

## Risk Factors Comparison 2025-03-06 to 2024-03-19 Form: 10-K

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While not an exhaustive list, the principal risks that we believe could adversely affect our business, financial condition or results of operations include:

- Other than the Genesis Bolt- on Assets, the Genesis Assets currently have no producing properties and there is no assurance that we will be able to successfully drill producing wells. If the Genesis Assets are not commercially productive of crude oil or natural gas, any funds spent on exploration and production may be lost;
- The development of our estimated PUD reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated PUD reserves may not ultimately be developed or produced;
- We have a limited history of drilling producing oil and natural gas wells and there can be no assurance that we will successfully establish oil and natural gas operations or profitably produce oil, natural gas or NGLs;
- Oil, natural gas and NGLs prices are highly volatile. An extended decline in commodity prices may adversely affect our business, financial condition or results of operations and our ability to meet our capital expenditure obligations and financial commitments;
- Our plan to develop and operate our existing and future E & P assets will require substantial additional capital, which we may be unable to raise on acceptable terms or at all in the future;
- We have entered into hedging arrangements to hedge a significant portion of oil and natural gas production and are therefore exposed to fluctuations in the price of oil, natural gas and NGLs and will be affected by continuing and prolonged declines in such prices. Any future hedging activities we may engage in may result in financial losses or could reduce our income;
- Drilling for and producing oil and natural gas wells is a high- risk activity with many uncertainties that could adversely affect our business, financial condition or results of operations;
- We intend to pursue the development of our properties in the DJ Basin through horizontal drilling and completion. Horizontal development operations can be more operationally challenging and costly relative to vertical drilling operations;
- Drilling locations that we decide to drill may not yield oil or natural gas in commercially viable quantities;
- Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage;
- Our future results of operations are highly dependent on our ability to find, develop or acquire additional reserves;
- Our estimated oil, natural gas and NGLs reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves;
- We will face strong competition from other oil and natural gas companies;
- Government regulation and liability for oil and natural gas operations may adversely affect our business and results of operations;
- All of our E & P assets are located in the DJ Basin, making us vulnerable to risks associated with operating primarily in a single geographic area;
- We may not consummate the Bayswater Acquisition on the terms currently contemplated, or at all;
- We do not currently have sufficient funds or committed financing necessary to consummate the Bayswater Acquisition;
- We may be unsuccessful in integrating the Bayswater Assets or in realizing all or any part of the anticipated benefits of the Bayswater Acquisition;
- Our acquisition of a significant portion of Bayswater's working interests is subject to third- party consent. If such third party does not consent or our arrangement with Bayswater with respect to such working interests pursuant to the Bayswater PSA is challenged, we will be unable to acquire such working interest as part of the Bayswater Acquisition without any adjustment to the purchase price and we may have limited recourse against Bayswater;
- If we are successful in completing the Bayswater Acquisition, our level of indebtedness could adversely affect our business and financial condition and prevent us from fulfilling our debt obligations;
- As a result of the Bayswater Acquisition and the NRO Acquisition, we anticipate that the scope and size of our assets, operations and business will substantially change. We cannot provide assurance that our expansion in size and integration and operation of the Bayswater Assets and Central Weld Assets will be successful;
- We expect to incur significant transaction costs in connection with the Bayswater Acquisition, which may be in excess of those currently anticipated;
- The Bayswater Acquisition may be completed on different terms from those contained in the Bayswater PSA;
- The market price for our Common Stock following the Bayswater Acquisition, if consummated, may be affected by factors different from those that historically have affected or currently affect our Common Stock;
- Securities class action and derivative lawsuits may be brought against us in connection with the Bayswater Acquisition, which could result in substantial costs;
- We have historically incurred significant losses, and may be unable to generate profitability. Our ability to successfully operate and expand our business is dependent our ability to raise additional capital to support our drilling program on our existing assets;
- We need to manage growth in operations to maximize our potential growth and achieve our expected revenues. Our failure to manage growth can cause a disruption of our operations that may result in the failure to generate revenues at levels we expect;
- We depend on the services of a small number of key personnel, and may not be able to operate and grow our business effectively if we lose their services or are unable to attract qualified personnel in the future;
- Acquisitions, joint ventures or similar strategic relationships may disrupt or otherwise have a material adverse effect on our business and financial results;
- There may be conflicts of interest between certain of our officers and directors and our non- management stockholders;
- Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes- Oxley Act of 2002 could result in a restatement of our financial statements, cause investors to lose confidence in our financial statements and our Company and have a material adverse effect on our business and stock price;
- We may not be able to use a portion of our net operating loss carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations,

which could adversely affect our cash flows; • The conversion or exercise, as applicable, of the outstanding Series D Preferred Stock, Series D PIPE Warrants, Series E PIPE Warrants, Exok Warrants, Subordinated Note Warrants, and Merger Options could substantially dilute your investment and adversely affect the market price of our Common Stock; • Our Board of Directors has broad discretion to issue additional securities, and in order to raise sufficient funds to expand our operations, we may have to issue securities at prices which may result in substantial dilution to our stockholders; • If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our Common Stock or if our operating results do not meet their expectations, our stock price could decline; • Insiders have substantial control over the Company, and they could delay or prevent a change in our corporate control even if our other stockholders want it to occur; • The trading price of our Common Stock has been, and is likely to continue to be, volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control; • Future sales of our Common Stock, or the perception that such future sales may occur, may cause our stock price to decline; and • We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on your investment may be limited to increases in the market price of our Common Stock. The foregoing factors should not be construed as exhaustive. This summary of risk factors should be read in conjunction with the more detailed risk factors below. Risks Related to our E & P Assets Other than the Genesis Bolt- on Assets, the Genesis Assets currently have no producing properties and there is no assurance that we will be able to successfully drill producing wells. If the Genesis Assets are not commercially productive of crude oil or natural gas, any funds spent on exploration and production may be lost. All of the Genesis Assets, other than the Genesis Bolt- on Assets, are in the pre- production stage and there is no assurance that we will be able to obtain the requisite permits to begin drilling or successfully drill producing wells. The Genesis Assets, other than the Genesis Bolt- on Assets, are not currently connected to the electrical grid or transportation, nor have we engaged service providers or contractors, necessary for the productive development of the assets and there is no assurance that we will be able to obtain the electrification, transportation or services necessary at economic costs, if at all. We are dependent on establishing sufficient reserves at the Genesis Assets for additional cash flow and a return of our investment. If the Genesis Assets are not economic, all of the funds that we have invested, or will invest, will be lost. In addition, the failure of the Genesis Assets to produce commercially may make it more difficult for us to raise additional funds in the form of additional sale of our equity securities or working interests in other property in which we may acquire an interest. The Central Weld Assets currently have both producing and undeveloped properties and there is no assurance that we will be able to further develop and exploit the producing properties or successfully drill producing wells. If we are unable to further develop and exploit the producing properties or drill producing wells, any funds spent on the NRO Acquisition or in the exploration, development and production of the Central Weld Assets may be lost. Certain of the Central Weld Assets are producing, permitted properties and certain of the Central Weld Assets are undeveloped. There is no assurance that we will be able to further develop and exploit the producing properties or successfully drill producing wells of the undeveloped properties, and we will be dependent on further developing, exploiting and establishing sufficient reserves at the Central Weld Assets for additional cash flow and a return of our investment. If we are unable to further develop or exploit the Central Weld Assets or if the Central Weld Assets are not economic, all of the funds that we have invested, or will invest, will be lost. In addition, the failure of the Central Weld Assets to further produce commercially may make it more difficult for us to raise additional funds in the form of additional sales of our equity securities or working interests in other property in which we may acquire an interest. The development of our estimated PUD reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated PUD reserves may not ultimately be developed or produced. All of the reserves attributable to the Genesis Assets, other than the Genesis Bolt- on Assets, are undeveloped as of December 31, 2024. Development of proved undeveloped reserves may take longer and require higher levels of capital expenditures than we currently anticipate. Delays in the development of our reserves, increases in costs to drill and develop such reserves, or decreases in commodity prices will reduce the value of our estimated PUD reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could require us to reclassify our PUDs as unproved reserves. We have a limited history of drilling producing oil and natural gas wells and there can be no assurance that we will successfully establish oil and natural gas operations or profitably produce oil, natural gas or NGLs. We have a limited history of successfully drilling producing oil and natural gas wells and successfully producing hydrocarbons. Oil and natural gas exploration and production has a high degree of risk. The future development of a significant portion of our properties will require obtaining permits and financing. As a result, we are subject to all of the risks associated with establishing new drilling operations and business enterprises, including, among others: • the need to obtain necessary environmental and other governmental approvals and permits, the timing and conditions of those approvals and permits, and litigation concerning those approvals and permits; • the availability and cost of funds to finance the drilling and development of our properties; • the timing and cost, which can be considerable, of the supporting infrastructure to our oil and natural gas drilling operations; • the ability to obtain midstream offtake capacity for our future oil and natural gas production; • drainage resulting from the development of offsetting properties from other operators in the area; • commodity prices and our ability to find suitable customers for our future production; • inflation and potential increases in costs of labor, power, supplies, services and other support; and • the availability of skilled labor and equipment to support our drilling operations. There is no assurance that our drilling activities will result in the successful production of oil, natural gas or NGLs. Moreover, there is no assurance that even if we are able to successfully produce oil, natural gas or NGLs that such production would be economical for commercial production. Oil and natural gas production is dependent upon a number of factors and significantly

influenced by the technical skill of our operations personnel involved. The commercial viability of our possible future production is also dependent upon a number of factors which are beyond our control, including the quality of our oil, natural gas and NGLs, commodity prices, government policies and regulation, and environmental protection requirements. There is no certainty that the expenditures that have been made and may be made in the future by us related to the acquisition and development of our properties will result in commercially viable production and our past and future expenditures may be partially or entirely lost. Since we have a limited operating history related to the exploration and production of oil and natural gas assets, investors have no basis to evaluate our ability to operate profitably as an E & P business. We have generated limited revenue in the exploration and production of oil and natural gas assets to date which, following the Crypto Sale, is our sole business segment. We face many of the risks commonly encountered by other new businesses, including the lack of an established operating history, need for additional capital and personnel, and competition. There is no assurance that our business will be successful or that we can ever operate profitably. We may not be able to effectively manage the demands required of a new business, such that we may be unable to implement our business plan or achieve profitability. Oil, natural gas and NGLs prices are highly volatile. An extended decline in commodity prices may adversely affect our business, financial condition or results of operations and our ability to meet our capital expenditure obligations and financial commitments. Following the acquisition and development of our existing and future E & P assets, our revenues, profitability and cash flows will depend upon the prices for oil, natural gas and NGLs. The prices we may receive for oil, natural gas and NGLs production are volatile and a decrease in prices can materially and adversely affect our financial results and impede our growth, including our ability to maintain or increase our borrowing capacity, to repay current or future indebtedness and to obtain additional capital on attractive terms. Changes in oil, natural gas and NGLs prices have a significant impact on the amount of oil, natural gas and NGLs that we can produce economically, the value of our reserves and on our cash flows. Historically, world- wide oil, natural gas and NGLs prices and markets have been subject to significant change and may continue to change in the future. During the year ended December 31, 2024, the average West Texas Intermediate spot price was \$ 76. 63, as compared to an average price of \$ 77. 58 for the year ended December 31, 2023. The average Henry Hub natural gas spot price during the year ended December 31, 2024 was \$ 2. 19, as compared to an average of \$ 2. 53 for the year ended December 31, 2023. Prices for oil, natural gas and NGLs may fluctuate widely in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control, such as: • the domestic and foreign supply of and demand for oil, natural gas and NGLs; • the price and quantity of foreign imports of oil, natural gas and NGLs; • the ability of and actions taken by the Organization of the Petroleum Exporting Countries (“ OPEC ”) and Russia (together with OPEC and other allied producing countries, “ OPEC ”) and other oil-producing nations in connection with their arrangements to maintain oil prices and production controls; • political and economic conditions and events in foreign oil and natural gas producing countries, including embargoes, continued hostilities in the Middle East and other sustained military campaigns, the armed conflict in Ukraine and associated economic sanctions on Russia, conditions in South America, Central America, China and Russia, and acts of terrorism or sabotage; • the proximity of our production to and capacity of oil, natural gas and NGLs pipelines and other transportation and storage facilities; • the level of consumer product demand; • the value of the dollar relative to the currencies of other countries; • the impact of energy consumption, supply, and conservation policies and activities by governmental authorities, international agreements, and non- governmental organizations to limit, restrict, suspend or prohibit the performance or financing of oil, natural gas and NGLs exploration, production, development or marketing activities; • U. S. and non- U. S. governmental regulations, including tariffs, environmental initiatives, and taxation; • overall domestic and global economic conditions; • the impact on worldwide economic activity of an epidemic, outbreak or other public health events; • the price and availability of alternative fuels; • technological advances affecting energy consumption, energy conservation and energy supply; • stockholder activism or activities by non- governmental organizations to restrict the exploration, development and production of oil, natural gas and NGLs to minimize emissions of carbon dioxide, a greenhouse gas; and • weather conditions. Our plan to develop and operate our existing and future E & P assets will require substantial additional capital, which we may be unable to raise on acceptable terms or at all in the future. While we currently expect to develop and operate our existing and future E & P assets utilizing cash flow from operations, we may be unable to do so. Obtaining permits and approvals, seismic data, as well as exploration, development and production activities entail considerable costs, and, to the extent we are unable to fund such costs utilizing cash flow from operations, we may need to raise substantial additional capital, through future private or public equity offerings, strategic alliances or other alternative arrangements. Our future capital requirements will depend on many factors, including: • the scope, rate of progress and cost of our exploration, appraisal, development and production activities; • oil and natural gas prices; • our ability to obtain the requisite permits and approvals to begin drilling, and potential litigation related to obtaining such permits and approvals; • our ability to locate and acquire hydrocarbon reserves; • our ability to produce oil or natural gas from those reserves; • the terms and timing of any drilling and other production- related arrangements that we may enter into; • the cost and timing of governmental approvals and / or concessions; and • the effects of competition by larger companies operating in the oil and natural gas industry. If we raise additional capital through equity financing, the ownership percentage of our existing stockholders would be diluted, and new investors may demand rights, preferences or privileges senior to those of existing stockholders. If we were to raise additional capital through debt financing, the financing may involve covenants that restrict our business activities. If we are not successful in raising additional capital, we may be unable to continue our future exploration, development and production activities. We have entered into hedging arrangements to hedge a significant portion of oil and natural gas production and are therefore exposed to fluctuations in the price of oil, natural

gas and NGLs and will be affected by continuing and prolonged declines in such prices. Any future hedging activities we may engage in may result in financial losses or could reduce our income. Oil, natural gas, and NGL prices are volatile, therefore, we hedge a significant portion of oil and natural gas production to reduce our exposure to adverse fluctuations in these prices. Our current derivative arrangements consist of crude oil and natural gas swaps but we could enter into additional derivative arrangements including swaps, collars and other instruments. Derivative arrangements could expose us to the risk of financial loss in some circumstances, including when: (i) production is less than the volume covered by the derivative instruments; (ii) the counterparty to the derivative instrument defaults on its contract obligations; or (iii) there is an increase in the differential between the underlying price in the derivative instrument and actual prices received. These types of derivative arrangements may limit the benefit we would receive from increases in the prices for oil and natural gas and may expose us to cash margin requirements. If oil, natural gas and NGL prices upon settlement of derivative swap contracts exceed the price at which commodities have been hedged, we will be obligated to make cash payments to counterparties, which could, in certain circumstances, be significant. Drilling for and producing oil and natural gas wells is a high- risk activity with many uncertainties that could adversely affect our business, financial condition or results of operations. Drilling oil and natural gas wells, including development wells, involves numerous risks, including the risk that we may not encounter commercially productive oil, natural gas and NGLs reserves (including “ dry holes ”). We must incur significant expenditures to drill and complete wells, the costs of which are often uncertain. It is possible that we will make substantial expenditures on drilling and not discover reserves in commercially viable quantities. Specifically, we often are uncertain as to the future cost or timing of drilling, completing and operating wells, and our drilling operations and those of our third- party operators may be curtailed, delayed or canceled. The cost of our drilling, completing and operating wells may increase and our results of operations and cash flows from such operations may be impacted, as a result of a variety of factors, including: • unexpected drilling conditions; • title problems; • pressure or irregularities in formations; • worker protection and workplace safety, including equipment failures or accidents; • adverse weather conditions, such as winter storms and flooding, and changes in weather patterns including due to climate change; • compliance with, or changes in, environmental laws and regulations relating to climate change, air emissions, hydraulic fracturing and disposal of produced water, drilling fluids and other wastes, laws and regulations imposing conditions and restrictions on drilling and completion operations, including as related to induced seismicity, and other laws and regulations, such as tax laws and regulations; • the availability and timely issuance of required governmental permits, approvals and licenses, or litigation concerning such permits, approvals and licenses; • the availability of, costs associated with and terms of contractual arrangements for properties, including mineral licenses and leases, pipelines, rail cars, crude oil hauling trucks and qualified drivers and related services, facilities and equipment to gather, process, compress, store, transport and market crude oil, natural gas and related commodities; • compliance with environmental and other regulatory requirements; and • environmental hazards, such as natural gas leaks, oil and produced water spills, pipeline or tank ruptures, encountering naturally occurring radioactive materials, and unauthorized discharges of brine, well stimulation and completion fluids, toxic gases or other pollutants into the air, surface and subsurface environment. A failure to recover our investment in any E & P assets, increases in the costs of our drilling operations or those of third- party operators, and / or curtailments, delays or cancellations of our drilling operations or those of our third- party operators in each case due to any of the above factors or other factors, may materially and adversely affect our business, financial condition and results of operations. We intend to pursue the development of our properties in the DJ Basin through horizontal drilling and completion. Horizontal development operations can be more operationally challenging and costly relative to vertical drilling operations. Horizontal drilling is generally more complex and more expensive on a per well basis than vertical drilling. As a result, there is greater risk associated with a horizontal well program. Risks associated with our horizontal drilling program include, but are not limited to, the following, any of which could materially and adversely impact the success of our horizontal drilling program and, thus, our cash flows and results of operations: • successfully drilling and maintaining the wellbore to planned total depth; • landing our wellbore in the desired hydrocarbon reservoir; • effectively controlling the level of pressure flowing from particular wells; • staying in the desired hydrocarbon reservoir while drilling horizontally through the formation; • running our casing through the entire length of the wellbore; • running tools and equipment consistently through the horizontal wellbore; • successful design and execution of the fracture stimulation process; • preventing downhole communications with other wells, or, in the alternative, disruption from non- simultaneous operations; • successfully cleaning out the wellbore after completion of the final fracture stimulation stage; and • designing and maintaining efficient forms of artificial lift throughout the life of the well. Ultimately, the success of these drilling and completion techniques can only be evaluated over time as more wells are drilled and production profiles are established over a sufficiently long time period. If our drilling results are less than anticipated or we are unable to execute our drilling program because of capital constraints, lease expirations, access to gathering systems, limited takeaway capacity, or depressed natural gas and oil prices, the return on our investment in these areas may not be as attractive as anticipated. Further, as a result of any of these developments, we could incur material impairments of our oil and natural gas properties and the value of our undeveloped acreage could decline in the future. Multi- well pad drilling and project development may result in volatility in our operating results. We intend to utilize, and NRO has historically utilized, multi- well pad drilling and project development where practical. Project development may involve more than one multi- well pad being drilled and completed at one time in a relatively confined area. Wells drilled on a pad or in a project may not be brought into production until all wells on the pad or project are drilled and completed. Problems affecting one pad or a single well could adversely affect production from all of the wells on the pad or in the entire project. As a result, multi- well pad drilling and project development can cause delays in the scheduled commencement of production, or interruptions in ongoing production. These delays or interruptions may cause declines or volatility in our operating results due to timing as well as declines in oil and natural gas prices. Further, any delay,

reduction or curtailment of our development and producing operations, due to operational delays caused by multi- well pad drilling or project development, or otherwise, could result in the loss of acreage through lease expirations. Additionally, infrastructure expansion, including more complex facilities and takeaway capacity, could become challenging in project development areas. Managing capital expenditures for infrastructure expansion could cause economic constraints when considering design capacity. Drilling locations that we decide to drill may not yield oil or natural gas in commercially viable quantities. Our potential drilling locations are in various stages of evaluation, ranging from a location that is ready to drill to a location that will require substantial additional evaluation. There is no way to predict in advance of drilling and testing whether any particular location will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. Prior to drilling, the use of 2- D and 3- D seismic technologies, various other technologies, and the study of producing fields in the same area will still not enable us to know conclusively whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in sufficient quantities to be economically viable. In addition, the use of 2- D or 3- D seismic data and other technologies requires greater pre- drilling expenditures than traditional drilling strategies, and we could incur greater drilling and testing expenses as a result of such expenditures which may result in reduction in our returns or increase our losses. Even if sufficient amounts of oil or natural gas exist, we may damage the potentially productive hydrocarbon bearing formation or experience mechanical difficulties while drilling or completing the well, resulting in a reduction in production from the well or abandonment of the well. If we drill any dry holes in our current or future drilling locations, our profitability and the value of our properties will likely be reduced. We cannot assure you that the analogies we draw from available data from other wells, more fully explored locations, or producing fields will be applicable to our drilling locations. Further initial production rates reported by us or other operators may not be indicative of future or long- term production rates. In sum, the cost of drilling, completing, and operating any well is often uncertain, and new wells may not be productive. Certain of ~~the our~~ undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage. The terms of our oil and ~~natural~~ gas leases often stipulate that the lease will terminate if not held by production, rentals, or otherwise some form of an extension payment to extend the term of the lease. If production in paying quantities is not established on units containing leases during the next year, then approximately ~~6-1, 598 451~~ net acres of our ~~acreage Initial Genesis Assets~~ will expire in ~~2024-2025~~, approximately ~~2-11, 567-640~~ net acres of our ~~Initial Genesis Assets~~ will expire in ~~2025-2026~~, and approximately ~~14-4, 320-941~~ net acres of our ~~Genesis Assets~~ will expire in ~~2026-2027~~ and thereafter. While some expiring leases may contain predetermined extension payments, other expiring leases will require us to negotiate new leases at the time of lease expiration. Further, existing leases which are currently held by production may unexpectedly encounter operational, political, regulatory, or litigation challenges which could result in their termination. It is possible that market conditions at the time of negotiation could require us to agree to new leases on less favorable terms to us than the terms of the expired leases or cause us to lose the leases entirely. If our leases expire, we will lose our right to develop the related properties. Our future results of operations are highly dependent on our ability to find, develop or acquire additional reserves. Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless we conduct successful ongoing exploration and development activities or continually acquire properties containing proved reserves, our proved reserves will decline as those reserves are produced. Our future reserves and production, and therefore our future cash flow and results of operations, are highly dependent on our success in efficiently developing our current reserves and economically finding or acquiring additional recoverable reserves. We may not be able to develop, find, or acquire sufficient additional reserves to replace our current and future production. If we are unable to replace our current and future production, the value of our reserves will decrease, and our business, financial condition, and results of operations would be materially and adversely affected. Our estimated oil, natural gas and NGLs reserves are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves. Numerous uncertainties are inherent in estimating quantities of oil, natural gas and NGLs reserves. The process of estimating oil, natural gas and NGLs reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, engineering and economic data for each reservoir, including assumptions regarding future oil, natural gas and NGLs prices, subsurface characterization, production levels and operating and development costs. Our ~~reserve estimates of possible reserves for the Initial Genesis Assets~~ as of December 31, ~~2023-2024~~ were prepared by CG & A. CG & A conducted a detailed review of ~~our the Initial Genesis Assets- assets~~ for the period covered by its reserve report using information provided by us. Over time, we may make material changes to reserve estimates taking into account the results of actual drilling, testing and production. As a result of the uncertainties, estimated quantities of oil, natural gas and NGLs reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. Any significant variance in our assumptions and actual results could greatly affect our estimates of reserves, the economically recoverable quantities of oil, natural gas and NGLs attributable to any particular group of properties, the classifications of reserves based on risk of non- recovery and estimates of future net cash flows ~~-As of December 31, 2023 all of our reported reserves and associated future cash flows are deemed possible. Estimates of possible reserves, and the future cash flows related to such estimates, are also inherently imprecise and are more uncertain than estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of possible reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, and should not be summed arithmetically with estimates of either proved or probable reserves, respectively, and the respective future cash flows related to such estimates. When producing an estimate of the amount of oil, natural gas and NGLs that is recoverable from a particular reservoir, an estimated quantity of possible reserves is an estimate that might be achieved, but only under more favorable circumstances than are likely. Estimates of possible reserves are also continually subject to revisions based on production history, results of additional exploration and development,~~

price changes and other factors. When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. Possible reserves may be assigned to areas of a reservoir adjacent to probable reserve where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir. Possible reserves also include incremental quantities associated with a greater percentage of recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves. Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and we believe that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir. To market our oil and natural gas production, we are dependent upon obtaining access to midstream infrastructure, including truck transportation, pipelines, transmission and / or storage and processing facilities. If we are unable to obtain such access on commercially reasonable terms or at all, we would be unable to market and sell our production and our business and financial position would be materially and adversely affected. The marketing of oil and natural gas production depends in large part on the availability, proximity and capacity of pipelines and storage facilities, gathering systems and other transportation, processing, fractionation, refining and export facilities, as well as the existence of adequate markets. Transportation space on the gathering systems and pipelines we utilize is occasionally limited or unavailable due to repairs or improvements to facilities or due to space being utilized by other companies that have priority transportation agreements. Additionally, new fields may require the construction of gathering systems and other transportation facilities. These facilities may require us to spend significant capital that would otherwise be spent on drilling. We rely, and expect to rely in the future, on facilities developed and owned by third parties in order to store, process, transmit and sell our production. Our plans to develop and sell our reserves could be materially and adversely affected by the inability or unwillingness of third parties to provide sufficient facilities and services to us on commercially reasonable terms or otherwise. If these facilities are unavailable to us on commercially reasonable terms or otherwise, we could be forced to shut in some production or delay or discontinue drilling plans and commercial production following a discovery of hydrocarbons. The availability of markets is beyond our control. If market factors dramatically change, the impact on our revenues could be substantial and could materially and adversely affect our ability to produce and market oil and natural gas. Our access to transportation options can also be affected by U. S. federal and state regulation of oil and natural gas production and transportation, general economic conditions and changes in supply and demand. The interstate transportation and sale for resale of natural gas are subject to federal regulation, including regulation of the terms, conditions and rates for interstate transportation, storage and various other matters, primarily by FERC. Federal and state regulations govern the price and terms for access to natural gas pipeline transportation. FERC's regulations for interstate natural gas transmission in some circumstances may also affect the intrastate transportation of natural gas. FERC regulates the rates, terms and conditions applicable to the interstate transportation of natural gas by pipelines under the NGA as well as under Section 311 of the NGPA. Since 1985, FERC has implemented regulations intended to increase competition within the natural gas industry by making natural gas transportation more accessible to natural gas buyers and sellers on an open- access, nondiscriminatory basis. Our sales of oil and NGLs are also affected by the availability, terms and costs of transportation. The rates, terms, and conditions applicable to the interstate transportation of oil and NGLs by pipelines are regulated by FERC under the Interstate Commerce Act. FERC has implemented a simplified and generally applicable ratemaking methodology for interstate oil and NGL pipelines to fulfill the requirements of Title XVIII of the Energy Policy Act of 1992 comprised of an indexing system to establish ceilings on interstate oil and NGL pipeline rates. Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates, varies from state to state. Insofar as effective interstate and intrastate rates are equally applicable to all comparable shippers, we believe that the regulation of oil transportation rates will not affect our operations in any materially different way than such regulation will affect the operations of our competitors. Further, interstate and intrastate common carrier oil pipelines must provide service on a non- discriminatory basis. Under this open access standard, common carriers must offer service to all shippers requesting service on the same terms and under the same rates. When oil pipelines operate at full capacity, access is governed by prorating provisions set forth in the pipelines' published tariffs. Accordingly, we believe that access to oil pipeline transportation services generally will be available to us to the same extent as to our competitors. As an alternative to pipeline transportation, any transportation of our crude oil and NGLs by rail will also be subject to regulation by the Pipeline and Hazardous Materials Safety Administration (" PHMSA ") and the Federal Railroad Administration (" FRA ") of the Department of Transportation under the Hazardous Materials Regulations at 49 CFR Parts 171- 180, including Emergency Orders by the FRA and new regulations being proposed by the PHMSA, arising due to the consequences of train accidents and the increase in the rail transportation of flammable liquids. We will face strong competition from other oil and natural gas companies. We will encounter competition from other oil and natural gas companies in all areas of our operations, including the acquisition of exploratory prospects and proven properties. Our competitors include major integrated oil and natural gas companies and numerous independent oil and natural gas companies, individuals and drilling and income programs. Many of our competitors are large, well- established companies that have been engaged in the oil and natural gas business much longer than we have and possess substantially larger operating staffs and greater capital resources than we do. These companies may be able to pay more for exploratory projects and productive oil and natural gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit. In addition, these companies may be able to expend greater resources on the existing and changing technologies that we believe are and will be increasingly important to attaining success in the industry. Such competitors may also be in a better position to secure oilfield

services and equipment on a timely basis or on favorable terms. These companies may also have a greater ability to continue drilling activities during periods of low oil and **natural** gas prices, such as the current commodity price environment, and to absorb the burden of current and future governmental regulations and taxation. We may not be able to conduct our operations, evaluate and select suitable properties and consummate transactions successfully in this highly competitive environment. Government regulation and liability for oil and natural gas operations may adversely affect our business and results of operations. Our exploration, production and development activities are subject to extensive federal, state, and local government regulations, which may change from time to time. Matters subject to regulation include discharge permits for drilling operations, drilling bonds and other financial assurance, reports concerning operations, the spacing of wells, unitization and pooling of properties, and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and natural gas from wells below actual production capacity in order to conserve supplies of oil and natural gas. These laws and regulations may affect the costs, manner, and feasibility of our operations by, among other things, requiring us to make significant expenditures in order to comply and restricting the areas available for oil and **natural** gas production. Failure to comply with these laws and regulations may result in substantial liabilities to third- parties or governmental entities. We are also subject to changing and extensive tax laws, the effects of which cannot be predicted. The implementation of new, or the modification of existing, laws or regulations, could have a material adverse effect on us, such as by imposing, penalties, fines and / or fees, taxes and tariffs on carbon that could have the effect of raising prices to the end user and thereby reducing the demand for our products. All of our E & P assets are located in the DJ Basin, making us vulnerable to risks associated with operating primarily in a single geographic area. All of our current E & P assets are located in the DJ Basin in Colorado. Because our assets are not as diversified geographically as many of our competitors, the success of our operations and our profitability may be disproportionately exposed to the effect of any regional events, including natural disasters, government regulations and midstream interruptions. For example, bottlenecks in processing and transportation have occurred in some recent periods in the Wattenberg Field in the DJ Basin and these adverse effects may be disproportionately severe to us compared to our more geographically diverse competitors. Similarly, the concentration of our assets within a small number of formations exposes us to risks, such as changes in field- wide rules that could adversely affect development activities or production relating to those formations. Such an event could have a material adverse effect on our results of operations and financial condition. In addition, the demand for, and cost of, drilling rigs, equipment, supplies, chemicals, personnel and oilfield services often increase as a result of numerous factors including increases in exploration and production activity, supply chain problems, and labor shortages. Any shortages or increased costs could delay or adversely affect our development and exploration operations or cause us to incur significant expenditures that are not provided for in our capital forecast, which could have a material adverse effect on our business, financial condition or results of operations. All of the producing properties and reserves included in the Central Weld Assets are located in the DJ Basin. As a result, the transaction increases the risks we face with respect to the geographic concentration of our properties. In addition, seasonal weather conditions and natural disasters could severely disrupt normal operations and harm our business. During periods of heavy snow, ice, wind or rain, we may be unable to move our equipment between locations, thereby reducing our ability to provide services and generate revenues, or we could suffer weather- related damage to our facilities and equipment, resulting in delays in operations. Our exploration activities may also be affected during such periods of adverse weather conditions. Additionally, extended drought conditions in our operating regions could impact our ability or our customers' ability to source sufficient water or increase the cost for such water. As a result, a natural disaster or inclement weather conditions could severely disrupt the normal operation of our business and adversely impact our financial condition and results of operations. Moreover, climate change may result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns, that could adversely impact our operations. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as if facilities are subject to water use curtailments in response to drought, or demand for our products, such as to the extent warmer winters reduce the demand for energy for heating purposes, which may ultimately reduce demand for the products we provide. Such physical risks may also impact our suppliers, which may adversely affect our ability to provide our products. Extreme weather conditions can interfere with our operations and increase our costs, and damage resulting from extreme weather may not be fully insured. Our operations ~~are will be~~ subject to federal, state and local laws and regulations related to environmental and natural resources protection and occupational health and safety, which may expose us to significant costs and liabilities and result in increased costs and additional operating restrictions or delays. Our oil, natural gas and NGLs exploration, production and development operations ~~are will be~~ subject to stringent federal, state, local and other applicable laws and regulations governing worker health and safety, the release or disposal of materials into the environment or otherwise relating to environmental protection. Numerous governmental entities, including the EPA, the U. S. Occupational Safety and Health Administration, and analogous state agencies, including the CDPHE and the CECMC, have the power to enforce compliance with these laws and regulations. These laws and regulations may, among other things, require the acquisition of permits to conduct drilling; govern the amounts and types of substances that may be released into the environment; limit or prohibit construction or drilling activities in environmentally- sensitive areas such as wetlands, wilderness areas or areas inhabited by endangered or threatened species; require investigatory and remedial actions to mitigate pollution conditions; impose obligations to reclaim and abandon well sites and pits; impose seasonal limitations on our ability to conduct operations due to wildlife migration patterns or other similar concerns; and impose specific criteria addressing worker protection. Compliance with such laws and regulations may impact our operations and production, require us to install new or modified emission controls on equipment or processes, incur longer permitting timelines, restrict the areas in which some or all operational activities may be conducted, and incur significantly increased capital or operating expenditures, which costs may be significant. The regulatory burden on the oil and **natural** gas industry increases the cost of doing business in the industry and consequently affects profitability. Additionally, certain environmental laws impose strict, joint and several liability for costs

required to remediate and restore sites where hydrocarbons, materials or wastes have been stored or released. Failure to comply with these laws and regulations may also result in the assessment of sanctions, including administrative, civil and criminal penalties, the imposition of investigatory, remedial and corrective action obligations or the incurrence of capital expenditures, the occurrence of restrictions, delays or cancellations in the permitting, development or expansion of projects and the issuance of orders enjoining some or all of our operations in affected areas. Moreover, accidental spills or other releases may occur in the course of our operations, and we cannot assure you that we will not incur significant costs and liabilities as a result of such spills or releases, including any third-party claims for damage to property, natural resources or persons. We may not be able to fully recover such costs from insurance. One or more of these developments that impact us, our service providers or our customers could have a material adverse effect on our business, results of operations and financial condition and reduce demand for our products. Certain interest groups generally opposed to the development of oil and **natural** gas, and hydraulic fracturing in particular, have from time to time advanced various options for ballot initiatives aimed at significantly limiting or preventing the development of oil and **natural** gas. For example, following the failure of several ballot initiatives to restrict oil and **natural** gas development, Colorado passed a law in April 2019 (Senate Bill 19- 181) that, among other things, changes the mission of the CECMC from fostering oil and **natural** gas development to instead focus on environmental protection, directs the CECMC and various state agencies to consider new rules imposing stricter environmental controls on the oil and **natural** gas industry, and provides local governments with the authority to promulgate their own regulations on oil and **natural** gas development. Pursuant to this statutory change, the CECMC has issued new rules relating to the agency's new mission — formerly “fostering” oil and **natural** gas development, now “regulating” it — including, among other things, increasing oil and **natural** gas setbacks to a minimum of 2,000 feet from schools and childcare facilities, prohibiting routine venting and flaring, and increasing wildlife protections. Additional rules will also address cumulative impacts through a new state regulatory program and will completely revise state permitting procedures. In May 2023, Colorado passed a law (House Bill 1294) that requires the CECMC to promulgate rules addressing cumulative impacts of oil and **natural** gas operations by April 28, 2024. CECMC is currently assessing draft rules pursuant to this law, which, if finalized as proposed, would require regulators to consider cumulative impacts of oil and **natural** gas operations in permitting decisions and increase scrutiny on the project's proximity to other industrial sites, residential areas and school areas, DI communities, and “cumulatively impacted communities.” The draft rules would also set GHG emissions intensity targets for oil and **natural** gas operators and require regulators to consider such targets in their cumulative impacts analysis, as well as the potential to restrict operations during the summer in Ozone Nonattainment Areas. While the ultimate impact of the new Colorado laws and related rules is currently unknown, these laws or passage or enactment of other similar legislation could have a material adverse effect on our operations in Colorado. The general trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. There can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be materially different from the amounts we currently anticipate. Revised or additional regulations that result in increased compliance costs or additional operating restrictions, particularly if those costs are not fully recoverable from our customers, could have a material adverse effect on our business, financial position, results of operations and prospects. Our oil and **natural** gas exploration, production, and development activities may be subject to a series of risks related to climate change and energy transition initiatives. The threat of climate change continues to attract considerable attention in the ~~United States~~ **U. S.** and around the world. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. These efforts have included consideration of cap- and- trade programs, carbon taxes, GHG disclosure obligations and regulations that directly limit GHG emissions from certain sources. ~~Former~~ **Former** President Biden ~~has~~ **has** identified addressing climate change as a priority under his administration and ~~has issued, and may continue to issue,~~ executive orders related to that goal. For example, in January 2024, the Biden administration announced a temporary pause on the U. S. Department of Energy's (“DOE”) review of pending applications for authorization to export LNG to countries that have not entered into free trade agreements (“FTAs”) with the ~~United States~~ **U. S.** (so- called non- FTA countries) until the DOE updates its underlying analyses for such authorizations using more current data to account for considerations like potential energy cost increases for consumers and manufacturers or the latest assessment of the impact of GHG emissions. While this pause may not directly impact our exploration, production and development activities, it may affect the demand for our products, which could have a material adverse effect on our business and financial position. Also at the federal level, the EPA has adopted rules that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources, and impose new standards reducing methane emissions from oil and **natural** gas operations through limitations on venting and flaring and the implementation of enhanced emission leak detection and repair requirements. In December 2023 the EPA finalized more stringent methane rules for new, modified, and reconstructed facilities, known as OOOOb, as well as standards for existing sources for the first time ever, known as OOOOc. Under the final rules, states have two years to prepare and submit their plans to impose methane emission controls on existing sources. The presumptive standards established under the final rules are generally the same for both new and existing sources and include enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring to encourage the deployment of innovative technologies to detect and reduce methane emissions, reduction of emissions by 95 % through capture and control systems, zero- emission requirements for certain devices, and the establishment of a “super emitter” response program that would allow third parties to make reports to the EPA of large methane emission events, triggering certain investigation and repair requirements. Fines and penalties for violations of these rules can be substantial. In addition, the U. S. Congress may continue to consider and pass legislation related to the reduction of GHG emissions, including methane and carbon dioxide. For example, the IRA, which appropriates significant federal funding for renewable energy initiatives and, for the first time ever, imposes a fee on GHG emissions from certain facilities, was signed

into law in August 2022. The methane emissions charge would start in calendar year 2024 at \$ 900 per ton of methane, increase to \$ 1, 200 in 2025, and be set at \$ 1, 500 for 2026 and each year after. Calculation of the fee is based on certain thresholds established in the IRA. In January 2024, the EPA issued a proposed rule to implement the waste emissions charge with a proposed effective date in 2025 for reporting year 2024 emissions. The methane charge and the incentives for renewable energy infrastructure development could impose additional costs on our operations and further accelerate the transition of the economy away from the use of oil and natural gas towards lower- or zero- carbon emissions alternatives. Furthermore, on March 6, 2024, the SEC finalized a rule requiring the reporting of climate- related risks and financial impacts, as well as GHG emissions for larger companies. Compliance dates under the final rule are phased in by registrant category. Smaller reporting companies will be required to incorporate climate- related disclosures into their filings beginning in fiscal year 2027. Accelerated filers will be required to incorporate the disclosures in fiscal year 2026, as well as disclosure of Scope 1 and 2 GHG emissions, if material, in fiscal year 2028, and limited assurance attestation reports related to the same by fiscal year 2031. Large accelerated filers will be required to incorporate the disclosures in fiscal year 2025, with Scope 1 and 2 GHG emissions disclosures, if material, in fiscal year 2026, and attestation reports by fiscal year 2029. While we are still assessing our obligations under the rule, complying with such obligations may result in increased costs. States have also implemented or are considering implementing laws and regulations that would require climate- related disclosures, which could result in additional costs to comply with disclosure requirements as well as increase costs of and restrictions on access to capital. Separately, enhanced climate related disclosure requirements could lead to reputational or other harm with customers, regulators, investors or other stakeholders and could also increase our litigation risks relating to alleged climate- related damages resulting from our operations, statements alleged to have been made by us or others in our industry regarding climate change risks, or in connection with any future disclosures we may make regarding reported emissions, particularly given the inherent uncertainties and estimations with respect to calculating and reporting GHG emissions. From time to time, the SEC has also focused additional scrutiny on existing climate- change related disclosures in public filings, increasing the potential for enforcement if the SEC were to allege an issuer’ s existing climate disclosures were misleading or deficient. These ongoing regulatory actions and the emissions fee and funding provisions of the IRA could increase operating costs within the oil and **natural** gas industry and accelerate the transition away from fossil fuels, which could in turn adversely affect our business and results of operations. At the international level, the United Nations- sponsored Paris Agreement, though non- binding, calls for signatory nations to limit their GHG emissions through individually- determined reduction goals every five years after 2020. In February 2021, **former** President Biden recommitted the **United States U. S.** to long- term international goals to reduce emissions, including those under the Paris Agreement. **Former** President Biden announced in April 2021 a new, more rigorous nationally determined emissions reduction level of 50 to 52 percent from 2005 levels in economy- wide net GHG emissions by 2030. Moreover, the international community convenes annually at the Conference of the Parties to negotiate further pledges and initiatives, such as the Global Methane Pledge (a collective goal to reduce global methane emissions by 30 percent from 2020 levels by 2030). The impacts of these orders, pledges, agreements and any legislation or regulation promulgated to fulfill the **United States U. S.**’ commitments under the Paris Agreement or other international agreements cannot be predicted at this time. In December 2023, at the 28th Conference of the Parties, the parties signed onto an agreement to transition away from fossil fuels in energy systems and increase renewable energy capacity, though no timeline for doing so was set. While non- binding, the agreements coming out of these conferences could result in increased pressure among financial institutions and various stakeholders to reduce or otherwise impose more stringent limitations on funding for, and increase potential opposition to, the exploration and production of fossil fuels. Litigation risks are also increasing, as a number of states, municipalities, environmental organizations and other plaintiffs have sought to bring suits against oil and natural gas exploration and production companies in state or federal court, alleging, among other things, that such energy companies created public nuisances by producing fuels that contributed to global warming effects, such as rising sea levels, and therefore, are responsible for roadway and infrastructure damages as a result, or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors by failing to adequately disclose those impacts. Involvement in such a case, regardless of the substance of the allegations, could have adverse reputational and financial impacts and an unfavorable ruling in any such case could significantly impact our operations and could have an adverse impact on our financial condition or operations. There are also increasing financial risks for oil and **natural** gas producers as certain shareholders, bondholders and lenders may elect in the future to shift some or all of their investments into non- fossil fuel energy related sectors. Certain institutional lenders who provide financing to fossil- fuel energy companies have shifted their investment practices to those that favor “ clean ” power sources, such as wind and solar, making those sources more attractive, and some of them may elect not to provide funding for fossil fuel energy companies in the short or long term. Many of the largest U. S. banks have made “ net zero ” carbon emission commitments and have announced that they will be assessing financed emissions across their portfolios and taking steps to quantify and reduce those emissions. Additionally, there is also the possibility that financial institutions will be pressured or required to adopt policies that limit funding for fossil fuel energy companies. For example, in 2021 the Glasgow Financial Alliance for Net Zero (“ GFANZ ”) announced that commitments from over 450 firms across 45 countries had resulted in over \$ 130 trillion in capital committed to net zero goals. The various sub- alliances of GFANZ generally require participants to set short- term, sector- specific targets to transition their financing, investing, and / or underwriting activities to net zero by 2050. Additionally, there is the possibility that financial institutions will be required to adopt policies that limit funding for fossil fuel energy companies. In late 2020, the Federal Reserve joined the Network for Greening the Financial System, a consortium of financial regulators focused on addressing climate- related risks in the financial sector. More recently, in November 2021, the Federal Reserve issued a statement in support of the efforts of the Network for Greening the Financial System to identify key issues and potential solutions for the climate- related challenges most relevant to central banks and supervisory authorities. In September 2022, the Federal Reserve announced that six of the largest U. S. largest banks will participate in a pilot climate scenario analysis exercise, which took place throughout 2023, to

enhance the ability of firms and supervisors to measure and manage climate-related financial risk. While we cannot predict what policies may result from these developments, such efforts could make it more difficult to secure funding for exploration and production business activities on favorable terms, or at all. Although there has been recent political support to counteract these initiatives, these and other developments in the financial sector could lead to some lenders restricting access to capital for or divesting from certain industries or companies, including the oil and **natural** gas sector, or requiring that borrowers take additional steps to reduce their GHG emissions. Any material reduction in the capital available to us or our fossil fuel-related customers could make it more difficult to secure funding for exploration, development, production, transportation, and processing activities, which could reduce the demand for our products and services. Our oil and **natural** gas exploration, production, and development activities may be subject to physical risks related to potential climate change impacts. Increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that could have significant physical effects, such as increased frequency and severity of storms, droughts, wildfires, and floods and other climatic events, as well as chronic shifts in temperature and precipitation patterns. These climatic developments have the potential to cause physical damage to our assets or those of our vendors and suppliers and could disrupt our supply chains, and thus could have an adverse effect on our business, financial position, operations and prospects. Additionally, changing meteorological conditions, particularly temperature, may result in changes to the amount, timing, or location of demand for energy or its production. While our operational consideration of changing climatic conditions and inclusion of safety factors in design is intended to reduce the uncertainties that climate change and other events may potentially introduce, our ability to mitigate the adverse impacts of these events depends in part on the effectiveness of our facilities and disaster preparedness and response and business continuity planning, which may not have considered or be prepared for every eventuality. Our business and ability to secure financing may be adversely impacted by increasing stakeholder and market attention to ESG matters. Businesses across all industries are facing increasing scrutiny from stakeholders related to their ESG practices. Businesses that are perceived to be operating in contrast to investor or stakeholder expectations and standards, which are continuing to evolve, or businesses that are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and / or stock price of such business entity could be materially and adversely affected. Increasing attention to climate change, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary ESG-related disclosures, increasing mandatory ESG disclosures, and consumer demand for alternative forms of energy may result in increased operating and compliance costs, reduced demand for our products, reduced profits, increased legislative and judicial scrutiny, investigations and litigation, reputational damage, and negative impacts on our access to capital markets. To the extent that societal pressures or political or other factors are involved, it is possible that we could be subject to additional governmental investigations, private litigation or activist campaigns as stockholders may attempt to effect changes to our business or governance practices. While we may elect to seek out various voluntary ESG targets in the future, such targets are aspirational. We may not be able to meet such targets in the manner or on such a timeline as initially contemplated, including as a result of unforeseen costs or technical difficulties associated with achieving such results. Similarly, while we may decide to participate in various voluntary ESG frameworks and certification programs, such participation may not have the intended results on our ESG profile. In addition, voluntary disclosures regarding ESG matters, as well as any ESG disclosures currently required or required in the future, could result in private litigation or government investigation or enforcement action regarding the sufficiency or validity of such disclosures. Moreover, failure or a perception of failure to implement ESG strategies or achieve ESG goals or commitments, including any GHG emission reduction or carbon intensity goals or commitments, could result in private litigation and damage our reputation, cause investors or consumers to lose confidence in us, and negatively impact our operations and goodwill. Notwithstanding our election to pursue aspirational ESG-related targets in the future, we may receive pressure from investors, lenders or other groups to adopt more aggressive climate or other ESG-related goals, but we cannot guarantee that we will be able to implement such goals because of potential costs, technical or operational obstacles or other market or technological developments beyond our control. Restrictions and regulations regarding hydraulic fracturing could result in increased costs, delays and cancellations in our planned oil, natural gas and NGLs exploration, production and development activities. Our operations will include hydraulic fracturing activities. Hydraulic fracturing is typically regulated by state oil and **natural** gas commissions, but the practice continues to attract considerable public, scientific and governmental attention in certain parts of the country, resulting in increased scrutiny and regulation, including by federal agencies. Many states have adopted rules that impose new or more stringent permitting, public disclosure or well construction requirements on hydraulic fracturing activities. For example, Colorado requires the disclosure of chemicals used in hydraulic fracturing and recently extended setback requirements for drilling activities. Local governments may also impose, or attempt to impose, restrictions on the time, place, and manner in which hydraulic fracturing activities may occur. Some state and local authorities have considered or imposed new laws and rules related to hydraulic fracturing, including temporary or permanent bans, additional permit requirements, operational restrictions, and chemical disclosure obligations on hydraulic fracturing in certain jurisdictions or in environmentally sensitive areas. The EPA has also asserted federal regulatory authority over certain aspects of hydraulic fracturing. For example, in December 2023, the EPA issued final rules that update new source performance standard requirements and that will impose more stringent controls on methane and volatile organic compounds emissions from oil and **natural** gas development and production operations, including hydraulic fracturing and other well completion activity. Additionally, certain federal and state agencies have evaluated or are evaluating potential impacts of hydraulic fracturing on drinking water sources or seismic events. These ongoing studies could spur initiatives to further regulate hydraulic fracturing or otherwise make it more difficult and costly to perform hydraulic fracturing activities. Any new or more stringent federal, state, local or other applicable legal requirements such as presidential executive orders or state or local ballot initiatives relating to hydraulic fracturing that impose restrictions, delays or cancellations in areas where we plan to operate could cause us to incur potentially significant added costs to comply

with such requirements or experience delays, curtailment, or preclusion from the pursuit of exploration, development or production activities. Our planned oil, natural gas and NGLs exploration and production activities could be adversely impacted by restrictions on our ability to obtain water or dispose of produced water. Our operations ~~will~~ require water for our planned oil and natural gas exploration during drilling and completion activities. Our access to water may be limited due to reasons such as prolonged drought, private third party competition for water in localized areas or our inability to acquire or maintain water sourcing permits or other rights as well as governmental regulations or restrictions adopted in the future. For example, the Governor of Colorado recently signed into law HB 1242 which places restrictions on the use of fresh water for oil and **natural** gas operations and requires oil and **natural** gas operators to report their water use. Any difficulty or restriction on locating or contractually acquiring sufficient amounts of water in an economical manner could adversely impact our planned operations. Additionally, we must dispose of the fluids produced during oil and natural gas production, including produced water. We may choose to dispose of produced water into deep wells by means of injection, either directly ourselves or through third party contractors. While we may seek to reuse or recycle produced water instead of disposing of such water, our costs for disposing of produced water could increase significantly as a result of increased regulation or if reusing and recycling water becomes impractical. Disposal wells are regulated pursuant to the UIC program established under the SDWA and analogous state laws. The UIC program requires permits from the EPA or an analogous state agency for construction and operation of such disposal wells, establishes minimum standards for disposal well operations, and restricts the types and quantities of fluids that may be disposed. In recent years, wells used for the disposal by injection of flowback water or certain other oilfield fluids below ground into non-producing formations have been associated with an increased number of seismic events, with research suggesting that the link between seismic events and wastewater disposal may vary by region and local geology. The U. S. geological survey has recently identified Colorado as one of six states with the most significant hazards from induced seismicity. Concerns by the public and governmental authorities have prompted several state agencies to require operators to take certain prescriptive actions or limit disposal volumes following unusual seismic activity. The CECMC requires operators to monitor and evaluate for seismicity risks in certain situations. Other states have from time to time suspended disposal well permits or otherwise restricted activity in certain areas in response to seismic activity. For example, in both New Mexico and Texas, state regulatory agencies have implemented seismicity response programs that have resulted in state regulators suspending or curtailing disposal well injection operations and imposing additional seismic monitoring and reporting requirements on disposal well operators. Restrictions on produced water disposal well injection activities or suspensions of such activities, whether due to the occurrence of seismic events or other regulatory actions could increase our costs to dispose of produced water and adversely impact our results of operations. Laws and regulations pertaining to the protection of threatened and endangered species and their habitats could delay, restrict or prohibit our planned oil, natural gas and NGLs exploration and production operations and adversely affect the development and production of our reserves. The ESA and comparable state laws protect endangered and threatened species and their habitats. Under the ESA, the U. S. Fish and Wildlife Service may designate critical habitat areas that it believes are necessary for survival of species listed as threatened or endangered. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act of 1918. Such designations could require us to develop mitigation plans to avoid potential adverse effects to protected species and their habitats, and our oil and **natural** gas operations may be delayed, restricted or prohibited in certain locations or during certain seasons, such as breeding and nesting seasons, when those operations could have an adverse effect on the species. Moreover, the future listing of previously unprotected species as threatened or endangered in areas where we are operating in the future could cause us to incur increased costs arising from species protection measures or could result in delays, restrictions or prohibitions on our planned development and production activities. Certain U. S. federal income tax deductions currently available with respect to natural gas and oil exploration and development may be eliminated as a result of future legislation. From time to time, legislation has been proposed that would, if enacted into law, make significant changes to U. S. tax laws, including certain key U. S. federal income tax provisions currently available to oil and **natural** gas companies. Such legislative changes have included, but have not been limited to, (i) the repeal of the percentage depletion allowance for natural gas and oil properties, (ii) the elimination of current deductions for intangible drilling and development costs and (iii) an extension of the amortization period for certain geological and geophysical expenditures. Although these provisions were largely unchanged with the enactment of the IRA, Congress could consider, and could include, some or all of these proposals as part of future tax reform legislation. Moreover, other more general features of any additional tax reform legislation, including changes to cost recovery rules, may be developed that also would change the taxation of oil and **natural** gas companies. It is unclear whether these or similar changes will be enacted in future legislation and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals or any similar changes in U. S. federal income tax laws could eliminate or postpone certain tax deductions that currently are available with respect to oil and **natural** gas development or increase costs, and any such changes could have an adverse effect on our financial position, results of operations and cash flows.

Risks Related to the **NRO Bayswater** Acquisition We may not consummate the **NRO Bayswater** Acquisition on the terms currently contemplated, or at all. We ~~expect~~ **may not consummate** the **NRO Bayswater** Acquisition ~~to close in the first half of 2024, which~~ **but such acquisition** is subject to a number of closing conditions. Satisfaction of some of these conditions is beyond our control. If these conditions are not satisfied or waived, the **NRO Bayswater** Acquisition will not be completed. Certain of the conditions that remain to be satisfied include, but are not limited to: ● the accuracy of the representations and warranties of each party (subject to specified materiality standards); ● ~~the~~ **compliance by each party in all material respects with their respective covenants; and** ● **the absence of any government order that no event of Force Majeure restrains or prohibits the Bayswater Acquisition; and** ● **or our ability to complete** Material Adverse Effect (in each case as defined in the **NRO New Credit** Agreement) ~~shall have occurred, in each case the result of which is that we are unable to secure satisfactory financing with respect to the NRO Acquisition.~~ As a result, the **NRO Bayswater** Acquisition may not close as scheduled, or at all. Failure to complete the **NRO Bayswater** Acquisition, including as

a result of failure to raise sufficient funds, or any delays in completing the NRO Bayswater Acquisition could have significant adverse impacts on our future business, including the following: ● we will be unable to achieve the expected cash flow, production levels, drilling, operational efficiencies and other anticipated benefits from the Bayswater Acquisition, which could hinder our ability to fund our development and drilling plan; ● we may experience negative reactions from the financial markets, including a negative impact on our stock price; ● we may experience negative reactions from our current or future customers, distributors, suppliers, vendors, landlords, employees, joint venture partners and other business partners; ● we will still be required to pay certain significant costs relating to the NRO Bayswater Acquisition, such as legal, accounting, advisor and printing fees; ● we may be unable to recover the Deposit (as defined below) depending on the circumstances of the failure to complete the NRO Acquisition; ● we may have foregone certain business opportunities, including other acquisitions and other aspects of our development plan, that, absent the NRO Agreement Bayswater PSA, may have been pursued; ● matters relating to the NRO Bayswater Acquisition have required and continue to require substantial commitments of time and resources by our the Company's management, which may have resulted in the distraction of our the Company's management from other aspects of our development plan, our the beginning of the Company's operations and the pursuit of other business opportunities that could have been beneficial to us the Company; and ● litigation that may arise as a result of any termination or delay in completion of the NRO Bayswater Acquisition for failure to perform our the Company's obligations under the NRO Agreement Bayswater PSA. If the NRO Bayswater Acquisition is not completed, the risks described above may materialize and they may have a material adverse effect on our results of operations, cash flows, financial position and stock price. We do not currently have sufficient funds or committed financing necessary to consummate the NRO Bayswater Acquisition and the NRO Agreement does not include a financing condition. Pursuant We intend to fund the Bayswater NRO Agreement, we deposited \$9.0 million of the Purchase Price (the "Deposit") into an escrow account on January 11, 2024. Upon closing of the NRO Acquisition, the Deposit will be released to NRO with a corresponding credit to the Purchase Price. In the event the closing has not occurred in accordance with the terms of the NRO Agreement prior to June 17, 2024, and (i) such delay has not occurred as a result of the failure of NRO to materially perform, when required, any of NRO's covenants or obligations pursuant to the NRO Agreement, (ii) all conditions precedent to the obligations of NRO, as set forth in the NRO Agreement, have been satisfied or have been waived by NRO, and (iii) in our reasonable discretion, there has been no event of Force Majeure or Material Adverse Effect (each as defined below), such that we are, or will be, unable to secure satisfactory financing with respect to the NRO Acquisition, then the Deposit is subject to release to NRO, for so long as such foregoing conditions continue on such dates, in \$3,000,000 installments on each of June 17, 2024, July 15, 2024 and August 12, 2024. In the event closing has not occurred prior to August 15, 2024 as a result of the failure by us to materially perform any of our covenants or obligations under the NRO Agreement, NRO shall receive the entirety of the Deposit, which shall be the sole and exclusive remedy available to NRO for any such failure to consummate the closing. The NRO Agreement contains customary representations, warranties, covenants and agreements. As a condition to closing, we represented that we will have, by the date of the closing, sufficient cash in immediately available funds with which to pay the cash component of the Purchase Price and otherwise will be able to consummate the NRO Acquisition and perform our obligations under the NRO Agreement. We may terminate the NRO Agreement at any time prior to the closing upon the occurrence of an event of Force Majeure or Material Adverse Effect, in each case the result of which that we determine, in our reasonable discretion, that we are, or will be, unable to secure satisfactory financing with respect to the NRO Acquisition. For an impediment to our ability to secure satisfactory financing with respect to the NRO Acquisition to constitute an event of "Force Majeure," the impediment must be an unforeseeable circumstance which is beyond the control of us or NRO, or any unavoidable event, even if foreseeable, as a result of which we or NRO are unable to perform our obligations, in whole or in part, under the NRO Agreement. Such circumstances include, but are not limited to: (i) acts of God; (ii) flood, fire, earthquake or explosion; (iii) current or future war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riots, or other civil unrest; (iv) actions, embargoes, or blockades in effect on or after the date of the NRO Agreement; (v) declared national or regional emergency; or (vi) epidemic, pandemic or other similar outbreak or infection. For such an impediment to constitute a "Material Adverse Effect," such impediment must be a change, development, or effect (individually or in the aggregate), whether foreseeable or unforeseeable, which, when taken as a whole is, or is reasonably likely to be, materially adverse (a) to the business, assets, value, results of operations or conditions (financial or otherwise) of us or NRO, the Central Weld Assets, or the assets or properties of us or NRO, or (b) to the ability of us or NRO to perform on a timely basis any material obligation under the NRO Agreement or any agreement, instrument or document entered into or delivered in connection therewith. Changes, developments or effects relating to: (x) the economy in general (including any effects on the economy arising as a result of acts of terrorism), (y) changes in commodity prices for hydrocarbons or other changes affecting the U. S. oil and gas industry generally, or (z) the announcement of the NRO Acquisition, shall not be deemed to constitute a Material Adverse Effect and shall not be considered in determining whether a Material Adverse Effect has occurred. Neither any delay in completing the proposed offering of our common stock, nor our inability, in and of itself, to satisfy our obligations to secure financing for the NRO Acquisition, will constitute an event constituting a Material Adverse Effect. We expect to fund the transaction through a combination of public and/or private issuances of common stock, cash on hand, borrowings under our New Credit Agreement, and proceeds from exercises of currently outstanding warrants. To one or more capital markets transactions, subject to market conditions and the other extent we factors. Accordingly, if these financing transactions are not completed, able to fund the NRO consummation of the Bayswater Acquisition on a timely basis, whether due to a failure to successfully may be delayed or may not occur at all. If these financing transactions are not complete completed a public or private equity offering or otherwise, we may be required to seek alternative financing arrangements to fund the Bayswater Acquisition, and such financing may not be available on favorable terms, or at all, and the NRO Acquisition may be delayed or may not occur. If we are unable to secure the necessary financing to consummate the Bayswater Acquisition and an event of Force Majeure or Material Adverse Effect

has not occurred, we will **unable to complete** be in breach of the NRO Agreement **Bayswater Acquisition, and thus**, will not receive the **anticipated** benefits of the **Bayswater Central Weld Assets** and the **Deposit will be released to NRO**. We may be unsuccessful in integrating the **Bayswater Central Weld Assets** or in realizing all or any part of the anticipated benefits of the **NRO Bayswater Acquisition**. We believe that the **NRO Bayswater Acquisition** will complement our growth strategy by providing operational and financial scale and increasing free cash flow. However, achieving these goals requires, among other things, realization of the targeted synergies expected from the **Bayswater Acquisition and other recent acquisition acquisitions**, and there can be no assurance that we will be able to successfully integrate the **Bayswater Central Weld Assets or other recently acquired assets** or otherwise realize the expected benefits of the **NRO Bayswater Acquisition or such acquisitions**. This growth and the anticipated benefits of the **NRO Bayswater Acquisition** may not be realized fully, or at all, or may take longer to realize than expected. Difficulties in integrating the **Bayswater Central Weld Assets or other assets** may result in the Company performing differently than expected, or in operational challenges or failures to realize anticipated efficiencies. Potential difficulties in realizing the anticipated benefits of the **NRO Bayswater Acquisition and other acquisitions** ~~includes~~ **include**, but ~~is~~ **are** not limited to, the following: • disruptions of relationships with customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners as a result of uncertainty associated with the **NRO Bayswater Acquisition**; • difficulties integrating our existing **assets and** business with the **Bayswater Central Weld Assets** in a manner that permits us to achieve the full revenue and cost savings anticipated from the **NRO Bayswater Acquisition**; • the potential for unexpected costs, delays or challenges that may arise in integrating the **Bayswater Central Weld Assets** into our existing **assets and** business; • limitations on our ability to realize any expected cost savings and operating synergies from the **NRO Bayswater Acquisition**; • difficulties integrating vendors and business partners; • discovery of previously unknown liabilities following the **NRO Bayswater Acquisition** for which we cannot receive reimbursement under any applicable indemnification provisions; • **environmental, regulatory, permitting and similar matters**; • performance shortfalls at the Company as a result of the diversion of management's attention to integration efforts; and • disruption of, or the loss of momentum in, the Company's ongoing business. We have incurred, and expect to continue to incur, a number of costs associated with completing the **NRO Bayswater Acquisition and the related financing transactions**. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the **Bayswater Central Weld Assets**, may not initially offset integration-related costs or achieve a net benefit in the near term, or at all. **Our acquisition of a significant portion of Bayswater's working interests is subject to third-party consent. If such third party does not consent or our arrangement with Bayswater with respect to such working interests pursuant to the Bayswater PSA is challenged, we will be unable to acquire such working interest as part of the Bayswater Acquisition without any adjustment to the purchase price and we may have limited recourse against Bayswater. Our acquisition of a significant portion of Bayswater's working interests is subject to the consent of a third-party operator. We and Bayswater have agreed to use commercially reasonable efforts to obtain all required consents with respect to our acquisition of the Bayswater Assets. However, we cannot assure you that we will be able to timely obtain such consent, if at all. If such third-party operator does not grant the necessary consent, the Bayswater PSA provides for a contractual arrangement pursuant to which we would be entitled to receive the economic benefits of such working interests. However, there can be no assurance that any such arrangement will not be challenged legally or by a third-party and, thus, that we will actually receive such economic benefits under these circumstances. The receipt of this third-party consent is not a closing condition to the Bayswater PSA and, in the event that such consent is not obtained or is challenged, the Bayswater PSA does not provide that the purchase price will be negatively adjusted. Moreover, our recourse against Bayswater may be limited under these circumstances. Consequently, we may not realize certain of the benefits of such working interests that are intended to be transferred to us as part of the Bayswater Acquisition and those benefits would be significant. The inability to transfer these working interests to us or failure to receive the economic benefits of such working interests, would have a significant adverse effect on our business, financial condition, results of operations and stock price. If we are successful in completing the Bayswater Acquisition, our level of indebtedness could adversely affect our business and financial condition and prevent us from fulfilling our debt obligations. In connection with the Bayswater Acquisition, on February 6, 2025, we entered into a commitment letter with Citi, as left lead arranger and the other joint lead arrangers party thereto, pursuant to which we received commitments, subject to certain conditions, to amend and restate the Credit Facility Agreement (as amended and restated, the "New Credit Agreement"), to, among other things, increase the borrowing base to up to \$ 475.0 million as of the closing of the Bayswater Acquisition and extend the maturity date to a date up to four years after the closing date of the Bayswater Acquisition. Our Credit Facility Agreement contains, and we expect our New Credit Agreement will contain, certain covenants limiting our ability to pay dividends, incur indebtedness, grant liens, make acquisitions, make investments or dispositions, engage in transactions with affiliates and enter into hedging and derivative arrangements, as well as covenants requiring us to maintain certain financial ratios and tests. In addition, the borrowing base under these agreements is, and we expect will continue to be, subject to periodic review by our lenders. Difficulties in the credit markets may cause the banks to be more restrictive when redetermining the borrowing base. Our indebtedness could adversely affect our business, financial condition, results of operations and cash flows, including, without limitation, impairing our ability to obtain additional financing for our drilling and development program, potential acquisitions, working capital, capital expenditures, debt service requirements or other general corporate purposes. In addition, we will have to use a substantial portion of our cash flow to pay principal, premium (if any) and interest on our indebtedness when due which will reduce the funds available to us for other purposes. Our level of indebtedness will also make us more vulnerable to economic downturns and adverse industry conditions, and may compromise our ability to capitalize on business opportunities and to react to competitive pressures as compared to our competitors.** We cannot assure you that our diligence review of the **NRO**

**Bayswater** Acquisition has identified all material risks associated with the transaction. Additionally, following the consummation of the **NRO Bayswater** Acquisition, if certain risks arise, ~~we the Company~~ may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on ~~its our~~ financial condition, ~~and~~ results of operations and stock price, ~~which could cause you to lose some or all of your investment~~. Before entering into the ~~NRO Agreement~~ **Bayswater PSA**, we performed a due diligence review of **Bayswater NRO** and its business and operations, including an ~~and~~ inspection of the **Bayswater Central Weld** Assets, which we believe to be generally consistent with industry practices; ~~however~~ **However**, we cannot assure you that our due diligence review identified all material issues and our assessments of the **Bayswater Central Weld** Assets and our estimates are inherently uncertain. As a result, we may be forced to later write-down or write-off assets, restructure our operations or incur impairment or other charges that could result in losses. Even if our due diligence successfully identified certain risks, unexpected risks may arise and previously known risks may materialize in a manner ~~not that is consistent~~ **inconsistent** with our preliminary risk analysis. These risks that may not have arisen in the scope of our due diligence review of ~~NRO the Bayswater Assets~~, include, but are not limited to, title, production, environmental or other problems. Even though these charges may be non-cash items and may not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about ~~us the Company~~ following the completion of the **NRO Bayswater** Acquisition or ~~its securities~~ **our Common Stock**. In addition, charges of this nature may impair our ability to obtain future financing on favorable terms or at all. Moreover, ~~we the Company~~ may have limited recourse against **NRO Bayswater** for certain risks or liabilities incurred after the consummation of the **NRO Bayswater** Acquisition. Accordingly, ~~any of our stockholders who choose to remain stockholders of the Company~~ following the **NRO Bayswater** Acquisition could suffer a reduction in the value of their shares ~~of Common Stock, and~~ **Such such** stockholders are unlikely to have a remedy for such reduction in value. **Misrepresentations made to us by Bayswater in the Bayswater PSA could cause us to incur substantial financial obligations and harm our business. If we were to discover that there were misrepresentations made to us by Bayswater in the Bayswater PSA regarding the Bayswater Assets, we would explore all possible legal remedies to compensate us for any loss, including our rights to indemnification under the Bayswater PSA. However, there is no assurance that legal remedies would be available or collectible. If such unknown liabilities exist and we are not fully indemnified for any loss that we incur as a result thereof, we could incur substantial financial obligations, which could materially adversely affect our financial condition and harm our business. As a result of the Bayswater Acquisition and the NRO Acquisition, we anticipate that the scope and size of our assets, operations and business will substantially change. We cannot provide assurance that our expansion in size and integration and operation of the Bayswater Assets and Central Weld Assets will be successful. We anticipate that the Bayswater Acquisition and the NRO Acquisition will substantially expand the scope and size of our business by adding substantial upstream oil, natural gas and NGLs assets and operations to our existing assets and operations. Prior to the Bayswater Acquisition and NRO Acquisition, our assets and operations primarily consisted of the Genesis Assets, which as of December 31, 2024, includes approximately 18,100 net leasehold acres in, on and under approximately 31,000 gross undeveloped acres, with 72 fully permitted undeveloped drilling locations and situated in a rural area of northern Weld County, Colorado. Our recently acquired Central Weld Assets include approximately 5,640 net leasehold acres in, on and under approximately 6,000 gross acres, 63 approved well permits and 26 operated horizontal wells as of December 31, 2024. The Bayswater Assets we expect to acquire in the Bayswater Acquisition include approximately 24,000 net leasehold acres in, on and under, approximately 27,800 gross acres and 22 fully permitted proven undeveloped drilling locations. Although we, Bayswater and NRO operate in many of the same regions of the DJ Basin, Bayswater and NRO's operations focus more heavily on drilling and production of oil, natural gas and NGLs which require different operating strategies and managerial expertise than our current operations and are subject to additional or different regulatory requirements. Consequently, we may not be able to successfully integrate the Bayswater Assets and Central Weld Assets into our existing operations, successfully manage these assets or to realize the expected economic benefits of the Bayswater Acquisition and NRO Acquisition, which may have a material adverse effect on our business, financial condition and results of operations.** We may not achieve the perceived benefits of the **Bayswater Crypto Sale** and the **NRO Acquisition** and the market price of our ~~common~~ **Common stock Stock** following these ~~these such transactions~~ **transaction** may decline. The market price of our ~~common~~ **Common stock Stock** may decline as a result of the **Bayswater Crypto Sale** or the **NRO Acquisition** for a number of reasons, including if investors react negatively to the prospects of the Company's business; the effect of the **Bayswater Crypto Sale** or the **NRO Acquisition** on ~~our the Company's~~ business and prospects is ~~not consistent~~ **inconsistent** with the expectations of our management or of financial or industry analysts; or ~~we do the Company~~ does not achieve the perceived benefits of the **Bayswater Crypto Sale** or the **NRO Acquisition** as rapidly or to the extent anticipated by our management or financial or industry analysts. **The reserve, production and other data and estimates with respect to the Bayswater Assets are based primarily on information provided by Bayswater. We have not yet verified these data and estimates and cannot assure you that actual results will not differ materially. Bayswater has represented that the Bayswater Assets contain a specified number of net mineral and gross acres, gross and net wells as well as net horizontal well locations. Pro forma production is approximately 27,500 Boe / d and we expect production to increase to approximately 29,000- 31,000 Boe / d for full year 2025 based on only current proved developed reserves, drilled uncompleted wells, permits, and our expected development plan, which assumes the completion of the Bayswater Acquisition. However, none of the above information about Bayswater has been verified by us or our independent reserve engineers and could prove to be inaccurate, and in some instances materially so. We have limited recourse against Bayswater should any of these estimates or other data prove to be inaccurate. Likewise, we may not be able to achieve our 2025 production estimates. We cannot assure you that we will achieve the results estimated by us with respect to the Bayswater Assets.** We expect to incur significant transaction costs in connection with the **NRO Bayswater**

Acquisition, which may be in excess of those currently anticipated. We have incurred and are expecting to continue to incur a number of non-recurring costs associated with negotiating and completing the **NRO-Bayswater** Acquisition, integrating the **Bayswater Central Weld** Assets and achieving desired synergies. These costs have been, and will continue to be, substantial and, in many cases, will be borne by us whether or not the **NRO-Bayswater** Acquisition is consummated. A substantial majority of non-recurring expenses will consist of transaction costs and include, among others, fees paid to financial, legal, accounting and other advisors. We will also incur costs related to formulating and implementing integration plans, ~~including facilities and systems consolidation costs~~. We will continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in connection with the **NRO-Bayswater** Acquisition and the integration of the **Bayswater Central Weld** Assets. While we have assumed that a certain level of expenses would be incurred, there are many factors beyond our control that could affect the total amount or the timing of ~~the such~~ expenses. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the **Bayswater Central Weld** Assets, may not offset integration-related costs and achieve a net benefit in the near term, or at all. The costs described above and any unanticipated costs and expenses, many of which will be borne by us even if the **NRO-Bayswater** Acquisition is not consummated, could have an adverse effect on our financial condition and operating results. The **NRO-Bayswater** Acquisition may be completed on different terms from those contained in the **NRO Agreement-Bayswater PSA**. Prior to the completion of the **NRO-Bayswater** Acquisition, we and **NRO-Bayswater** may, by mutual agreement, amend or alter the terms of the **NRO Agreement-Bayswater PSA**, including with respect to, among other things, the consideration payable by us to **NRO-Bayswater** or any covenants ~~and or~~ agreements with respect to ~~the NRO's operations~~ **of the Bayswater Assets** during the pendency thereof. Any such amendments or alterations may have negative consequences to us. The market price for our ~~common~~ **Common stock-Stock** following the **NRO-Bayswater** Acquisition, if consummated, may be affected by factors different from those that historically have affected or currently affect our ~~common~~ **Common stock-Stock**. If the **NRO-Bayswater** Acquisition is consummated, our financial position may differ from our financial position before the completion of the **NRO-Bayswater** Acquisition, and our results of operations may be affected by some factors that are different from those currently affecting our results of operations or those currently affecting the results of operations of **NRO-Bayswater, including prices of oil, natural gas and NGLs, which can be volatile**. Accordingly, the market price and performance our ~~common~~ **Common stock-Stock** is likely to be different from the performance of our ~~common~~ **Common stock-Stock** in the absence of the **NRO-Bayswater** Acquisition. ~~For a discussion of the business of NRO and important factors to consider in connection with the business, see "Business — NRO Acquisition."~~ Securities class action and derivative lawsuits may be brought against us in connection with the **NRO-Bayswater** Acquisition, which could result in substantial costs. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition. Risks Related to the Company We have historically incurred significant losses, and may be unable to generate profitability. Our ability to successfully operate and expand our business is dependent ~~on the consummation of the NRO Acquisition or~~ our ability to raise additional capital to support our drilling program on our existing assets. Historically, we have relied upon cash from financing activities to fund substantially all of the cash requirements of our activities and have incurred significant losses and experienced negative cash flow. For the ~~year years~~ ended December 31, **2024 and 2023**, we incurred a net loss of \$ **40.9 million and \$ 79.1 million, respectively, and had and an** for the year ended **accumulated deficit of \$ 119.8 million and \$ 78.9 million as of** December 31, ~~2022-2024~~, we incurred a net loss of \$ 0.5 million. We had stockholders' equity of \$ 40.2 million and members' deficit of \$ 0.4 million as of December 31, ~~2023 and December 31, 2022~~, respectively. Furthermore, we sold all of our revenue-generating assets in the Crypto Sale. We do not currently have sufficient capital to consummate the **NRO Acquisition** or to begin development activities on any of our existing assets. As a result, until we are able to raise additional capital to consummate the **NRO Acquisition** or enable us to drill wells on our existing properties, we will be unable to generate any revenue. We cannot predict if we will be able to raise the necessary capital and, even if we are able to raise sufficient funds to complete the **NRO Acquisition** or commence drilling operations and production on our assets, whether such production will be profitable. We may continue to incur losses for an indeterminate period of time and may be unable to sustain profitability. An extended period of losses and negative cash flow may prevent us from successfully operating and expanding our business. We may be unable to sustain or increase our profitability on a quarterly or annual basis. See **"Refer to Part II. Item 7-** Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." We will require significant additional capital to fund our growing operations; we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations. We may not have sufficient capital to fund our future operations without significant additional capital investments, including the planned drilling of oil and **natural** gas wells. If adequate additional financing is not available on reasonable terms or at all, we may not be able to carry out our corporate strategy and we would be forced to modify our business plans (e. g., limit our growth, and / or decrease or eliminate capital expenditures), any of which may adversely affect our financial condition, results of operations and cash flow. Such reduction could materially adversely affect our business and our ability to compete. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to ~~us the Company~~, or at all. ~~Our~~ **The Company's** ability to obtain external financing in the future may be subject to a variety of uncertainties, including ~~its our~~ future financial condition, results of operations, cash flows and the liquidity of international capital and lending markets. We may need to undertake equity, equity-linked or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and

operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities. A large amount of bank borrowings and other debt may result in a significant increase in interest expense while at the same time exposing the Company to increased interest rate risks. See “Refer to Part II, Item 7- Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources.” 22

We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business may be adversely affected. Our capital needs will depend on numerous factors, including, without limitation, our profitability, and the amount of our capital expenditures, including acquisitions. Moreover, the costs involved may exceed those originally contemplated. Failure to obtain intended economic benefits could adversely affect our business, financial condition and operating performances. We need to manage growth in operations to maximize our potential growth and achieve our expected revenues. Our failure to manage growth can cause a disruption of our operations that may result in the failure to generate revenues at levels we expect. In order to maximize potential growth, we may have to expand our operations. Such expansion will place a significant strain on our management and our operations. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect. We depend on the services of a small number of key personnel, and may not be able to operate and grow our business effectively if we lose their services or are unable to attract qualified personnel in the future. Our success depends in part upon the continued service of a small number of key personnel. They are critical to the overall management of the Company, and our strategic direction. We rely heavily on them because they have substantial experience with the Company and our business strategies. Our ability to retain them is therefore very important to our future success. We have employment agreements with our key personnel, but these employment agreements do not ensure that they will not voluntarily terminate their employment with us. The loss of any key personnel would require the remaining key personnel to divert immediate attention to seeking a replacement. Competition for senior management personnel is intense, and our inability to find a suitable replacement for any departing key personnel in a timely basis could adversely affect our ability to operate and grow our business. Past performance by members of the Company’s management team may not be indicative of an ability to complete the NRO Acquisition or of future performance of the Company. Past performance and operational experience of our management team and their affiliates is not a guarantee of the Company’s ability to complete the NRO Acquisition nor, if consummated, a guarantee that the intended benefits of the NRO Acquisition will be achieved or that we will be able to successfully develop and operate the Genesis Assets. You should not rely on the historical record of our management team or their affiliates’ performance as indicative of the future performance of the Company or of an investment in our common stock. We will rely on key contracts and business relationships, and if our current or future business partners or contracting counterparties fail to perform or terminate any of their contractual arrangements with us for any reason or cease operations, or should we fail to adequately identify key business relationships, our business could be disrupted and our reputation may be harmed. If any of our current or future business partners or contracting counterparties fails to perform or terminates their agreement (s) with us for any reason, or if our current or future business partners or contracting counterparties with which we have short- term agreements refuse to extend or renew the agreement or enter into a similar agreement, our ability to carry on operations may be impaired. In addition, we will depend on the continued operation of long- term business partners and contracting counterparties and on maintaining good relations with them. If one of our future long- term partners or counterparties is unable (including as a result of bankruptcy or a liquidation proceeding) or unwilling to continue operating in the line of business that is the subject of our contract, we may not be able to obtain similar relationships and agreements on terms acceptable to us or at all. If a current or future partner or counterparty fails to perform or terminates any of the agreements with us or discontinues operations, and we are unable to obtain similar relationships or agreements, such events could have an adverse effect on our operating results and financial condition. Terrorist attacks, cyberattacks and threats could have a material adverse effect on our business, financial condition and results of operations. Terrorist attacks or cyberattacks may significantly affect the energy industry, including our operations and those of our suppliers and customers, as well as general economic conditions, consumer confidence and spending and market liquidity. Cyber incidents, including deliberate attacks, have increased in frequency globally. Strategic targets, such as energy related assets, may be at greater risk of future attacks than other targets in the United States U. S. . We depend on digital technology in many areas of our business and operations, including recording financial and operating data, oversight and analysis of our operations and communications with the employees supporting our operations and our customers or service providers. We also collect and store sensitive data in the ordinary course of our business, including personally identifiable information as well as our proprietary business information and that of our customers, suppliers, investors and other stakeholders. The secure processing, maintenance and transmission of information is critical to our operations, and we monitor our key information technology systems in an effort to detect and prevent cyberattacks, security breaches or unauthorized access. Despite our security measures, our information technology systems may undergo cyberattacks or security breaches including as a result of employee error, malfeasance or other threat vectors, which could lead to the corruption, loss, or disclosure of proprietary and sensitive data, misdirected wire transfers, and an inability to: perform services for our customers; complete or settle transactions; maintain our books and records; prevent environmental damage; and maintain communications or operations. Significant liability to the Company or third parties may result. We are not able to anticipate, detect or prevent all cyberattacks, particularly because the methodologies used by attackers change frequently or may not be recognized until an attack is already underway or significantly thereafter, and because attackers are increasingly using technologies specifically designed to circumvent cybersecurity measures and avoid detection. Cybersecurity attacks are also becoming more sophisticated and include, but are not limited to, ransomware, credential stuffing, spear phishing, social engineering, use of deepfakes (i. e., highly realistic synthetic media generated by artificial intelligence), and other attempts to gain unauthorized access to data for purposes of extortion or other malfeasance. Our information and operational technologies, systems and networks, and those of

our vendors, suppliers, customers and other business partners, may become the target of cyberattacks or information security breaches that result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or adversely disrupt our business operations. Advances in computer capabilities, discoveries in the field of artificial intelligence, cryptography, or other developments may result in a compromise or breach of the technology we use to safeguard confidential, personal, or otherwise protected information. As cyberattacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyberattacks. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our personnel, information, facilities and infrastructure may result in increased capital and operating costs. A cyberattack or security breach could result in liability resulting from data privacy or cybersecurity claims, liability under data privacy laws, regulatory penalties, damage to our reputation, long-lasting loss of confidence in us, or additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences, all of which could have a material and adverse effect on our business, financial condition or results of operations. To date, we have not experienced any material losses relating to cyberattacks; however, there can be no assurance that we will not suffer such losses in the future. No security measure is infallible. Consequently, it is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, financial condition and results of operations. The terms of ~~our~~ indebtedness ~~we may incur in the future, including our anticipated revolving credit facility~~, may restrict our future business and operations. ~~Our~~ While we currently do not have any long-term debt obligations and our goal is to operate with limited leverage, we intend to enter into a revolving credit ~~Credit~~ facility ~~Facility~~ primarily to support our hedging activities in connection with the consummation of the NRO Acquisition, and may incur other indebtedness in the future. The revolving credit facility ~~may contain~~ ~~contains~~ covenants limiting our ability to pay dividends, incur indebtedness, grant liens, make acquisitions, make investments or dispositions, engage in transactions with affiliates and enter into hedging and derivative arrangements, as well as covenants requiring us to maintain certain financial ratios and tests. In addition, the borrowing base under ~~a~~ the credit ~~Credit~~ facility ~~Facility~~ is ~~may be~~ subject to periodic review by ~~our~~ the lenders. Difficulties in the credit markets may cause the banks to be more restrictive when redetermining the borrowing base. ~~We can make no assurances that we will be able to enter into a credit facility~~. Our ability to pay interest and principal on our indebtedness and to satisfy our other obligations will depend on our future operating performance, our financial condition and the availability of refinancing indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt and future working capital, and borrowings or equity financing may not be available to pay or refinance such debt. If we are unable to generate sufficient cash flows to satisfy our debt obligations or contractual commitments, or to refinance our debt on commercially reasonable terms, our business and financial condition could materially and adversely be affected. Acquisitions, joint ventures or similar strategic relationships may disrupt or otherwise have a material adverse effect on our business and financial results. As part of our strategy, we may explore strategic acquisitions and combinations, or enter into joint ventures or similar strategic relationships. These transactions are subject to the following risks: • ~~Acquisitions~~ ~~acquisitions~~, joint ventures or similar relationships may cause a disruption in our ongoing business, distract our management and make it difficult to maintain our standards, controls and procedures; • ~~We~~ ~~we~~ may not be able to integrate successfully the services, products, and personnel of any such transaction into our operations; • ~~We~~ ~~we~~ may not derive the revenue improvements, cost savings and other intended benefits of any such transaction; and • ~~There~~ ~~there~~ may be risks, exposures and liabilities of acquired entities or other third parties with whom we undertake a transaction, which may arise from such third parties' activities prior to undertaking a transaction with us. Acquisitions may result in significant impairment charges and may operate at losses. We can provide no assurance that future acquisitions, joint ventures or strategic relationships will be accretive to our business overall or will result in profitable operations. We may not realize the full benefit of the Crypto Sale for a variety of reasons, including the inability of the Crypto Purchaser to pay the Deferred Purchase Price due to a decrease in the price of Bitcoin or the actions of third parties. On January 23, 2024, pursuant to the Crypto Divestiture Agreement, we sold all of our Mining Equipment and related assets for total consideration of \$ 2 .0 million, including \$ 1 .0 million in cash and \$ 1 .0 million in deferred cash payments, to be paid out of (i) 20 % of the net monthly revenues received by the Crypto Purchaser associated with or otherwise attributable to the Mining Equipment until the aggregate amount of such payments equals \$ 250, 000 and (ii) thereafter, 50 % of the net monthly revenues received by the Crypto Purchaser associated with or otherwise attributable to the Mining Equipment until the aggregate amount of such payments equals \$ 1 .0 million, plus accrued interest. In addition to the Mining Equipment, we assigned all our rights and obligations under the Atlas MSA to the Crypto Purchaser. **As of December 31, 2024, we have received \$ 0.3 million of the Deferred Purchase Price**. Since payment of the Deferred Purchase Price is dependent on the revenue generated by the Mining Equipment, we cannot predict the timing of when we will receive the **full** Deferred Purchase Price, if at all. Our receipt of the Deferred Purchase Price is subject to numerous risks outside of our control, including: • ~~The~~ ~~the~~ market price and liquidity of Bitcoin; • ~~The~~ ~~the~~ cost of energy; • ~~The~~ ~~the~~ global Bitcoin network processing hashrate; • ~~Laws~~ ~~laws~~ and regulations that may adversely affect the use of Bitcoin as a crypto- currency; and • ~~The~~ ~~the~~ actions of third parties, including Atlas. While we no longer have direct exposure to the fluctuation and volatility of Bitcoin prices, we will remain indirectly exposed to such volatility until the Deferred Purchase Price has been paid in full. If the market price of Bitcoin decreases to the point where the Crypto Purchaser does not find it economically feasible to operate the Mining Equipment or if Atlas suspends operations of the Mining Equipment under the terms of the Atlas MSA, the payment, if any, of the **remaining amount of the** Deferred Purchase Price may be delayed. Although the Crypto Divestiture Agreement requires the Crypto Purchaser to operate the Mining Equipment in the ordinary course of business until the Deferred Purchase Price is paid in full, delays in payment or failure to pay the Deferred Purchase Price due to the economic feasibility of mining Bitcoin or malfeasance of a third party may result in costly litigation. In addition, while we have a security interest in the Mining Equipment as collateral security for the

prompt and complete payment and performance in full of the Crypto Purchaser's obligations under the Crypto Divestiture Agreement, there can be no assurances that the remedies available to us in respect of such security interest will be sufficient. These risks and uncertainties may have a material adverse effect on our cash flows, business, results of operations and financial condition. Our Charter provides for indemnification of officers and directors at our expense and limits their liability, which may result in a major cost to us and harm the interests of our stockholders because corporate resources may be expended for the benefit of officers and / or directors. Our **Second Amended and Restated Certificate of Incorporation (our "Charter")** and applicable Delaware law provide for the indemnification of our directors and officers against attorney's fees and other expenses incurred by them in any action to which they become a party arising from their association with or activities on our behalf. This indemnification policy could result in substantial expenditures by us that we will be unable to recoup. We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under federal securities laws is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification for liabilities arising under federal securities laws, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding, is asserted by a director, officer or controlling person in connection with the securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the question whether indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue. The legal process relating to this matter, if it were to occur, is likely to be very costly and may result in us receiving negative publicity, either of which factors is likely to materially reduce the market and price for our shares if such a market ever develops. There may be conflicts of interest between certain of our officers and directors and our non- management stockholders. Conflicts of interest create the risk that management may have an incentive to act adversely to the interests of other stockholders. A conflict of interest may arise between our officers and directors' personal pecuniary interests and their fiduciary duty to our stockholders. Furthermore, our officers and directors' own pecuniary interests may not align with their fiduciary duties to our stockholders. Edward Kovalik (Chief Executive Officer and Chairman of the Board **of Directors**), ~~and Gary C. Hanna (President and Director) and Paul Kessler (Director)~~ have certain overriding royalty interests in the Initial Genesis Assets. To avoid any potential conflict of interest with certain members of the Board **of Directors** and management owning certain overriding royalty interests under the Initial Genesis Assets, all of ~~our the Company's~~ drilling programs will be approved by an independent committee of the Board **of Directors** on a quarterly basis. Future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements. From time to time, we may be involved in lawsuits, regulatory inquiries, governmental and other legal proceedings, such as title, royalty or contractual disputes, our oil and **natural** gas development activities, environmental liabilities, regulatory compliance matters, personal injury, property damage and employment litigation, in the ordinary course of our business. Many of these matters raise difficult and complicated factual and legal issues and are subject to uncertainties and complexities. The timing of the final resolutions to these types of matters is often uncertain. Additionally, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments, adversely affecting our results of operations and liquidity. Irrespective of the outcome, legal proceedings or governmental investigations may adversely affect our business due to legal costs, diversion of resources and the attention of our management and employees, and other factors ~~. Due to the recent listing of our common stock on Nasdaq, we will incur materially increased costs and become subject to additional regulations and requirements. Due to the recent listing of our common stock on Nasdaq, we will incur material legal, accounting and other expenses, including payment of annual exchange fees, to satisfy the continued listing standards for Nasdaq. In connection with the listing of our common stock on Nasdaq, we now must meet certain financial and liquidity criteria to maintain our listing, as well as standards of Board independence, committee composition and governance and Board diversity, only some of which criteria and standards include time periods to comply after listing. If we fail to meet any of Nasdaq's listing standards, our common stock may be delisted. In addition, our Board may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock. The delisting of our common stock could significantly impair our ability to raise capital and the value of your investment.~~ Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes- Oxley Act of 2002 could result in a restatement of our financial statements, cause investors to lose confidence in our financial statements and our Company and have a material adverse effect on our business and stock price. We produce our financial statements in accordance with GAAP. Effective internal controls are necessary for us to provide reliable financial reports to help mitigate the risk of fraud and to operate successfully as a publicly traded company. As a public company, we are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes- Oxley Act of 2002, or Section 404. Further, Section 404 requires annual management assessments of the effectiveness of our internal controls over financial reporting. Testing and maintaining internal controls can divert our management's attention from other matters that are important to our business. We may not be able to conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. If we are unable to conclude that we have effective internal controls over financial reporting, investors could lose confidence in our reported financial information and our company, which could result in a decline in the market price of our common stock, and cause us to fail to meet our reporting obligations in the future, which in turn could impact our ability to raise additional financing if needed in the future. The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act, and the requirements of the Sarbanes- Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost- effective manner. As a public company, we are required to comply with laws, regulations and requirements, certain corporate governance provisions of the

Sarbanes- Oxley Act of 2002, related regulations of the SEC and the requirements of Nasdaq. Complying with these statutes, regulations and requirements occupy a significant amount of time of our ~~board~~ **Board** of ~~directors~~ **Directors** and management and significantly increase our costs and expenses. We are required to: • institute a more comprehensive compliance function; • comply with rules promulgated by Nasdaq; • continue to prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws; • establish internal policies, such as those relating to insider trading; and • involve and retain outside counsel and accountants in the above activities. Furthermore, we must comply with Section 404 of the Sarbanes Oxley Act of 2002 for our annual reports on Form 10- K, including the requirement to have our independent registered public accounting firm attest to the effectiveness of our internal controls, unless we continue to be exempt from such requirement. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management; and we may be unable to comply with these requirements in a timely or cost- effective manner. We are a “ smaller reporting company ” and the reduced disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors. We are a “ smaller reporting company ” as defined under the Securities Act and Exchange Act and expect to remain a “ smaller reporting company ” for the foreseeable future. We are therefore entitled to rely on certain reduced disclosure requirements, such as the ability to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10- K and reduced disclosure obligations regarding executive compensation. Additionally, as a “ non- accelerated filer ”, we currently are not required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. We have utilized these exemptions and expect to continue to utilize these exemptions while we remain a smaller reporting company and non- accelerated filer. These exemptions and reduced disclosures in our SEC filings due to our status as a smaller reporting company mean our auditors do not review our internal control over financial reporting and may make it harder for investors to analyze our results of operations and financial prospects. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our common stock prices may be more volatile. Our Charter and Bylaws designate the state and federal courts located within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our Charter and **Amended and Restated** Bylaws (“ **Bylaws** ”) provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware does not have jurisdiction, the **United States U. S.** District Court for the District of Delaware) will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or agent or stockholder of the Company to the Company or the Company’ s stockholders, (iii) any action against the Company arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action against the Company or any director, officer, other employee or agent of the Company asserting a claim governed by the internal affairs doctrine, including, without limitation, any action to interpret, apply, enforce or determine the validity of the Charter or the Bylaws, in each such case subject to such court’ s having personal jurisdiction over the indispensable parties named as defendants therein. Our Charter and Bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the **United States U. S.** of America will be the sole and exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act. Our Charter and Bylaws provisions do not apply to complaints asserting a cause of action under the Exchange Act. A stockholder may not waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of the provisions of our Charter and Bylaws described in the preceding sentences. This choice of forum provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our Charter and Bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. We may not be able to use a portion of our net operating loss carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations, which could adversely affect our cash flows. We currently have U. S. federal and state net operating loss (“ NOL ”) carryforwards. Our ability to use these tax attributes to reduce our future U. S. federal and state income tax obligations depends on many factors, including our future taxable income, which cannot be assured. In addition, our ability to use NOL carryforwards and other tax attributes are subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the “ Code ”). Under those sections of the Code, if a corporation undergoes an “ ownership change ” (as defined in the Code), the corporation’ s ability to use its pre- change NOL carryforwards and other tax attributes may be substantially limited. Determining the limitations under Section 382 of the Code is technical and complex. A corporation generally will experience an ownership change if one or more stockholders (or groups of stockholders) who are each deemed to own at least 5 % of the corporation’ s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. We may in the future undergo an ownership change under Section 382 of the Code. If an ownership change occurs, our ability to use our NOL carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations may be materially limited, which could adversely affect our cash flows. Risks Related to **the** Ownership of our Common Stock The conversion or exercise, as applicable, of the outstanding Series D Preferred Stock, Series **E Preferred Stock**,

Series-D PIPE Warrants, Series E PIPE Warrants, Non-Compensatory Options and Exok Warrants, Subordinated Note Warrants, and Merger Options could substantially dilute your investment and adversely affect the market price of our common Common Stock. Our Series D preferred stock with a par value of \$ 0. 01 and a stated value of \$ 1, 000 per share (“ Series D Preferred Stock ”), is convertible into shares of Common Stock at a price of \$ 5. 00 per share. At the time of the Series D Preferred Stock issuance, we also issued Series A warrants (“ Series D A Warrants ”) to purchase 3, 475, 250 shares of our Common Stock and Series B warrants (“ Series D B Warrants ” and together with the Series D A Warrants, the “ Series D PIPE Warrants ”) to purchase 3, 475, 250 shares of Common Stock (collectively, the “ Series D PIPE ”). Additionally, in 2023 we issued 20, 000 shares of Series E preferred stock with a par value of \$ 0. 01 and a stated value of \$ 1, 000 per share (“ Series D Preferred Stock ”), which are convertible into shares of Common Stock at a price of \$ 5. 00 per share, to Narragal Nominees Pty Ltd ATF Gregory K O’ Neill Family Trust (the “ O’ Neill Trust ” or the “ Series E PIPE Investor ”). The Series E PIPE Investor also received Series A warrants (“ Series E A Warrants ”) to purchase 4, 000, 000 shares of Common Stock and Series B warrants (“ Series E B Warrants ” and together with the Series E A Warrants, the “ Series E PIPE Warrants ”) to purchase 4, 000, 000 shares of Common Stock (collectively, the “ Series E PIPE ”). As of March 13-1, 2024-2025, the outstanding shares of Series D Preferred Stock are convertible into an aggregate of 4-1, 115-196, 426-337 shares of common stock and, the Series D PIPE Warrants are exercisable for an aggregate of 4-3, 613-215, 028-761 shares of common Common stock. The Series E Preferred Stock are convertible into an aggregate of 4, 000, 000 shares of common stock and the Series E PIPE Warrants are exercisable for an aggregate of 8-4, 000, 000 shares of common Common stock Stock. The Additionally, we have outstanding warrants which were issued in 2023 and provide the right to purchase 670, 499 shares of Common Stock at \$ 7. 43 per share (the “ Exok Warrants ”). As of March 1, 2025, the Exok Warrants are exercisable for an aggregate of 670, 499 shares of common Common stock Stock and the Subordinated Note Warrants (as defined herein) are exercisable for an aggregate of 570, 778 shares of Common Stock. In addition, there are also options outstanding Non-Compensatory Options to purchase an aggregate of 8, 000, 000 shares of common Common stock Stock for \$ 7-0. 14-25 per share (the “ Merger Options ”) which are only exercisable if specific production hurdles are achieved, pursuant to amended and restated non- compensatory Option Agreements entered into at the effective time of the Merger Effective Time. In addition, sales of a substantial number of shares of common Common stock Stock issued upon the conversion or exercise, as applicable, of the outstanding Series E-D Preferred Stock, Series D PIPE Warrants, Series E PIPE Warrants, Exok Warrants, Subordinated Note Series D Preferred Stock, Series D PIPE Warrants, and Merger Non-Compensatory Options, or even the perception that such sales could occur, could adversely affect the market price of our common Common stock Stock. The conversion or exercise of such securities could result in dilution in the interests of our other stockholders and adversely affect the market price of our common Common stock Stock. For example, as a result of the exercise of Series D B Warrant Warrants Exercise on November 13, the Company 2023, we issued an additional 2, 000, 000 shares of common Common stock Stock to the O’ Neill Trust, resulting in immediate dilution to existing stockholders of approximately 20 %. Our Board of Directors has broad discretion to issue additional securities, and in order to raise sufficient funds to expand our operations, we may have to issue securities at prices which may result in substantial dilution to our stockholders. We are entitled under our Charter to issue up to 500, 000, 000 shares of common Common stock Stock and 50, 000, 000 shares of preferred stock, although these amounts may change in the future subject to stockholder approval. Shares of our preferred stock provide our Board of Directors broad authority to determine voting, dividend, conversion and other rights. Any additional stock issuances could be made at a price that reflects a discount or premium to the then- current market price of our common Common stock Stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for a significant amount of our common Common stock Stock. Our Board of Directors may generally issue those shares of common Common stock Stock and preferred stock, or convertible securities to purchase those shares, without further approval by our stockholders. Any preferred stock we may issue could have such rights, preferences, privileges and restrictions as may be designated from time- to- time by our Board of Directors, including preferential dividend rights, voting rights, conversion rights, redemption rights and liquidation provisions. We may also issue additional securities to our directors, officers, employees and consultants as compensatory grants in connection with their services, both in the form of stand- alone grants or under our stock incentive plans. The issuance of additional securities may cause substantial dilution to our stockholders. If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our common Common stock Stock or if our operating results do not meet their expectations, our stock price could decline. The trading market for our common Common stock Stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrades our common Common stock Stock or if our operating results do not meet their expectations, our stock price could decline. Insiders have substantial control over the Company, and they could delay or prevent a change in our corporate control even if our other stockholders want it to occur. As of March 13-1, 2024-2025, our executive officers and Board of directors Directors, collectively beneficially own approximately 10 40. 51-% of our outstanding shares of common Common stock Stock and the O’ Neill Trust beneficially owns 25-approximately 45 % of our outstanding shares of common Common stock Stock. These stockholders are able to exercise significant control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This could delay or prevent an outside party from acquiring or merging with our Company even if our other stockholders want it to occur. This may also limit your ability to influence the Company in other ways. In addition, certain investors own significant numbers of convertible securities, that if exercised or converted, could result in ownership of a significant portion of the outstanding shares of our common Common stock Stock of the Company. For example, assuming full exercise or conversion, as applicable, of their respective convertible

securities and no exercise or conversion by other security holders, certain holders could acquire a controlling position in ~~our~~ **the Company's common Common stock Stock**. The exercise or conversion, as applicable, of the Series D Preferred Stock, Series D PIPE Warrants, ~~Series E Preferred Stock~~ and Series E PIPE Warrants are subject to a beneficial ownership limitation of 4.99% of the outstanding shares of ~~common Common stock Stock~~, which may be increased by the holder upon written notice to ~~us~~ **the Company**, to any specified percentage not in excess of 9.99%. The 9.99% beneficial ownership limitation may only be modified, amended or waived with the written consent of both the Company and the security holder. In November 2023, the O' Neill Trust entered into an agreement with ~~us~~ **the Company** pursuant to which it amended the terms of each of its Series D PIPE Warrants and Series E PIPE Warrants to increase the beneficial ownership limitation from 9.99% to 25% and gave notice to ~~us~~ **the Company** that it was increasing its beneficial ownership limitation to 25% with respect to each of its remaining warrants. ~~The beneficial ownership limitation on~~ **In August 2024, the O' Neill Trust entered into an agreement with us pursuant to which it, among other things, amended the terms of** the Series D Preferred Stock ~~and Series E Preferred Stock remains at 4.99%, subject to increase to 9.99% by O' Neill Trust upon written notice to the Company. If such beneficial ownership limitation~~ **from 9.99% to 49.9% and amended the terms of each of its Series D PIPE Warrants and Series E PIPE Warrants to increase the beneficial ownership limitation from 25% to 49.9%. If the beneficial ownership limitations** were to be amended or waived for ~~the O' Neill Trust or~~ other holders, certain holders would be able to convert their preferred shares or warrants for a significant portion of the outstanding shares of ~~our~~ **common Common stock Stock of the Company**, and such holders would be able to exercise significant control over all matters requiring stockholder approval. ~~See Exhibit 4.5 filed with this Annual Report for more information.~~ The trading price of our ~~common Common stock Stock~~ has been, and is likely to continue to be, volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The market price of our ~~common Common stock Stock~~ has historically varied greatly, and is likely to continue to be volatile because of numerous factors, including: • further disagreements or price wars amongst OPEC members, including the effect thereof on global oil supply, oil storage capacity and oil prices; • a domestic or global economic slowdown that could affect our financial results and operations and the economic strength of our customers; • our ability to meet our working capital needs; • quarterly variations in operating results; • ~~our ability to successfully finance and consummate the NRO Acquisition on the anticipated timeline, or at all~~; • changes in financial estimates by us or securities analysts who may cover our stock or by our failure to meet the estimates made by securities analysts; • changes in market valuations of other similar companies; • announcements by us or our competitors of new products or of significant technical innovations, contracts, acquisitions, divestitures, strategic relationships or joint ventures; • changes in laws or regulations applicable to our business; • additions or departures of key personnel; • changes in our capital structure, such as future issuances of debt or equity securities; • short sales, hedging and other derivative transactions involving our capital stock; • our limited public float and the relatively thin trading market for our ~~common Common stock Stock~~; • transactions in our ~~common Common stock Stock~~, by directors, officers, affiliates and other major investors; and • the other factors described under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" included in this Annual Report. Furthermore, from time to time, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes, international currency fluctuations or political unrest, may negatively impact the market price of our ~~common Common stock Stock~~. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. Any future securities litigation against us could result in substantial costs and divert our management's attention and resources, and harm our business, financial condition, and results of operations. Future sales of our ~~common Common stock Stock~~, or the perception that such future sales may occur, may cause our stock price to decline. Sales of substantial amounts of our ~~common Common stock Stock~~ in the public market, or the perception that these sales may occur, could cause the market price of our ~~common Common stock Stock~~ to decline. In addition, the sale of such shares, or the perception that such sales may occur, could impair our ability to raise capital through the sale of additional ~~common Common stock Stock~~ or preferred stock. We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on your investment may be limited to increases in the market price of our ~~common Common stock Stock~~. We have not paid any cash dividends on our ~~common Common stock Stock~~ to date. We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board ~~of Directors~~ and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board ~~of Directors~~ may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur. Item 1B. Unresolved Staff Comments