling price at the time of settlement, Civitas pays the difference between the index price and the ceiling price. When the index price is below the floor price at the time of settlement, Civitas receives the difference between the index price and floor price. When the index price is between the floor price and ceiling price, no payment or receipt occurs.

Basis protection swaps are arrangements that guarantee a price differential from a specified delivery point. For basis protection swaps, Civitas receives a payment from the counterparty if the price differential is greater than the stated terms of the contract and pays the counterparty if the price differential is less than the stated terms of the contract.

A put arrangement gives Civitas the right to sell the underlying commodity at a strike price over the term of the contract. If the index price is higher than the strike price, no payment or receipt occurs. If the index price is lower than the strike price, Civitas receives the difference between the index price and the strike price.

As of September 30, 2024, Civitas had entered into the following commodity price derivative contracts:

Oil Hedge Position

Contract Period	4Q24	1Q25	2Q25	3Q25	4Q25
Crude Oil Derivatives (volumes in Bbl/day and prices in $/Bbl)					
Swaps					
NYMEX WTI Volumes	25,997	19,000	19,000	22,000	5,000
Weighted-Average Contract Price	$70.77	$72.74	$71.89	$74.34	$69.68
Two-Way Collars					
NYMEX WTI Volumes	23,504	28,000	32,000	28,000	45,000
Weighted-Average Ceiling Price	$80.99	$79.87	$77.78	$77.65	$75.81
Weighted-Average Floor Price	$65.66	$70.00	$69.88	$69.31	$58.71
Bought Puts					
NYMEX WTI Volumes	5,669	--	--	--	--
Weighted-Average Contract Price	$55.00	--	--	--	--

Natural Gas Hedge Position

Contract Period	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Natural Gas Derivatives (volumes in MMBtu/day and prices in $/MMBtu)									
Swaps									
NYMEX HH Volumes	131,701	110,000	110,000	110,000	110,000	–	–	–	–
Weighted-Average Contract Price	$2.71	$3.20	$3.20	$3.20	$3.20	–	–	–	–
Two-Way Collars									
NYMEX HH Volumes	–	20,000	20,000	20,000	20,000	130,000	130,000	130,000	130,000
Weighted-Average Ceiling Price	–	$3.76	$3.76	$3.76	$3.76	$4.02	$4.02	$4.02	$4.02
Weighted-Average Floor Price	–	$3.03	$3.03	$3.03	$3.03	$3.24	$3.24	$3.24	$3.24
Basis Protection Swaps									
Waha Basis Volumes	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Weighted-Average Contract Price	($0.97)	($1.17)	($1.17)	($1.17)	($1.17)	($1.31)	($1.31)	($1.31)	($1.31)
Waha Index Volumes	103,261	90,000	–	–	–	–	–	–	–
Weighted-Average Contract Spread	$0.01	$0.07	–	–	–	–	–	–	–

Subsequent to September 30, 2024 and as of November 1, 2024, Civitas had entered into the following commodity price derivative contracts:

	Contract Period					
	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026
Crude Oil Derivatives (volumes in Bbl/day and prices in $/Bbl)						
Swaps						
NYMEX WTI Volumes	—	—	—	—	5,000	—
Weighted-Average Contract Price	$ —	$ —	$ —	$ —	$ 69.68	$ —
Collars						
NYMEX WTI Volumes	—	—	—	—	39,000	—
Weighted-Average Ceiling Price	$ —	$ —	$ —	$ —	$ 75.85	$ —
Weighted-Average Floor Price	$ —	$ —	$ —	$ —	$ 59.28	$ —
Natural Gas Derivatives (volumes in MMBtu/day and prices in $/MMBtu)						
Basis Protection Swaps						
WAHA Index Volumes	6,739	—	—	—	—	—
Weighted-Average Contract Price	$ (0.03)	$ —	$ —	$ —	$ —	$ —

Civitas Resources, Inc.

Company Profile

Net Income and Cash Flow Forecast Model

December 10, 2024

								Non-Core DJ Basin Sales for $215 million in Mar. & May				< 7.000 Boepd , mostly ngas				
Civitas Resources, Inc. (CIVI)								*Midland Basin Acq from Vencer Energy closed January 2, 2024*				< adds 62,000 Boepd (50% oil)				
Net Income and Cash Flow 2022 - 2025 (last updated 12/10/2024)		*Two Permian Basin Acquisitions closed August 2, 2023*														
	Actual 2022	**Actual Qtr1 2023**	**Actual Qtr2 2023**	**Actual Qtr3 2023**	**Actual Qtr4 2023**	**Actual Year 2023**	**Actual Qtr1 2024**	**Actual Qtr2 2024**	**Actual Qtr3 2024**	**Forecast Qtr4 2024**	**Forecast Year 2024**	**Forecast 2025**				
REVENUES:																
Oil, NGL and natural gas sales	$3,791,398	$656,022	$660,526	$1,035,917	$1,126,775	$3,479,240	$1,327,756	$1,311,532	$1,271,375	$1,281,647	$5,192,310	$5,745,623	< Forecast Revenues include effect of hedges			
Other operating income							1,447	1,162	670		3,279		broken out below when actuals are reported			
													See actual cash settlements on row 33			
Total Revenues	3,791,398	656,022	660,526	1,035,917	1,126,775	3,479,240	1,329,203	1,312,694	1,272,045	1,281,647	5,195,589	5,745,623				
EXPENSES:													***Expenses per Company's guidance >>>***			
Lease operating expenses	169,986	45,838	51,230	94,660	109,560	301,288	131,465	126,606	146,761	170,660	575,492	696,420	< $5.30/boe			
Midstream operating expenses	31,944	10,061	13,319	11,661	10,039	45,080	13,561	11,939	11,225	16,100	52,825	65,700	< $0.50 / boe			
Gathering, processing & transportation	287,474	67,352	64,873	77,540	80,880	290,645	88,901	94,469	96,414	112,700	392,484	459,900	< $3.50/ boe			
Severance and ad valorem taxes	305,701	52,362	52,443	83,437	88,293	276,535	101,906	101,913	87,262	96,124	387,205	430,922	< Oil & Gas Revenues X 7.5%			
Exploration expense	6,981	571	546	429	632	2,178	11,534	1,340	861	1,000	14,735	15,000				
DD&A	816,446	201,303	232,786	320,469	416,634	1,171,192	466,840	521,090	523,929	526,470	2,038,329	2,148,390	< $16.35 / boe			
Impairment & abandonment	17,975	0	0	0	0	0	0	0	0	0	0	0				
Unused commitments	3,641	391	363	3,942	2,182	6,878	0	0	0	0	0	0				
Bad debt expense (recovery)	(950)	(253)	836	(24)	0	559	0	0	0	0	0	0				
Transaction costs	24,683	482	31,145	28,450	24,251	84,328	22,720	7,877	140	0	30,737	0				
G&A	112,110	29,478	23,646	27,852	45,170	126,146	46,679	46,873	44,068	48,000	185,620	200,000				
Other operating expenses							7,566	1,458	2,114	5,000	16,138	20,000				
Stock based compensation	31,367	7,380	9,895	8,302	9,354	34,931	11,199	12,262	12,661	13,000	49,122	52,000				
TOTAL EXPENSES	1,807,358	414,965	481,082	656,718	786,995	2,339,760	902,371	925,827	925,435	989,054	3,742,687	4,088,332				
OPERATING EARNING	1,984,040	241,057	179,444	379,199	339,780	1,139,480	426,832	386,867	346,610	292,594	1,452,903	1,657,291				
Other income (expenses)																
Derivatives - cash settlements	(576,802)	(10,550)	(1,335)	(33,022)	(23,339)	(68,246)	(11,155)	(12,752)	18,195	0	(5,712)	0				
Derivatives - non-cash mark-to-market	241,642	35,710	6,262	(117,639)	153,220	77,553	(98,525)	20,330	132,834	0	54,639	0				
Interest expense	(27,735)	(6,299)	(7,598)	(73,066)	(86,484)	(173,447)	(97,441)	(101,853)	(104,222)	(100,000)	(403,516)	(410,000)	< Vencer Acq added $1.55 billion of debt			
Non-cash interest	(4,464)	(1,150)	(1,155)	(3,401)	(3,587)	(9,293)	(12,345)	(13,044)	(13,538)	(13,538)	(52,465)	(50,000)	$215 million proceeds from non-core assets received in Q3.			
Gain (loss) on property transactions, net	15,880	(241)	(13)	0	0	(254)	(1,430)	0	0	0	(1,430)	0	**Compare to Operating CFPS on Row 52**			
Other income (expense)	21,217	9,023	8,045	17,288	(695)	33,661	4,904	3,434	9,233	3,000	20,571	20,000				
NET INCOME BEFORE TAXES	1,653,778	267,550	183,650	169,359	378,895	999,454	210,840	282,982	389,112	182,056	1,064,990	1,217,291				
INCOME TAXES																
Current	68,196	19,136	341	(19,311)	(30,163)	(29,997)	5,025	4,298	(1,397)	3,641	11,567	24,346	< 2%			
Deferred	337,502	45,953	44,022	48,997	106,191	245,163	29,994	62,695	94,706	40,052	227,447	267,804	< 22%			
NET INCOME	$1,248,080	$202,461	$139,287	$139,673	$302,867	$784,288	$175,821	$215,989	$295,803	$138,362	$825,975	$925,141				
Common Stock outstanding	**85,005**	**86,240**	**86,240**	**86,240**	**86,240**	**86,240**	**97,091**	**97,091**	**97,091**	**97,091**	**97,091**	**95,000**	< 2024 is common stock o/s on 9-30-2024			
Earnings per share	$14.68	$2.35	$1.62	$1.62	$3.51	$9.09	$1.81	$2.22	$3.05	$1.43	$8.51	$9.74	***Vencer Acq added 7,181,527 shares in Jan. 2024***			
NOTE: Current First Call Estimated EPS							$1.81	$2.22	$3.05	$1.87	$8.95	$9.15	< TipRanks EPS forecasts			
	$ 2,200,900	$ 422,770	$ 421,196	$ 637,779	$ 685,083	$ 2,166,828	$ 795,119	$ 803,820	$ 806,768	$ 729,923	$ 3,135,630	$ 3,193,335	< 2024 CapEx Guidance is $1,850 to $1,950 million (updated 11/7)			
Cashflow per share (before CapEx)	$25.89	$4.90	$4.88	$7.40	$7.94	$25.13	$8.19	$8.28	$8.31	$7.52	$32.30	$33.61	**< Valuation of 3 X 2023 to 2025 CFPS =**		$ 92.50	
										$8.27	$32.44	$ 33.65	< TipRacks CFPS	TipRanks' PT >>>>		$ 74.13	< $60 to $84
PRODUCTION													*YE 2024 mix (see guidance)*	JP Morgan	12/5/24	$ 68.00	BUY
Natural Gas (mcfp/d)	308,160	298,957	289,547	406,302	469,416	366,056	596,855	597,961	603,000	588,000	596,454	604,800	< 28%	Piper Sand	11/18/24	$ 83.00	BUY
Oil (bbls/d)	75,754	71,791	84,369	113,849	131,668	100,419	156,161	155,341	159,001	164,000	158,626	169,200	< 47%	RBC Cap	11/13/24	$ 70.00	BUY
NGLs (bbls/d)	42,922	37,812	40,864	53,702	68,884	50,316	79,863	87,867	88,619	88,000	86,087	90,000	< 25%	Siebert WS	11/8/24	$ 79.00	BUY
Boepd	170,035	159,429	173,491	235,268	278,788	211,744	335,500	342,868	348,120	350,000	344,122	360,000	< Q4 2024 Guidance is 347,000 to 353,000 Boepd (~164,000 BO) (11/7)			
PRODUCT PRICES	203.6%					24.5%					62.5%	4.6%	**< YOY production growth**			
Natural Gas ($/mcf)	4.50	3.82	2.06	2.14	1.95	2.49	1.60	0.86	0.71	1.14	1.08	$ 1.85	< From table below -$1.60/mcf differential			
Oil ($/bbl)	79.17	71.21	69.14	77.33	74.75	73.11	74.91	76.73	74.71	70.12	74.12	$ 74.74	< From table below			
NGLs ($/bbl)	33.14	27.06	19.93	22.85	17.94	21.95	22.73	20.94	19.38	20.00	20.76	$ 22.00				
Gross Revenue check (prod * ave price)	3,214,596	654,970	659,191	1,002,894	1,103,437	3,425,062	1,316,601	1,298,780	1,290,240	1,281,647	5,192,395	5,745,623				
							1,316,601	1,298,780	1,290,240	1,300,000	5,205,621	5,300,000	< TipRanks Revenue Estimates			
Adjusted Net Income >>>	***1,024,413***	***166,751***	***133,025***	***257,312***	***149,647***	***706,735***	***274,346***	***195,659***	***162,969***	***138,362***	***771,336***	***925,141***	***< Adjusted Net Income***