Risk Factors Comparison 2024-03-08 to 2023-03-27 Form: 10-K

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The following risk factors apply to our business and operations. These risk factors are not exhaustive, and investors are encouraged to perform their own investigation with respect to our business, financial condition and prospects. You should carefully consider the following risk factors in addition to the other information included in this Annual Report, including matters addressed in the section entitled " Cautionary Note Regarding Forward- Looking Statements " and the financial statements and notes to the financial statements included herein. We may face additional risks and uncertainties that are not presently known to us, or that we currently deem immaterial, which may also impair our business or financial condition. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein. As used in the risks described in this subsection, references to " we, " " us, " " our " and the " Company " are intended to refer to Granite Ridge and its consolidated subsidiaries, unless the context clearly indicates otherwise. ~~Summary of Risk Factors We believe that the risks associated with our business, and consequently the risks associated with an investment in our securities, fall within the following categories:~~ Risks Related to ~~Granite Ridge' s Business and Operations ● As a non- operator, Granite Ridge' s development of successful operations relies extensively on third parties. ● The loss of a key member of the Manager' s management team could diminish our ability to conduct our operations and harm our ability to execute our business plan. ● Oil and natural gas prices are volatile. Extended declines in such prices have adversely affected, and could in the future adversely affect, Granite Ridge' s business and results of operations. ● Certain of Granite Ridge' s undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established, operations are commenced or the leases are extended. ● Granite Ridge' s estimated reserves are based on many assumptions that may prove to be inaccurate. ● Granite Ridge' s future success depends on its ability to replace reserves that its operators produce. ● Deficiencies of title to Granite Ridge' s leased interests could significantly affect its financial condition. ● Inflation could adversely impact Granite Ridge' s ability to control its costs, including its operating partners. ● The COVID- 19 pandemic has had, and may continue to have, a material adverse effect on Granite Ridge' s financial condition and results of operations. ● Various laws and regulations govern aspects of the oil and gas business including natural resource conservation and environmental, health, and safety matters, and these laws and regulations could change and become stricter over time. ● Fuel and energy conservation measures, technological advances and negative shift in market perception towards the oil and natural gas industry could reduce demand for oil and natural gas. ● Increased attention to environmental, social and governance matters may impact Granite Ridge' s business. ● Granite Ridge relies on the Manager for various certain key services under the MSA, which could result in conflicts of interest and other unforeseen risks. ● Certain of our unaudited financial statements for the three and nine months ended September 30, 2022 were required to be restated and our management identified material weaknesses in our internal control over financial reporting. If we do not effectively remediate these material weaknesses or if we otherwise fail to maintain effective disclosure controls and procedure or internal control over financial reporting, our ability to report our financial results on a timely and accurate basis may be adversely impacted, which in turn may adversely affect the market price of our common stock. ● The relative lack of public company experience by Granite Ridge' s management team may put Granite Ridge at a competitive disadvantage. ● The borrowing base under our Credit Agreement may be reduced in light of commodity price declines, which could limit us in the future. 24 ● Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non- performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and financial condition and results of operations. Risks Related to Ownership of Granite Ridge Common Stock ● Sales by our securityholders or issuances by the Company, or the perception that such sales or issuances may occur may cause the market price of Granite Ridge common stock to drop. ● Granite Ridge qualifies as an " emerging growth company ", which could make its securities less attractive. ● The exercise of the Granite Ridge warrants could adversely affect the market price of Granite Ridge common stock and result in dilution to holders of Granite Ridge common stock. ● Anti- takeover provisions in the Granite Ridge organizational documents could delay or prevent a change of control. ● Granite Ridge is a " controlled company " under the corporate governance rules of the NYSE, which means that our stockholders are not afforded the same protections as stockholders of companies that are not " controlled companies. " ● Granite Ridge could be adversely affected by changes in applicable tax laws, regulations, or administrative interpretations thereof in the United States or other jurisdictions. We describe these and other risks in much greater detail below. Risks Related to~~ Our Business and ~~OperationsAs~~ -- **Operations As** a non- operator, our development of successful operations relies extensively on third parties, which could have a material adverse effect on our results of operation. We have only participated in wells operated by third parties. The success of our business operations depends on the timing of drilling activities and success of our third- party operators. If our operators are not successful in the development, exploitation, production, and exploration activities relating to our leasehold interests, or are unable or unwilling to perform, our financial condition and results of operation would be materially adversely affected. Our operators will make decisions in connection with their operations (subject to their contractual and legal obligations to other owners of working interests), which may not be in our best interests. We may have no ability to exercise influence over the operational decisions of our operators, including the setting of capital expenditure budgets and drilling locations and schedules. Dependence on third- party operators could prevent us from realizing target returns for those locations. The success and timing of development activities by our operators will depend on a number of factors that will largely be outside of our control, including oil and natural gas prices and other factors generally affecting the industry operating environment; the timing and amount of capital expenditures; their expertise and financial resources; approval of other participants in drilling wells; selection of technology; and the rate of production of reserves, if any. ~~These risks are heightened in a low commodity price environment, which may present significant challenges to our operators. The challenges and risks faced by our operators may be similar to or greater than our own, including with respect to their ability to service their debt, remain in compliance with their debt instruments and, if necessary, access additional capital. Commodity prices and / or other conditions have in the past and may in the future cause oil and gas operators to file for bankruptcy. The insolvency of an operator of any of the Properties, the failure of an operator of any of the Properties to adequately perform operations or an operator' s breach of applicable agreements could reduce our production and revenue and result in our liability to governmental authorities for compliance with environmental, safety, and other regulatory requirements, to the operator' s suppliers and vendors and to royalty owners under oil and gas leases jointly owned with the operator or another insolvent owner. Finally, an operator of the Properties may have the right, if another non- operator fails to pay its share of costs because of its insolvency or otherwise, to require us to pay its proportionate share of the defaulting party' s share of costs. 25~~