Risk Factors Comparison 2024-02-29 to 2023-03-08 Form: 10-K

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Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report, including our ~~Consolidated~~ **consolidated** ~~Financial~~ **financial** ~~Statements~~ **statements** and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment. Risks Related to Sitio' s Business A substantial majority of Sitio' s revenues from the crude oil and gas producing activities of its E & P operators are derived from royalty payments that are based on the price at which crude oil, natural gas and NGLs produced from the acreage underlying its interests are sold. Prices of crude oil, natural gas and NGLs are volatile due to factors beyond Sitio' s control. A substantial or extended decline in commodity prices may adversely affect Sitio' s business, financial condition, results of operations and cash flows. Sitio' s revenues, operating results, discretionary cash flows and the carrying value of its mineral and royalty interests depend significantly upon the prevailing prices for crude oil, natural gas and NGLs. Historically, crude oil, natural gas and NGL prices and their applicable basis differentials have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond Sitio' s control, including: • the domestic and foreign supply of and demand for crude oil, natural gas and NGLs; • the level of prices and market expectations about future prices of crude oil, natural gas and NGLs; • the level of global crude oil, natural gas and NGL ~~E & P~~ **exploration and production activities** ; • the cost of Sitio ~~'~~ **'** s operators exploring for, developing, producing and delivering crude oil, natural gas and NGLs; • the price and quantity of foreign imports and U. S. exports of crude oil, natural gas and NGLs; • the level of U. S. domestic production; • political and economic conditions and events in foreign oil, natural gas and NGL producing countries, including rising interest rates and associated monetary policies of the Federal Reserve, embargoes, **the conflict in the Israel- Gaza region and** 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 and China and acts of terrorism or sabotage ;• the ability of members of OPEC and other oil exporting nations to agree to and maintain crude oil price and production controls;• risks related to Sitio' s hedging activities;• speculative trading in crude oil,natural gas and NGL derivative contracts;• the level of consumer product demand;• weather conditions and other natural disasters,such as hurricanes and winter storms,the frequency and impact of which could be increased by the effects of climate change;• the availability of storage for hydrocarbons and technological advances affecting energy consumption,energy storage and energy supply;• domestic and foreign governmental regulations and taxes;• the continued threat of terrorism,cyber incidents and the impact of military and other action,including U.S.military operations in the Middle East and economic sanctions such as those imposed on Russia due to the Ukraine armed conflict and by the U.S.on oil and gas exports from Iran ; • global or national health concerns, including the outbreak of an illness pandemic (like COVID- 19), which may reduce demand for crude oil, natural gas and NGLs due to reduced global or national economic activity ; • the ability of members of...... on oil and gas exports from Iran ; • the proximity, cost, availability and capacity of crude oil, natural gas and NGL pipelines and other transportation facilities; • the price and availability of competitors' supplies of oil, natural gas and NGLs and alternative fuels, including the potential acceleration of the development of alternative fuels as a result of the IRA 2022; and • overall domestic and global economic conditions. These factors and the volatility of the energy markets make it extremely difficult to predict future crude oil, natural gas and NGL price movements with any certainty. For example, during the past five years, the posted price for WTI light sweet crude oil has ranged from a historic, record low price of negative ~~(~~$ 36. 98 ~~)~~ per Bbl in April 2020 to a high of $ 123. 64 per Bbl in March 2022, and the Henry Hub spot market price for natural gas has ranged from a low of $ 1. 33 per MMBtu in September 2020 to a high of $ 23. 86 per MMBtu in February 2021. Certain actions by OPEC **and other oil producing nations** in the first half of 2020, combined with the impact of the COVID- 19 pandemic and a shortage in available storage for hydrocarbons in the U. S., contributed to the historic low price for crude oil in April 2020. While the prices for crude oil have generally increased since then, such prices have historically remained volatile, which has adversely affected the prices at which production from Sitio' s properties is sold as well as the production activities of operators on Sitio' s properties and may continue to do so in the future. This, in turn, has and will materially affect the amount of royalty payments that Sitio receives from such operators. Any substantial decline in the price of crude oil, natural gas and NGLs or prolonged period of low commodity prices will materially adversely affect Sitio' s business, financial condition, results of operations and cash flows. In addition, lower crude oil, natural gas and NGL prices may reduce the amount of crude oil, natural gas and NGLs that can be produced economically by Sitio' s E & P operators, which may reduce its E & P operators' willingness to develop its properties. This may result in Sitio having to make substantial downward adjustments to its estimated proved reserves, which could negatively impact the borrowing base under ~~its~~ **the Sitio** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility (as defined below)** and its ability to fund its operations. If this occurs or if production estimates change or exploration or development results deteriorate, the successful efforts method of accounting principles may require Sitio to write down, as a non- cash charge to earnings, the carrying value of its crude oil and natural gas properties **. For example, Sitio recognized impairment expense of $ 25. 6 million related to its Appalachian Basin proved properties during the year ended December 31, 2023** . Sitio' s E & P operators could also determine during periods of low commodity prices to shut in or curtail production from wells on Sitio'

s properties. In addition, they could determine during periods of low commodity prices to plug and abandon marginal wells that otherwise may have been allowed to continue to produce for a longer period under conditions of higher prices. Specifically, they may abandon any well if they reasonably believe that the well can no longer produce crude oil, natural gas or NGLs in commercially paying quantities thereby potentially causing some or all of the underlying lease to expire along with Sitio' s royalties therein. Sitio may choose to use various derivative instruments in connection with anticipated crude oil, natural gas and NGL sales to minimize the impact of commodity price fluctuations. However, Sitio cannot hedge the entire exposure of its operations from commodity price volatility. To the extent Sitio does not hedge against commodity price volatility, or its hedges are not effective, Sitio' s results of operations and financial position may be diminished. If the E & P operators of Sitio' s properties suspend its right to receive royalty payments due to title or other issues, its business, financial condition, results of operations and cash flows may be adversely affected. Sitio depends in part on acquisitions to grow its reserves, production and cash generated from operations. In connection with these acquisitions, record title to mineral and royalty interests are conveyed to Sitio or its subsidiaries by asset assignment, and Sitio or its subsidiaries become the record owner of these interests. Upon such a change in ownership of mineral interests, and at regular intervals pursuant to routine audit procedures at each of Sitio' s E & P operators otherwise at its discretion, the E & P operator of the underlying property has the right to investigate and verify the title and ownership of mineral and royalty interests with respect to the properties it operates. If any title or ownership issues are not resolved to its reasonable satisfaction in accordance with customary industry standards, the E & P operator may suspend payment of the related royalty. If an E & P operator of Sitio' s properties is not satisfied with the documentation Sitio provides to validate its ownership, such E & P operator may place Sitio' s royalty payment in suspense until such issues are resolved, at which time Sitio would receive in full payments that would have been made during the suspense period, without interest. Certain of Sitio' s E & P operators impose significant documentation requirements for title transfer and may keep royalty payments in suspense for significant periods of time. During the time that an E & P operator puts Sitio' s assets in pay suspense, Sitio would not receive the applicable mineral or royalty payment owed to it from sales of the underlying oil or natural gas related to such mineral or royalty interest. If a significant amount of Sitio' s royalty interests are placed in suspense, its results of operations may be reduced significantly. Title to the properties in which Sitio has an interest may be impaired by title defects. Sitio is not required to, and under certain circumstances it may elect not to, incur the expense of retaining lawyers to examine the title to its royalty and mineral interests. In such cases, Sitio would rely upon the judgment of oil and gas lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before acquiring a specific royalty or mineral interest. The existence of a material title deficiency can render an interest worthless and can materially adversely affect Sitio' s results of operations, financial condition and cash flows. No assurance can be given that Sitio will not suffer a monetary loss from title defects or title failure. Additionally, undeveloped acreage has a greater risk of title defects than developed acreage. If there are any title defects in properties in which Sitio holds an interest, it may suffer a financial loss. Sitio may experience delays in the payment of royalties and be unable to replace E & P operators that do not make required royalty payments, and it may not be able to terminate its leases with defaulting lessees if any of the E & P operators on those leases declare bankruptcy. Sitio may experience delays in receiving royalty payments from its E & P operators, including as a result of delayed division orders received by its E & P operators. A failure on the part of the E & P operators to make royalty payments typically gives Sitio the right to terminate the lease, repossess the property and enforce payment obligations under the lease. If Sitio repossessed any of its properties, it would seek a replacement E & P operator. However, Sitio might not be able to find a replacement E & P operator and, if it did, it might not be able to enter into a new lease on favorable terms within a reasonable period of time. In addition, the outgoing E & P operator could be subject to a proceeding under Title 11 of the United States Code (the " Bankruptcy Code "), in which case Sitio' s right to enforce or terminate the lease for any defaults, including non- payment, may be substantially delayed or otherwise impaired. In general, in a proceeding under the Bankruptcy Code, the bankrupt E & P operator would have a substantial period of time to decide whether to ultimately reject or assume the lease, which could prevent the execution of a new lease or the assignment of the existing lease to another E & P operator. For example, certain of Sitio' s E & P operators historically have undergone restructurings under the Bankruptcy Code and any future restructurings of Sitio' s operators may impact their future operations and ability to make royalty payments to ~~us~~ **Sitio** . In the event that the E & P operator rejected the lease, Sitio' s ability to collect amounts owed would be substantially delayed, and its ultimate recovery may be only a fraction of the amount owed or nothing. In addition, if Sitio is able to enter into a new lease with a new E & P operator, the replacement E & P operator may not achieve the same levels of production or sell crude oil or natural gas at the same price as the E & P operator it replaced. Sitio depends on various unaffiliated E & P operators for all of the exploration, development and production on the properties underlying its mineral and royalty interests. Substantially all of Sitio' s revenue is derived from royalty payments made by these E & P operators. A reduction in production from wells and / or the expected number of wells to be drilled on Sitio' s acreage by these E & P operators or the failure of its E & P operators to adequately and efficiently develop and operate the wells on its acreage could have an adverse effect on its results of operations and cash flows. Some of the E & P operators of the properties underlying Sitio' s mineral and royalty interests are not contractually obligated to undertake any development activities, so any development and production activities will be subject to their discretion. Sitio' s assets consist of mineral and royalty interests. Because Sitio depends on third- party E & P operators for all of the exploration, development and production on its properties, it has little to no control over the operations related to its properties. For the year ended December 31, ~~2022~~ **2023** , Sitio received revenue from ~~133~~ **237** E & P operators, with approximately ~~61~~ **58** % coming from the top ten E & P operators on its properties, one of which accounted for more than 10 % of such royalty revenues. The failure of Sitio' s E & P operators to adequately or efficiently perform operations or an E & P operator' s failure to act in ways that are in Sitio' s best interests could reduce production and revenues. For example, in response to the significant decrease in prices for crude oil during 2020, many of Sitio' s E & P operators substantially reduced their development activities in 2020. Additionally, certain investors have requested that operators adopt initiatives to return capital to investors, which could also

reduce the capital available to Sitio' s E & P operators for investment in exploration, development and production activities. Sitio' s E & P operators may further reduce capital expenditures devoted to exploration, development and production on its properties in the future, which could negatively impact revenues it receives. If production on Sitio' s mineral and royalty interests decreases due to decreased development activities, as a result of the low commodity price environment, limited availability of development capital, production- related difficulties or otherwise Sitio' s results of operations may be adversely affected. For example, the amount of royalty payments Sitio received in 2020 from its E & P operators decreased due to the lower prices at which its E & P operators were able to sell production from its properties and reduced production activities by its E & P operators. Further, depressed commodity prices caused some of Sitio' s E & P operators to voluntarily shut in and curtail production from wells on its properties in 2020. Although most of these have come back online, an additional or extended period of depressed commodity prices may cause additional E & P operators to take similar action or even to plug and abandon marginal wells that otherwise may have been allowed to continue to produce for a longer period under more favorable pricing conditions, both of which would decrease the amount of royalty payments Sitio receives from its E & P operators. Sitio' s E & P operators are often not obligated to undertake any development activities other than those required to maintain their leases on Sitio' s acreage. Furthermore, some of the E & P operators of Sitio' s properties underlying its mineral and royalty interests are not contractually obligated to undertake any development activities. In the absence of a specific contractual obligation, any development and production activities will be subject to their reasonable discretion (subject to certain implied obligations to develop imposed by the laws of some states). Sitio' s E & P operators could determine to drill and complete fewer wells on Sitio' s acreage than is currently expected. The success and timing of drilling and development activities on Sitio' s properties, and whether the E & P operators elect to drill any additional wells on Sitio' s acreage, depends on a number of factors that are largely outside of Sitio' s control, including: • the capital costs required for drilling activities by Sitio' s E & P operators, which could be significantly more than anticipated; • the ability of Sitio' s E & P operators to access capital; • prevailing commodity prices; • the availability of suitable drilling equipment, production and transportation infrastructure and qualified operating personnel; • the availability of storage for hydrocarbons, the E & P operators' expertise, operating efficiency and financial resources; • approval of other participants in drilling wells; • the E & P operators' expected return on investment in wells drilled on Sitio' s acreage as compared to opportunities in other areas; • the selection of technology; • the selection of counterparties for the marketing and sale of production; and • the rate of production of the reserves. The E & P operators may elect not to undertake development activities, or may undertake these activities in an unanticipated fashion, which may result in significant fluctuations in Sitio' s results of operations and cash flows. Sustained reductions in production by the E & P operators on Sitio' s properties may also adversely affect Sitio' s results of operations and cash flows. Additionally, if an E & P operator were to experience financial difficulty, the E & P operator might not be able to pay its royalty payments or continue its operations, which could have a material adverse impact on Sitio' s cash flows. Sitio' s future success depends on finding and replacing reserves through acquisitions and the exploration and development activities of its E & P operators. Producing crude oil and natural gas wells are characterized by declining production rates as reserves are depleted, which such rates vary depending upon reservoir characteristics and other factors. Sitio' s future crude oil, natural gas and NGL reserves and its E & P operators' production thereof and Sitio' s cash flows are highly dependent on the successful development and exploitation of Sitio' s current reserves and its ability to successfully acquire additional reserves that are economically recoverable. Moreover, the production decline rates of Sitio' s properties may be significantly higher than currently estimated if the wells on its properties do not produce as expected. Sitio may not have sufficient resources to acquire additional reserves and may also not be able to find, acquire or develop additional reserves to replace the current and future production of its properties at economically acceptable terms, or at all. Furthermore, although revenues may increase if prevailing crude oil and natural gas prices increase significantly, finding costs for additional reserves could also increase. Aside from acquisitions, Sitio has little to no control over the exploration and development of its properties. If Sitio is not able to replace or grow its oil, natural gas and NGL reserves, its business, financial condition and results of operations would be adversely affected. Project areas on ~~our~~ **Sitio' s** properties, which are in various stages of development, may not yield oil, natural gas or NGLs in commercially viable quantities. Project areas on ~~our~~ **Sitio' s** properties are in various stages of development, ranging from project areas with current drilling or production activity to project areas that have limited drilling or production history. If the wells in the process of being completed do not produce sufficient revenues or if dry holes are drilled, ~~our~~ **Sitio' s** financial condition and results of operations may be adversely affected. Sitio' s failure to successfully identify, complete and integrate acquisitions of properties or businesses could materially and adversely affect its growth, results of operations and cash flows. Sitio depends in part on acquisitions to grow its reserves, production and cash flows. Sitio' s decision to acquire a property will depend in part on the evaluation of data obtained from production reports and engineering studies, geophysical and geological analyses and seismic data, and other information, the results of which are often inconclusive and subject to various interpretations. The successful acquisition of properties requires an assessment of several factors, including: • recoverable reserves; • future crude oil, natural gas and NGL prices and their applicable differentials; • development plans; • operating costs Sitio' s E & P operators would incur to develop and operate the properties; and • potential environmental and other liabilities that E & P operators may incur. The accuracy of these assessments is inherently uncertain and Sitio may not be able to identify attractive acquisition opportunities. In connection with these assessments, Sitio performs a review of the subject properties that it believes to be generally consistent with industry practices, given the nature of its interests. Sitio' s review will not reveal all existing or potential problems, nor will it permit it to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. Even if Sitio does identify attractive acquisition opportunities, it may not be able to complete the acquisition or do so on commercially acceptable terms. Unless Sitio' s E & P operators further develop its existing properties, it will depend on acquisitions to grow its reserves, production and cash ~~flow~~ **flows** . There is intense competition for acquisition opportunities in

Sitio' s industry. Competition for acquisitions may increase the cost of, or cause Sitio to refrain from, completing acquisitions. Additionally, acquisition opportunities vary over time. For example, in connection with the COVID- 19 pandemic and resulting market and commodity price challenges, Sitio' s acquisition activity saw a significant decline as it experienced a meaningful difference in sellers' pricing expectations and the prices Sitio was willing to offer. Sitio' s ability to complete acquisitions is dependent upon, among other things, its ability to obtain debt and equity financing and, in some cases, regulatory approvals. Further, these acquisitions may be in geographic regions in which Sitio does not currently hold assets, which could result in unforeseen difficulties. In addition, if Sitio acquires interests in new geographic regions, it may be subject to additional and unfamiliar legal and regulatory requirements. Compliance with regulatory requirements may impose substantial additional obligations on Sitio and its management, cause it to expend additional time and resources in compliance activities and increase its exposure to penalties or fines for non- compliance with such additional legal requirements. Further, the success of any completed acquisition will depend on Sitio' s ability to integrate effectively the acquired business into its existing business. The process of integrating acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of Sitio' s managerial and financial resources. In addition, potential future acquisitions may be larger and for purchase prices significantly higher than those paid for earlier acquisitions. No assurance can be given that Sitio will be able to identify suitable acquisition opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms or successfully acquire identified targets. Sitio' s failure to achieve consolidation savings, to integrate the acquired assets into its existing operations successfully or to minimize any unforeseen difficulties could materially and adversely affect its financial condition, results of operations and cash flows. The inability to effectively manage these acquisitions could reduce Sitio' s focus on subsequent acquisitions and current operations, which, in turn, could negatively impact its growth, results of operations and cash flows. Sitio may acquire properties that do not produce as projected, and it may be unable to determine reserve potential, identify liabilities associated with such properties or obtain protection from sellers against such liabilities. Acquiring crude oil, natural gas and NGL properties requires Sitio to assess reservoir and infrastructure characteristics, including recoverable reserves, development and operating costs and potential environmental and other liabilities. Such assessments are inexact and inherently uncertain. In connection with the assessments, Sitio performs diligence of the subject properties, but such a review will not necessarily reveal all existing or potential problems. In the course of Sitio' s due diligence, it may not ~~inspect~~ **evaluate** every well or pipeline. Sitio may not be able to obtain contractual indemnities from the seller for liabilities created prior to its purchase of the property. Any acquisitions of additional mineral and royalty interests that Sitio completes will be subject to substantial risks. Even if Sitio makes acquisitions that it believes will increase its cash generated from operations, these acquisitions may nevertheless result in a decrease in its cash flows. Any acquisition involves potential risks, including, among other things: • the validity of Sitio' s assumptions about estimated proved reserves, potential undeveloped drilling locations, future production, prices, revenues, capital expenditures, **and** the operating expenses and costs its E & P operators would incur to develop the minerals; • a decrease in Sitio' s liquidity by using a significant portion of its cash generated from operations or borrowing capacity to finance acquisitions; • a significant increase in Sitio' s interest expense or financial leverage if it incurs debt to finance acquisitions; • the assumption of unknown liabilities, losses or costs for which Sitio is not indemnified or for which any indemnity it receives is inadequate; • mistaken assumptions about the overall cost of equity or debt; • Sitio' s ability to obtain satisfactory title to the assets it acquires; • an inability to hire, train or retain qualified personnel to manage and operate Sitio' s growing business and assets; and • the occurrence of other significant changes, such as impairment of crude oil and natural gas properties, goodwill or other intangible assets, asset devaluation or restructuring charges. Sitio' s E & P operators' identified potential drilling locations, which are scheduled out over many years **,** and are susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. Proved undeveloped drilling locations represent a significant part of Sitio' s growth strategy, however, it does not control the development of these locations. The ability of Sitio' s E & P operators to drill and develop identified potential drilling locations depends on a number of uncertainties, including the availability of capital, construction of and limitations on access to infrastructure, the generation of additional seismic or geological information, seasonal conditions and inclement weather, regulatory changes and approvals, crude oil, natural gas and NGL prices, costs, negotiation of agreements with third parties, drilling results, lease expirations and the availability of water. Further, Sitio' s E & P operators' identified potential drilling locations are in various stages of evaluation, ranging from locations that are ready to drill to locations that will require substantial additional interpretation. The use of technologies and the study of producing fields in the same area will not enable Sitio' s E & P operators, or it, to know conclusively prior to drilling whether crude oil, natural gas or NGLs will be present or, if present, whether crude oil, natural gas or NGLs will be present in sufficient quantities to be economically viable. Even if sufficient amounts of crude oil or natural gas exist, Sitio' s E & P operators may damage the potentially productive hydrocarbon- bearing formation or experience mechanical difficulties while drilling or completing the well, possibly resulting in a reduction in production from the well or abandonment of the well. If Sitio' s E & P operators drill additional wells that they identify as dry holes in current and future drilling locations, their drilling success rate may decline and materially harm their business as well as that of Sitio. There is no guarantee that the conclusions Sitio' s E & P operators draw from available data from the wells on Sitio' s acreage, more fully explored locations or producing fields will be applicable to their drilling locations. Further, initial production rates reported by Sitio' s or other E & P operators in the areas in which Sitio' s reserves are located may not be indicative of future or long- term production rates. Additionally, actual production from wells may be less than expected. For example, a number of E & P operators have previously announced that newer wells drilled close in proximity to already producing wells have produced less oil and gas than forecast. Because of these uncertainties, Sitio does not know if the potential drilling locations its E & P operators have identified will ever be drilled or if its E & P operators will be able to produce crude oil, natural gas or NGLs from these or any other potential drilling locations. As such, the actual drilling activities of Sitio' s E & P operators may materially differ from those presently identified, which could adversely affect Sitio' s business, results of ~~operation~~ **operations** and cash flows. Finally, the potential drilling locations Sitio

has identified are based on the geologic and other data available to it and its interpretation of such data. As a result, Sitio' s E & P operators may have reached different conclusions about the potential drilling locations on Sitio' s properties, and Sitio' s E & P operators control the ultimate decision as to where and when a well is drilled. Sitio is unable to determine with certainty which E & P operators will ultimately operate its properties. When Sitio evaluates acquisition opportunities and the likelihood of the successful and complete development of its properties, Sitio considers which companies it expects to operate its properties. Historically, many of Sitio' s properties have been operated by active, well- capitalized E & P operators that have expressed their intent to execute multi- year, pad- focused development programs. There is no guarantee, however, that such E & P operators will become or remain the E & P operators on Sitio' s properties or that their development plans will not change. To the extent Sitio' s E & P operators fail to perform at the levels projected or the E & P ~~operator~~ **operators** of Sitio' s properties ~~or~~ sell their working interests to, are merged with, or are acquired by, another E & P operator that lacks the same level of capitalization or experience, it could adversely affect Sitio' s business and expected cash flows. Sitio relies on its E & P operators, third parties and government databases for information regarding its assets and, to the extent that information is incorrect, incomplete or lost, Sitio' s financial and operational information and projections may be incorrect. As an owner of mineral and royalty interests, Sitio relies on the E & P operators of the properties to notify it of information regarding production on its properties in a timely and complete manner, as well as the accuracy of information obtained from third parties and government databases. Sitio uses this information to evaluate its operations and cash flows, as well as to predict its expected production and possible future locations. To the extent Sitio does not timely receive this information or the information is incomplete or incorrect, Sitio' s results may be incorrect and its ability to project potential growth may be materially adversely affected. Furthermore, to the extent Sitio has to update any publicly disclosed results or projections made in reliance on this incorrect or incomplete information, investors could lose confidence in its reported financial information. If any of such third- parties' databases or systems were to fail for any reason, including as a result of a cyber- attack, possible consequences include loss of communication links and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any of the foregoing consequences could ~~material~~ **materially** adversely affect Sitio' s business. Sitio has completed numerous acquisitions of mineral and royalty interests for which separate financial information is not required or provided. Sitio has completed numerous acquisitions of mineral and royalty interests that are not " significant " under Rule 3- 05 of Regulation S- X (" Rule 3- 05 "). Therefore, Sitio is not required to, and has elected not to, provide separate historical financial information in its public filings relating to those acquisitions. While these acquisitions are not individually or collectively significant for purposes of Rule 3- 05, they have or will have an impact on Sitio' s financial results and their aggregated effect on its business and results of operations may be material. Acquisitions and Sitio' s E & P operators' development of Sitio' s leases will require substantial capital, and Sitio and its E & P operators may be unable to obtain needed capital or financing on satisfactory terms or at all, including as a result of recent increases in cost of capital resulting from Federal Reserve policies and otherwise. The crude oil and natural gas industry is capital intensive. Sitio makes and may continue to make substantial capital expenditures in connection with the acquisition of mineral and royalty interests. To date, Sitio has financed capital expenditures primarily with funding from capital contributions, cash generated by operations **,** and borrowings from its revolving credit facilities and **the Bridge Loan Facility,** 2026 Senior Notes **, and 2028 Senior Notes (each as defined below)** . In the future, Sitio may need capital in excess of the amounts it retains in its business, borrows under ~~its~~ **the Sitio** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility** or has access to in capital markets. The level of borrowing base available under **the** Sitio ~~' s revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility** is largely based on its estimated proved reserves and its lenders' price decks and underwriting standards in the reserve- based lending space and will be reduced to the extent commodity prices decrease or remain depressed, underwriting standards tighten or the lending syndication market is not sufficiently liquid to obtain lender commitments to a full borrowing base in an amount appropriate for Sitio' s assets. Furthermore, Sitio cannot assure you that it will be able to access other external capital on terms favorable to it or at all. For example, a significant decline in prices for crude oil, rising interest rates, inflationary pressure and broader economic turmoil may adversely impact Sitio' s ability to secure financing in the capital markets on favorable terms. Additionally, Sitio' s ability to secure financing or access the capital markets could be adversely affected if financial institutions and institutional lenders elect not to provide funding for fossil fuel energy companies in connection with the adoption of sustainable lending initiatives or are required to adopt policies that have the effect of reducing the funding available to the fossil fuel sector. If Sitio is unable to fund its capital requirements, Sitio may be unable to complete acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on its results of operation and financial condition. Most of Sitio' s E & P operators are also dependent on the availability of external debt, equity financing sources and operating cash flows to maintain their drilling programs. If those financing sources are not available to the E & P operators on favorable terms or at all, then Sitio expects the development of its properties to be adversely affected. If the development of Sitio' s properties is adversely affected, then revenues from Sitio' s mineral and royalty interests may decline. The development of Sitio' s PUDs may take longer and may require higher levels of capital expenditures from the E & P operators of Sitio' s properties than Sitio or they currently anticipate. As of December 31, ~~2022~~ **2023** , approximately ~~19~~ **18** % of Sitio' s total estimated proved reserves were PUDs and may not be ultimately developed or produced by the E & P operators of its properties. Recovery of PUDs requires significant capital expenditures and successful drilling operations by the E & P operators of Sitio' s properties. The reserve data included in the reserve report of Sitio' s independent petroleum engineer ~~assume~~ **assumes** that substantial capital expenditures by the E & P operators of Sitio' s properties are required to develop such reserves. Sitio typically does not have access to the estimated costs of development of these reserves or the scheduled development plans of its E & P operators. Even when Sitio does have such information, Sitio cannot be certain that the estimated costs of the development of these reserves are accurate, that its E & P operators will develop the properties underlying its mineral and royalty interests as scheduled or that the results of such development will be as estimated. The development of such reserves

may take longer and may require higher levels of capital expenditures from the E & P operators than Sitio anticipates. Delays in the development of Sitio' s reserves, increases in costs to drill and develop such reserves or decreases or continued volatility in commodity prices will reduce the future net revenues of its estimated PUDs and may result in some projects becoming uneconomical for the E & P operators of its properties. In addition, delays in the development of reserves could force Sitio to reclassify certain of its proved reserves as PUDs. Continuing or worsening inflationary issues and associated changes in monetary policy have resulted in and may result in additional increases to the costs incurred by ~~our~~ **Sitio' s** E & P operators, which in turn could have a negative effect on Sitio' s results of operations and financial condition. The U. S. inflation rate ~~has been~~ steadily ~~increasing~~ **increased** during 2021 and 2022 **, and inflation has continued into 2023** . These inflationary pressures have resulted in and may result in additional increases to the costs incurred by Sitio ~~' s~~ **and its** E & P operators, which would in turn have a negative effect on Sitio' s business and financial condition. Sustained levels of high inflation have likewise caused the U. S. Federal Reserve and other central banks to increase interest rates multiple times in 2022 and ~~the U. S. Federal Reserve has indicated its intention to continue to raise benchmark interest rates into~~ 2023 in an effort to curb inflationary pressure on the costs of goods and services across the U. S., which has had the effects of raising the cost of capital and depressing economic growth, either of which — or the combination thereof — could hurt the financial results of Sitio' s business. Events beyond Sitio' s control, including the COVID- 19 pandemic or any other future global or domestic health crisis, the ongoing military conflict between Russia and Ukraine, **the Israeli- Hamas conflict** and other risks and uncertainties associated with global economic conditions may result in unexpected adverse financial results. The ~~continuing or worsening impact of the~~ COVID- 19 pandemic ~~or future outbreaks of disease~~ **has materially and adversely affected, and public health emergencies** may materially and adversely affect Sitio' s business, financial results and liquidity, due to governmental restrictions, associated repercussions and operational challenges to supply and demand for oil and natural gas and the economy generally. The ~~continued impact~~ **impacts** of **public health emergencies, including** the COVID- 19 pandemic ~~is~~ **, are** uncertain and hard to predict ~~. While the ongoing effects of the COVID- 19 pandemic on Sitio' s business have decreased recently, this pandemic has had a material negative impact on Sitio' s financial results~~ . Although there has been economic recovery and higher oil prices through the year ended December 31, ~~2022~~ **2023** , such negative impact may continue well beyond the containment of the **COVID- 19** pandemic **or any other public health emergency** . While oilfield activity has improved considerably and global inventories have rapidly normalized with continued demand growth since the low point experienced in 2020, considerable uncertainty remains. An extended period of global supply chain and economic disruption, as well as significantly decreased demand for oil and gas, due to the COVID- 19 pandemic, any future ~~outbreak of diseases~~ **public health emergencies** or otherwise, could materially affect Sitio' s business, access to sources of liquidity and financial condition. Additionally, the financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, including the ongoing conflict between Russia and Ukraine, **the Israeli- Hamas conflict,** terrorism or other geopolitical events. If the economic climate in the United States or abroad deteriorates, worldwide demand for petroleum products could further diminish, which could impact the price at which crude oil, natural gas and NGLs from Sitio' s properties are sold, affect the ability of Sitio' s E & P operators to continue operations and ultimately materially adversely impact Sitio' s results of operations, financial condition and cash flows. Sitio' s hedging activities could result in financial losses and reduce earnings. To achieve a more predictable cash flow and to reduce Sitio' s exposure to adverse fluctuations in the prices of oil, natural gas and NGLs, Sitio currently has entered, and may in the future enter, into derivative contracts for a portion of its future oil, natural gas and NGL production, including fixed price swaps, collars, and basis swaps. Sitio has not designated and does not plan to designate any of its derivative contracts as hedges for accounting purposes and, as a result, ~~record~~ **records** all derivative contracts on its balance sheet at fair value with changes in fair value recognized in current period earnings. Accordingly, Sitio' s earnings may fluctuate significantly as a result of changes in the fair value of its derivative contracts. Derivative contracts also expose Sitio to the risk of financial loss in some circumstances, including when: • production is less than expected; • the counterparty to the derivative contract defaults on its contract obligation; **or** • the actual differential between the underlying price in the derivative contract ~~;~~ or ~~•~~ actual prices received are materially different from those expected. In addition, these types of derivative contracts can limit the benefit Sitio would receive from increases in the prices for oil, natural gas and NGLs. Sitio' s estimated reserves are based on many assumptions that may turn out to be inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of its reserves. It is not possible to measure underground accumulation of crude oil, natural gas or NGLs in an exact way. Crude oil, natural gas and NGL reserve engineering is not an exact science and requires subjective estimates of underground accumulations of crude oil, natural gas and NGLs and assumptions concerning future crude oil, natural gas and NGL prices, production levels, ultimate recoveries and operating and development costs. As a result, estimated quantities of proved reserves, projections of future production rates and the timing of development expenditures may turn out to be incorrect. Over time, Sitio may make material changes to reserve estimates taking into account the results of actual drilling, testing and production and changes in prices. In addition, certain assumptions regarding future crude oil, natural gas and NGL prices, production levels and operating and development costs may prove incorrect. For example, due to the deterioration in commodity prices and operator activity in 2020 as a result of the COVID- 19 pandemic and other factors, the commodity price assumptions used to calculate reserves estimates declined, which in turn lowered its proved reserve estimates. A substantial portion of Sitio' s reserve estimates are made without the benefit of a lengthy production history, which are less reliable than estimates based on a lengthy production history. Any significant variance from these assumptions to actual figures could greatly affect Sitio' s 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 recovery and future cash generated from operations. Furthermore, certain of the operators of Sitio' s properties are not contractually obligated to provide it with information regarding drilling activities or historical production data with respect to the properties underlying its mineral and royalty interests, which may affect Sitio' s estimates of reserves.

Numerous changes over time to the assumptions on which Sitio' s reserve estimates are based, as described above, often result in the actual quantities of crude oil, natural gas and NGLs that are ultimately recovered being different from its reserve estimates. Furthermore, the present value of future net cash flows from Sitio' s proved reserves is not necessarily the same as the current market value of its estimated reserves. In accordance with rules established by the SEC and the Financial Accounting Standards Board (the " FASB "), Sitio bases the estimated discounted future net cash flows from its proved reserves on the twelve- month average oil and gas index prices, calculated as the unweighted arithmetic average for the first- day- of- the- month price for each month, and costs in effect on the date of the estimate, holding the prices and costs constant throughout the life of the properties. Actual future prices and costs may differ materially from those used in the present value estimate, and future net present value estimates using then current prices and costs may be significantly less than the current estimate. In addition, the 10 % discount factor Sitio uses when calculating discounted future net cash flows may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with Sitio or the crude oil and natural gas industry in general. Sitio relies on a small number of key individuals whose absence or loss could adversely affect its business. Many key responsibilities within Sitio' s business have been assigned to a small number of individuals. Sitio relies on members of its executive management team for their knowledge of the crude oil and natural gas industry, relationships within the industry and experience in identifying, evaluating and completing acquisitions, especially in the Permian Basin. The loss of their services could adversely affect Sitio' s business. In particular, the loss of the services of one or more members of Sitio' s executive team could disrupt its business. Further, Sitio does not maintain " key person " life insurance policies on any of its executive team or other key personnel. As a result, Sitio is not insured against any losses resulting from the death of these key individuals. Acreage must be drilled before lease expiration, generally within three to five years, in order to hold the acreage by production. Sitio' s E & P operators' failure to drill sufficient wells to hold acreage may result in the deferral of prospective drilling opportunities. In addition, Sitio' s ORRIs may be lost if the underlying acreage is not drilled before the expiration of the applicable lease or if the lease otherwise terminates. Leases on crude oil and natural gas properties typically have a term of three to five years, after which they expire unless, prior to expiration, production is established within the spacing units covering the undeveloped acres. In addition, even if production or drilling is established during such primary term, if production or drilling ceases on the leased property, the lease typically terminates, subject to certain exceptions. Any reduction in Sitio' s E & P operators' drilling programs, either through a reduction in capital expenditures or the unavailability of drilling rigs, could result in the expiration of existing leases. If the lease governing any of Sitio' s mineral interests expires or terminates, all mineral rights revert back to Sitio and Sitio will have to seek new lessees to explore and develop such mineral interests. If the lease underlying any of Sitio' s ORRIs expires or terminates, Sitio' s ORRIs that are derived from such lease will also terminate. Any such expirations or terminations of Sitio' s leases or its ORRIs could materially and adversely affect its financial condition, results of operations and cash flows. If an owner of working interests burdened by Sitio' s ORRIs declares bankruptcy and a court determines that all or a portion of such ORRIs were part of the bankruptcy estate, Sitio could be treated as an unsecured creditor with respect to such ORRIs. In determining whether ORRIs may be treated as part of a bankruptcy estate, a court may take into consideration a variety of factors including, among others, whether ORRIs are typically characterized as a real property interest under applicable state law, the terms conveying the ORRIs and related working interests and the applicable state law procedures required to perfect the interests such parties intend to create. Sitio believes that its ORRIs in the Permian Basin **, DJ Basin,** and Eagle Ford would be treated as an interest in real property in the states where they are located and, therefore, would not likely be considered a part of the bankruptcy estate. Nevertheless, the outcome is not certain. As such, if an owner of working interests burdened by Sitio' s ORRIs declares bankruptcy, a court may determine that all or a portion of such ORRIs are part of the bankruptcy estate. In that event, Sitio would be treated as a creditor in the bankruptcy case. Although holders of ORRIs may be entitled to statutory liens and / or other protections under applicable state law that could be enforceable in bankruptcy, there is no guarantee that such security interests or other protections would apply. Therefore, Sitio could be treated as an unsecured creditor of the debtor working interest holder and could lose the entire value of such ORRI. Operating hazards and uninsured risks may result in substantial losses to Sitio or its E & P operators, and any losses could adversely affect Sitio' s results of operations and cash flows. The operations of Sitio' s E & P operators will be subject to all of the hazards and operating risks associated with drilling for and production of crude oil, natural gas and NGLs, including the risk of fire, explosions, blowouts, surface cratering, uncontrollable flows of crude oil, natural gas, NGLs and formation water, pipe or pipeline failures, abnormally pressured formations, casing collapses and environmental hazards such as crude oil and NGL spills, natural gas leaks and ruptures or discharges of toxic gases. In addition, their operations will be subject to risks associated with hydraulic fracturing, including any mishandling, surface spillage or potential underground migration of fracturing fluids, including chemical additives. The occurrence of any of these events could result in substantial losses to Sitio' s E & P operators due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean- up responsibilities, regulatory investigations and penalties, suspension of operations and repairs required to resume operations **, which in turn could have a material adverse effect on Sitio' s financial condition, results of operations and cash flows** . Risks Related to Sitio' s Industry If commodity prices decrease to a level such that Sitio' s future undiscounted cash flows from its properties are less than their carrying value, Sitio may be required to take write- downs of the carrying values of its properties. Accounting rules require that Sitio periodically review the carrying value of its properties for possible impairment. Based on specific market factors and circumstances at the time of prospective impairment reviews, production data, economics and other factors, Sitio may be required to write down the carrying value of its properties. Sitio reviews and evaluates the carrying amount of its proved oil, natural gas and ~~NGL~~ **NGLs** properties for impairment whenever events or changes in circumstances indicate that a property' s carrying amount may not be recoverable. If the carrying value exceeds the estimated undiscounted future cash flows, Sitio would estimate the fair value of its properties and record an impairment charge for any excess of the carrying value of the properties over the estimated fair value of the properties. Factors used to estimate fair value

may include estimates of proved reserves, future commodity prices, future production estimates and a commensurate discount rate. ~~Because estimated undiscounted future cash flows have exceeded the carrying value of~~ Sitio ~~' s~~ **recognized impairment expense of $ 25. 6 million related to its Appalachian Basin** proved properties **during** ~~to date, it has not been necessary for Sitio to estimate~~ the **year ended December 31** ~~fair value of its properties under GAAP for successful efforts accounting. As a result~~ , **2023** ~~Sitio has not recorded any impairment expenses associated with its proved properties~~ . ~~While~~ Sitio did not record any impairment during the years ended December 31, 2022 or 2021 ~~, for the year ended December 31, 2020, Sitio recorded an impairment charge of $ 812, 000 in connection with capitalized acquisition costs for a prospective mineral interest acquisition that it did not complete~~ . The risk that Sitio will be required to recognize impairments of its crude oil, natural gas and ~~NGL~~ **NGLs** properties increases during periods of low commodity prices. In addition, impairments would occur if Sitio were to experience sufficient downward adjustments to its estimated proved reserves or the present value of estimated future net revenues. With respect to estimated unproved reserves, impairments could occur if operators do not drill or sufficiently develop ~~our~~ **Sitio' s** acreage. An impairment recognized in one period may not be reversed in a subsequent period. Sitio may incur **additional** impairment charges in the future, which could materially adversely affect its results of operations for the periods in which such charges are taken. The unavailability, high cost or shortages of rigs, oilfield services, equipment, raw materials, supplies or personnel may restrict or result in increased costs for E & P operators related to developing and operating Sitio' s properties. The crude oil and natural gas industry is cyclical, which can result in shortages of drilling rigs, equipment, raw materials (particularly water and sand and other proppants), supplies and personnel. When shortages occur, the costs and delivery times of rigs, equipment and supplies increase and demand for, and wage rates of, qualified drilling rig crews also rise with increases in demand. Sitio cannot predict whether these conditions will exist in the future and, if so, what their timing and duration will be. In accordance with customary industry practice, Sitio' s E & P operators rely on independent third- party service providers to provide many of the services and equipment necessary to drill new wells. If Sitio' s E & P operators are unable to secure a sufficient number of drilling rigs at reasonable costs, Sitio' s financial condition and results of operations could suffer. In addition, they may not have long term contracts securing the use of their rigs, and the operator of those rigs may choose to cease providing services to them. Shortages of drilling rigs, equipment, raw materials, supplies, personnel, trucking services, tubulars, hydraulic fracturing and completion services and production equipment could delay or restrict Sitio' s E & P operators' exploration and development operations, which in turn could have a material adverse effect on Sitio' s financial condition, results of operations and cash flows. The marketability of crude oil, natural gas and NGL production is dependent upon transportation and processing and refining facilities, which neither Sitio nor many of its E & P operators control. Any limitation in the availability of those facilities could interfere with Sitio' s ~~or its~~ E & P operators' ability to market Sitio' s or its E & P operators' production and could harm Sitio' s business. The marketability of Sitio' s or its E & P operators' production depends in part on the operation, availability, proximity, capacity and, in some cases, expansion of gathering and transportation facilities, tanker trucks and other transportation methods, and processing and refining facilities owned by third parties. Neither Sitio nor its E & P operators control these third- party facilities and Sitio' s E & P operators' access to them may be limited or denied. Insufficient production from the wells on Sitio' s acreage or a significant disruption in the availability of third- party gathering and transportation facilities or other production facilities could adversely impact Sitio' s E & P operators' ability to deliver, ~~to~~ market or produce oil and natural gas and thereby cause a significant interruption in Sitio' s operators' operations. If they are unable, for any sustained period, to implement acceptable delivery or transportation arrangements or encounter production related difficulties, they may be required to shut in or curtail production. In addition, the amount of crude oil that can be produced and sold is subject to curtailment in certain other circumstances outside of Sitio' s or its operators' control, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage or lack of available capacity on these systems, tanker truck availability and extreme weather conditions. Also, production from Sitio' s wells may be insufficient to support the construction of pipeline facilities, and the shipment of Sitio' s or its E & P operators' crude oil, natural gas and NGLs on third- party pipelines may be curtailed or delayed if it does not meet the quality specifications of the pipeline owners. The curtailments arising from these and similar circumstances may last from a few days to several months. In many cases, Sitio and its E & P operators are provided only with limited, if any, notice as to when these circumstances will arise and their duration. Any shut in or significant curtailment in gathering system or transportation, processing or refining- facility capacity, or an inability to obtain favorable terms for delivery of the crude oil and natural gas produced from Sitio' s acreage, could reduce Sitio' s ~~or its~~ E & P operators' ability to market the production from Sitio' s properties and have a material adverse effect on Sitio' s financial condition, results of operations and cash flows. Sitio' s ~~or its~~ E & P operators' access to transportation options and the prices Sitio or its E & P operators receive can also be affected by federal and state regulation — including regulation of crude oil, natural gas and ~~NGL~~ **NGLs** production, transportation and pipeline safety — as well by general economic conditions and changes in supply and demand. In addition, the third parties on whom Sitio or its E & P operators rely for transportation services are subject to complex federal, state, tribal and local laws that could adversely affect the cost, manner or feasibility of conducting Sitio' s business. Drilling for and producing crude oil, natural gas and NGLs are high- risk activities with many uncertainties that may materially adversely affect Sitio' s business, financial condition, results of operations and cash flows. The drilling activities of the E & P operators of Sitio' s properties will be subject to many risks. For example, Sitio will not be able to assure you that wells drilled by the E & P operators of its properties will be productive. Drilling for crude oil, natural gas and NGLs often involves unprofitable efforts, not only from dry wells but also from wells that are productive but do not produce sufficient crude oil, natural gas or NGLs to return a profit at then realized prices after deducting drilling, operating and other costs. The seismic data and other technologies used do not provide conclusive knowledge prior to drilling a well that crude oil, natural gas or NGLs are present or that a well can be produced economically. The costs of exploration, exploitation and development activities are subject to numerous uncertainties beyond Sitio' s control and increases in those costs can adversely affect the economics of a project. Further, Sitio' s E & P operators' drilling and producing operations may be

curtailed, delayed, canceled or otherwise negatively impacted as a result of other factors, including: • unusual or unexpected geological formations; • loss of drilling fluid circulation; • title problems; • facility or equipment malfunctions; • unexpected operational events; • shortages or delivery delays of equipment and services; • compliance with environmental and other governmental requirements; and • adverse weather conditions, such as the winter storms in February 2021 ~~and~~ **,** December 2022 **, and January 2024** that adversely affected operator activity and production volumes in the ~~southern~~ United States, including in the Delaware **and Williston** ~~Basin~~ **Basins** . Any of these risks can cause substantial losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination or loss of wells and other regulatory penalties. In the event that planned operations, including the drilling of development wells, are delayed or canceled, or existing wells or development wells have lower than anticipated production due to one or more of the factors above or for any other reason, Sitio' s financial condition, results of operations and cash flows may be materially adversely affected. Competition in the crude oil and natural gas industry is intense, which may adversely affect Sitio' s and its E & P operators' ability to succeed. The crude oil and natural gas industry is intensely competitive, and the E & P operators of Sitio' s properties compete with other companies that may have greater resources. Many of these companies explore for and produce crude oil, natural gas and NGLs, carry on midstream and refining operations, and market petroleum and other products on a regional, national or worldwide basis. In addition, these companies may have a greater ability to continue exploration activities during periods of low crude oil, natural gas and NGL market prices. Sitio' s E & P operators' larger competitors may be able to absorb the burden of present and future federal, state, local and other laws and regulations more easily than Sitio' s E & P operators can, which would adversely affect Sitio' s E & P operators' competitive position. Sitio' s E & P operators may have fewer financial and human resources than many companies in Sitio' s E & P operators' industry and may be at a disadvantage in bidding for exploratory prospects and producing crude oil and natural gas properties. Furthermore, the crude oil and natural gas industry has experienced **significant** consolidation among some operators, which has resulted in certain instances of combined companies with larger resources. Such combined companies may compete against Sitio' s E & P operators or, in the case of consolidation among Sitio' s E & P operators, may choose to focus their operations on areas outside of Sitio' s properties. In addition, Sitio' s ability to acquire additional properties and to discover reserves in the future will be dependent upon its ability to evaluate and select suitable properties and to consummate ~~transaction~~ **transactions** in a highly competitive environment. Risks Related to Environmental and Regulatory Matters The **IRA** ~~Inflation Reduction Act of~~ 2022 could accelerate the transition to a low carbon economy and will impose, separately, new costs on the operations of Sitio' s E & P operators. On August 16, 2022, President Biden signed the IRA 2022 into law pursuant to the budget reconciliation process. The IRA 2022 contains hundreds of billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and carbon capture and sequestration, among other provisions. These incentives could further accelerate the transition of the U. S. economy away from the use of fossil fuels towards lower- or zero-carbon emissions alternatives, which could decrease demand for oil and gas and consequently materially and adversely affect Sitio' s business. In addition, the IRA 2022 imposes the first ever federal fee on the emission of GHGs through a methane emissions charge. The IRA 2022 amends the federal **CAA** ~~Clean Air Act~~ to impose a fee on the emission of methane from sources required to report their GHG emissions to the EPA, including those sources in the onshore petroleum and natural gas production and gathering and boosting source categories. The methane emissions charge ~~will start~~ **started** ~~in~~ calendar year 2024 at $ 900 per ton of methane, ~~increase~~ **increases** to $ 1, 200 in 2025, and **will** be set at $ 1, 500 for 2026 and each year thereafter. Calculation of the fee is based on certain thresholds established in the IRA 2022. The methane emissions charge could increase the operating costs of Sitio' s E & P operators and adversely affect Sitio' s business **. However, compliance with the EPA' s new methane rules may exempt an otherwise covered facility from the requirement to pay the methane emissions charge** . Crude oil, natural gas and NGL operations are subject to various governmental laws and regulations. Compliance with these laws and regulations can be burdensome and expensive for Sitio' s E & P operators, and failure to comply could result in its E & P operators incurring significant liabilities, either of which may impact its E & P operators' willingness to develop Sitio' s interests. Sitio' s E & P operators' activities on the properties in which Sitio holds interests are subject to various federal, state and local governmental regulations that may change from time to time in response to economic and political conditions. Matters subject to regulation include drilling operations, production and distribution activities, discharges or releases of pollutants or wastes, plugging and abandonment of wells, maintenance and decommissioning of other facilities, 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 crude oil and natural gas wells below actual production capacity to conserve supplies of crude oil, natural gas and NGLs. For example, in January 2021, President Biden signed an Executive Order that, among other things, instructed the Secretary of the Interior to pause new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of federal oil and natural gas permitting and leasing practices; however, in June 2021, a federal judge for the U. S. District Court of the Western District of Louisiana issued a nationwide preliminary injunction against the pause of new oil and natural gas leases, an injunction which became permanent in August 2022, effectively halting implementation of the leasing suspension with respect to leases canceled or postponed prior to March 24, 2021. **Since then, federal oil and gas leasing has resumed, although at a reduced level.** In November 2021, the Department of the Interior issued a report recommending various changes to the federal leasing program, and though many such changes would require Congressional action, some recommendations, including royalty rate increases and significant decreases in total offered acreage, have been adopted in recent lease sales. The **IRA** ~~Inflation Reduction Act of~~ 2022 also incorporated royalty rate increases, raising onshore royalty rates to 16 ⅔ %. **In July 2023, the Department of the Interior released a proposed rule revising certain fiscal terms on its onshore federal oil and gas leasing program, to include bonding requirements, royalty rates, minimum bids, and codification of provisions made in the IRA 2022. A final rule is expected in the second quarter of 2024.** Substantially all of Sitio' s interests are located on private lands, but Sitio cannot predict the full

impact of these developments or whether the Biden ~~Administration~~ **administration** may pursue further restrictions. President Biden also issued an Executive Order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions during the prior administration that may be inconsistent with the current administration' s policies. For example, in October 2021, the EPA announced ~~that~~ it ~~is~~ **was** reconsidering its 2020 decision to maintain the 2015 National Ambient Air Quality Standards **(" NAAQS ")** for ground- level ozone ~~and is targeting to complete its reconsideration by the end of 2023~~ . A draft assessment released in April 2022 ~~indicates~~ **indicated** EPA staff ~~have~~ **had** reached a preliminary conclusion that the December 2020 decision ~~will~~ **would** stand, ~~but uncertainty remains until~~ **however, in August 2023, the EPA announced** a ~~final~~ **new review of the ozone NAAQS to reflect updated ozone science in combination with the reconsideration of the December 2020** decision **. The EPA** is ~~reached~~ **expected to release its Integrated Review Plan in the fall of 2024** . State implementation of the **new,** revised standards could, among other things, require installation of new emission controls on some of Sitio' s operators' equipment, result in longer permitting timelines, and significantly increase the capital expenditures and operating costs of Sitio' s E & P operators. Further actions of President Biden, and the Biden ~~Administration~~ **administration** , including actions focused on addressing climate change, may negatively impact oil and gas operations and favor renewable energy projects in the United States, which may negatively impact the demand for oil and natural gas. In addition, the production, handling, storage and transportation of crude oil, natural gas and NGLs, as well as the remediation, emission and disposal of crude oil, natural gas and NGL wastes, by- products thereof and other substances and materials produced or used in connection with crude oil, natural gas and NGL operations are subject to regulation under federal, state and local laws and regulations primarily relating to protection of worker health and safety, natural resources and the environment. Failure to comply with these laws and regulations may result in the assessment of sanctions on Sitio' s E & P operators, including administrative, civil or criminal penalties, permit revocations, requirements for additional pollution controls and injunctions limiting or prohibiting some or all of Sitio' s E & P operators' operations on Sitio' s properties. Moreover, these laws and regulations have generally imposed increasingly strict requirements related to water use and disposal, air pollution control, species protection, and waste management, among other matters. Laws and regulations governing E & P may also affect production levels. Sitio' s E & P operators must comply with federal and state laws and regulations governing conservation matters, including, but not limited to: • provisions related to the unitization or pooling of the crude oil and natural gas properties; • the establishment of maximum rates of production from wells; • the spacing of wells; • the plugging and abandonment of wells; and • the removal of related production equipment. Additionally, federal and state regulatory authorities may expand or alter applicable pipeline- safety laws and regulations, compliance with which may require increased capital costs for third- party crude oil, natural gas and NGL transporters. These transporters may attempt to pass on such costs to Sitio' s E & P operators, which in turn could affect profitability on the properties in which Sitio owns mineral and royalty interests. Sitio' s E & P operators must also comply with laws and regulations prohibiting fraud and market manipulations in energy markets. To the extent the E & P operators of Sitio' s properties are shippers on interstate pipelines, they must comply with the tariffs of those pipelines and with federal policies related to the use of interstate capacity. Sitio' s E & P operators may be required to make significant expenditures to comply with the governmental laws and regulations described above and may be subject to potential fines and penalties if they are found to have violated these laws and regulations. Sitio believes the trend of more expansive and stricter environmental legislation and regulations will continue. Please read " Business — Regulation " for a description of the laws and regulations that affect Sitio' s E & P operators and that may affect Sitio. These and other potential regulations could increase the operating costs of Sitio' s E & P operators and delay production and may ultimately impact Sitio' s E & P operators' ability and willingness to develop Sitio' s properties. Federal and state legislative and regulatory initiatives relating to hydraulic fracturing could cause Sitio' s E & P operators to incur increased costs, additional operating restrictions or delays and have fewer potential drilling locations. Sitio' s E & P operators engage in hydraulic fracturing. Hydraulic fracturing is a common practice that is used to stimulate production of hydrocarbons from tight formations, including shales. The process involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production. Currently, hydraulic fracturing is generally exempt from regulation under the Underground Injection Control program of the SDWA and is typically regulated by state oil and gas commissions or similar agencies. However, several federal agencies have asserted regulatory authority over certain aspects of the process. For example, in June 2016, the EPA published an effluent limit guideline final rule prohibiting the discharge of wastewater from onshore unconventional oil and gas extraction facilities to publicly owned wastewater treatment plants. The EPA is also conducting a study, which began in 2018, of private wastewater treatment facilities (also known as centralized waste treatment (" CWT ") facilities) accepting oil and natural gas extraction wastewater. The EPA is collecting data and information related to the extent to which CWT facilities accept such wastewater, available treatment technologies (and their associated costs), discharge characteristics, financial characteristics of CWT facilities, and the environmental impacts of discharges from CWT facilities. Other government agencies, including the U. S. Department of Energy, the **USGS** ~~U. S. Geological Survey~~ , and the U. S. Government Accountability Office, have evaluated or are evaluating various aspects of hydraulic fracturing. These ongoing or proposed studies could spur initiatives to further regulate hydraulic fracturing and ultimately make it more difficult or costly for Sitio' s E & P operators to perform fracturing activities. Also, from time to time, legislation has been introduced, but not enacted, in the U. S. Congress to provide for federal regulation of hydraulic fracturing and to require disclosure of the chemicals used in the hydraulic fracturing process. This or other federal legislation related to hydraulic fracturing may be considered again in the future, though Sitio cannot predict the extent of any such legislation at this time. Moreover, some states and local governments have adopted, and other governmental entities are considering adopting, regulations that could impose more stringent permitting, disclosure and well- construction requirements on hydraulic fracturing operations, including states in which Sitio' s properties are located. For example, Texas, Colorado and North Dakota, among others, have adopted regulations that impose new or more stringent permitting, disclosure, disposal and well construction requirements on hydraulic fracturing

operations. In April 2019, Colorado adopted Senate Bill 19- 181, which made sweeping changes in Colorado oil and gas law, including among other matters, requiring the COGCC to prioritize public health and environmental concerns in its decisions, instructing the COGCC to adopt rules to minimize emissions of methane and other air contaminants, and delegating considerable new authority to local governments to regulate surface impacts. In keeping with SB 19- 181, the COGCC in November 2020 adopted revisions to several regulations to increase protections for public health, safety, welfare, wildlife, and environmental resources. Most significantly, these revisions established more stringent setbacks (2, 000 feet, instead of the prior 500- foot) on new oil and gas development and eliminated routine flaring and venting of natural gas at new or existing wells across the state, each subject to only limited exceptions. Some local communities have adopted, or are considering adopting, further restrictions for oil and gas activities, such as requiring greater setbacks. States could also elect to prohibit high volume hydraulic fracturing altogether. In addition to state laws, local land use restrictions, such as city ordinances, may restrict drilling in general and / or hydraulic fracturing in particular. Additionally, on December 17, 2021, the Colorado Air Quality Control Commission adopted regulations aimed at curbing methane emissions from oil and gas operations to include setting methane emission limits per 1, 000 BOE produced, more frequent inspections and limits on emissions during maintenance. Increased regulation and attention given to the hydraulic fracturing process, including the disposal of produced water gathered from drilling and production activities, could lead to greater opposition to, and litigation concerning, crude oil, natural gas and NGL production activities using hydraulic fracturing techniques in areas where Sitio owns mineral and royalty interests. Additional legislation or regulation could also lead to operational delays or increased operating costs for Sitio' s E & P operators in the production of crude oil, natural gas and NGLs, including from the development of shale plays, or could make it more difficult for Sitio' s E & P operators to perform hydraulic fracturing. The adoption of any federal, state or local laws or the implementation of regulations regarding hydraulic fracturing could potentially cause a decrease in Sitio' s E & P operators' completion of new crude oil and natural gas wells on Sitio' s properties and an associated decrease in the production attributable to Sitio' s interests, which could have a material adverse effect on Sitio' s business, financial condition and results of operations. Conservation measures, technological advances and increasing attention to ESG matters could materially reduce demand for crude oil, natural gas and NGLs, availability of capital and adversely affect Sitio' s results of operations. Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to crude oil, natural gas and NGLs, technological advances in fuel economy and energy- generation devices, and passage of ~~incentive~~ **incentives** or funding for renewable energy projects such as those contained in the IRA 2022 could reduce demand for crude oil, natural gas and NGLs. The impact of the changing demand for crude oil, natural gas and NGL services and products may have a material adverse effect on Sitio' s business, financial condition, results of operations and cash flows. It is also possible that the concerns about the production and use of fossil fuels will reduce the sources of financing available to Sitio. For example, certain segments of the investor community have developed negative sentiment towards investing in the oil and gas industry. Historical equity returns in the sector versus other industry sectors have led to lower oil and gas representation in certain key equity market indices. While these trends began to reverse in 2022, oil and gas representation in certain key equity market indices remains below its historical peak. In addition, some investors, including investment advisors and certain sovereign wealth ~~,~~ **and** pension funds, university endowments and family foundations, have stated policies to reduce or eliminate their investments in the oil and gas sector based on their social and environmental considerations. Furthermore, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. For further information, see ~~our~~ **the** risk factor entitled " Increased attention to ESG matters and conservation measures may adversely impact Sitio' s business or the business of its operators. " Certain other stakeholders have also pressured commercial and investment banks to stop financing oil and gas and related infrastructure projects. If this negative sentiment continues, it may reduce the availability of capital funding for potential development projects, which could have a material adverse effect on Sitio' s business, financial condition, results of operations and cash flows. Legislation or regulatory initiatives intended to address seismic activity could restrict Sitio' s E & P operators' drilling and production activities, as well as Sitio' s operators' ability to dispose of produced water gathered from such activities, which could have a material adverse effect on their future business, which in turn could have a material adverse effect on Sitio' s business. State and federal regulatory agencies have recently focused on a possible connection between hydraulic fracturing related activities, particularly the underground injection of wastewater into disposal wells, and the increased occurrence of seismic activity, and regulatory agencies at all levels are continuing to study the possible linkage between oil and gas activity and induced seismicity. For example, in 2015, the USGS identified eight states, including **Colorado,** New Mexico, ~~Oklahoma~~ and Texas, with areas of increased rates of induced seismicity that could be attributed to fluid injection or oil and gas extraction. In addition, a number of lawsuits have been filed **,** alleging that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. In response to these concerns, regulators in some states are seeking to impose additional requirements, including requirements in the permitting of produced water disposal wells or otherwise to assess the relationship between seismicity and the use of such ~~wells. For example, the Texas Railroad Commission has previously published a rule governing permitting or re- permitting of disposal wells that would require, among other things, the submission of information on seismic events occurring within a specified radius of the disposal well location, as well as logs, geologic cross sections and structure maps relating to the disposal area in question. If the permittee or an applicant of a disposal well permit fails to demonstrate that the produced water or other fluids are confined to the disposal zone or if scientific data indicates such a disposal well is likely to be or determined to be contributing to seismic activity, then the agency may deny, modify, suspend or terminate the permit application or existing operating permit for that well. The Texas Railroad Commission has used this authority to deny permits for waste disposal~~ wells. In some instances, regulators may also order that disposal wells be shut in. **For example** ~~In late 2021~~, the Texas Railroad Commission ~~issued~~ **has previously published** a ~~notice to operators~~ **rule governing permitting or re- permitting** of disposal wells ~~in~~ **that would require, among** ~~the~~ **other** ~~Midland area to reduce saltwater~~ **things, the submission**

of information on seismic events occurring within a specified radius of the disposal well **location, as well as logs, geologic cross** ~~actions~~ **sections** and ~~provide certain data~~ **structure maps relating** to the ~~commission~~ **disposal area in question** . **The** ~~In December 2021, the~~ Texas Railroad Commission ~~suspended all disposal well~~ **has used this authority to deny** permits ~~to inject oil and gas waste within the boundaries of the Gardendale Seismic Response Area. Relatedly, in March 2022, the Texas Railroad Commission began implementation of its Northern Culberson- Reeves Seismic Response Area Plan to address injection- induced seismicity with the goal to eliminate 3. 5 magnitude or~~ **for** greater earthquakes no later than December 31...... otherwise violated state and federal rules regulating waste disposal ~~. In response to these concerns, regulators in some states are seeking to impose additional requirements, including requirements in the permitting of produced water disposal wells or otherwise to assess the relationship between seismicity and the use of such~~ wells. In some instances, regulators may also order that disposal wells be shut in. ~~Relatedly,in March 2022,the Texas Railroad Commission began implementation of its Northern Culberson- Reeves Seismic Response Area Plan to address injection- induced seismicity with the goal to eliminate 3.5 magnitude or~~ greater earthquakes no later than December 31,2023.Separately,in November 2021,New Mexico implemented protocols requiring operators to take various actions within a specified proximity of certain seismic activity,including a requirement to limit injection rates if a seismic event is of a certain magnitude.As a result of these developments,Sitio' s operators may be required to curtail operations or adjust development plans,which may adversely impact Sitio' **s business.In addition,a number of lawsuits have been filed,most recently in Oklahoma,alleging that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating** Sitio' s E & P operators will likely dispose of large volumes of produced water gathered from their drilling and production operations by injecting it into wells pursuant to permits issued by governmental authorities overseeing such disposal activities. While these permits will be issued pursuant to existing laws and regulations, these legal requirements are subject to change, which could result in the imposition of more stringent operating constraints or new monitoring and reporting requirements, owing to, among other things, concerns of the public or governmental authorities regarding such gathering or disposal activities. The adoption and implementation of any new laws or regulations that restrict Sitio' s E & P operators' ability to use hydraulic fracturing or dispose of produced water gathered from drilling and production activities by limiting volumes, disposal rates, disposal well locations or otherwise, or requiring them to shut down disposal wells, could have a material adverse effect on Sitio' s business, financial condition and results of operations. As a result of judicial interpretation of the Relinquishment Act, certain of Sitio' s surface rights entitle it to receive a fixed, lease operating expense and capital cost- free percentage of any oil and natural gas produced from reserves underlying the property. If the Relinquishment Act were to be amended or repealed or Sitio was subject to an unfavorable ruling under the Relinquishment Act, Sitio may no longer be able to derive additional rights to production from its ownership of surface rights, which may have a material adverse effect on its results of operations and cash flows. Under the Relinquishment Act of 1919, as amended (the " Relinquishment Act "), the State of Texas owns mineral rights in certain lands. As a result of judicial interpretation of the Relinquishment Act, the surface owner of such lands may act as an agent for the state in negotiating and executing mineral leases, and, if the state approves the lease terms, the applicable surface owner receives an interest in the resulting royalty interest. Approximately 5 **. 5** % of Sitio' s NRAs as of December 31, ~~2022~~ **2023** were from the rights it received in this manner. However, if the Relinquishment Act were to be amended or repealed or if Sitio were subject to an unfavorable ruling under the Relinquishment Act, Sitio may no longer be able to derive revenue from the corresponding mineral rights, which may have a material adverse effect on its results of operations and cash flows. Restrictions on the ability of Sitio' s E & P operators to obtain water may have an adverse effect on Sitio' s financial condition, results of operations and cash flows. Water is an essential component of crude oil, natural gas and NGL production during both the drilling and hydraulic fracturing processes. Over the past several years, parts of the country, and in particular Texas, have experienced extreme drought conditions. As a result of this severe drought, some local water districts have begun restricting the use of water subject to their jurisdiction for hydraulic fracturing to protect local water supply. Such conditions may be exacerbated by climate change. If Sitio' s E & P operators are unable to obtain water to use in their operations from local sources, or if Sitio' s E & P operators are unable to effectively utilize flowback water, they may be unable to economically drill for or produce crude oil, natural gas and NGLs from Sitio' s properties, which could have an adverse effect on Sitio' s financial condition, results of operations and cash flows. Sitio' s operations, and those of its E & P operators, are subject to a series of risks arising from climate change, which could result in increased operating costs, limit the areas in which natural gas, oil and NGLs production may occur, and reduce demand for the natural gas, oil and NGLs Sitio' s E & P operators produce. Climate change continues to attract considerable public and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of carbon dioxide, methane and other GHGs **and mitigate the effects of climate change** . These efforts have included consideration of cap- and- trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. In the United States, no comprehensive climate change legislation has been implemented at the federal level, though the IRA 2022 advances numerous climate- related objectives. However, President Biden has highlighted addressing climate change as a priority of his administration and has issued several Executive Orders to that effect. Moreover, following the U. S. Supreme Court finding that GHG emissions constitute a pollutant under the CAA, the EPA has adopted regulations 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 in the United States, and together with the ~~U. S. Department of Transportation (the "~~ DOT ~~")~~ , ~~implementing~~ --- **implement** GHG emissions limits on vehicles manufactured for operation in the United States. The regulation of methane from oil and gas facilities has been subject to uncertainty in recent years. In **response** ~~September 2020, the Trump Administration revised prior regulations~~ to ~~rescind certain methane standards and remove the transmission and storage segments from the source category for certain regulations. However, subsequently, the U. S. Congress approved, and~~ President Biden **' s executive order calling on** ~~signed into law, a~~

~~resolution under~~ the **EPA** ~~Congressional Review Act (“ CRA ”)~~ to ~~repeal certain provisions of the September 2020 revisions~~ **revisit** ~~to the~~ **federal regulations regarding** methane ~~standards, effectively reinstating the prior standards. Additionally, in November 2021~~ , the EPA ~~issued a proposed rule that, if~~ finalized ~~, would make existing regulations~~ more stringent **methane rules** ~~, expand emission reduction requirements~~ for new, modified ~~,~~ and reconstructed ~~oil~~ **facilities, known as OOOOb, as well as standards for existing sources, known as OOOOc, in December 2023. Under the final rules, states have two years to prepare** and **submit their plans to impose methane emissions controls on existing sources. The presumptive standards established under the final rule are generally the same for both new and existing sources and include enhanced leak detection survey requirements using optical** gas **imaging** ~~emission sources,~~ and ~~require states~~ **other advanced monitoring** to ~~develop plans~~ **encourage the deployment of innovative technologies** to **detect and** reduce methane emissions ~~from existing sources. In November 2022~~ , **reduction of** ~~the EPA published a supplemental methane proposal which, among other items, sets forth specific revisions~~ - **emissions** ~~strengthening the first nationwide~~ **by 95 % through capture and control systems, zero-** emission ~~guidelines for states to limit methane emissions from existing crude oil and natural gas facilities. The proposal also revises~~ requirements for ~~fugitive emissions monitoring~~ **certain devices, and the establishment of a “ super emitter ” investigation** and repair **requirements. It is likely, however, that the final rule and its requirements will be subject to legal challenges. The new rules could adversely affect operations and, failure to comply, could result in the imposition of substantial fines and penalties,** as well as ~~equipment leaks and the frequency of monitoring surveys and establishes a “ super-emitter ” response program to timely mitigate emissions events. The proposal is currently subject to public comment and is expected to be finalized in 2023; however, it is likely that it will be subject to legal challenges. The scope of any final methane regulatory requirements or the cost~~ **costly injunctive relief** ~~to comply with such requirements cannot be predicted at this time. However, given the long- term trend toward increasing regulation, future federal GHG regulations of the oil and gas industry remain a significant possibility~~ . At the state level, various states and groups of states have adopted or are considering adopting legislation, regulation or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. For example, New Mexico has adopted regulations to restrict the venting or flaring of methane from both upstream and midstream operations. Additionally, several states, including Pennsylvania and New York, have proceeded with a number of state and regional efforts aimed at tracking and / or reducing GHG emissions by means of cap- and- trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. In April 2022, Pennsylvania finalized regulations establishing a cap- and- trade program under its existing authority to regulate air emissions, enabling Pennsylvania to join the Regional Greenhouse Gas Initiative, a multi- state regional cap- and- trade program comprised of several Eastern U. S. states, including New York and ~~Virginia~~ **Maryland** , among others. And, in December 2022, the New York State Climate Action Council approved a Scoping Plan which, among other items, recommends an economy- wide cap- and- invest program to facilitate emission reduction efforts, to include establishment of an enforceable annual cap on GHG emissions for all sectors which would be reduced every year. In January 2023, the Governor of New York directed the Department of Environmental Conservation and the New York State Energy Research and Development Authority to advance such a cap- and- invest program. **The development of this program is still in the pre- proposal stage.** As a result of these state actions, Sitio’ s E & P operators **that operate** in those areas may experience increased operating costs if they are required to purchase emission allowances in connection with their operations. At the international level, the United Nations- sponsored “ Paris Agreement ” requires member states to submit non- binding, individually- determined reduction goals known as Nationally Determined Contributions every five years after 2020. President Biden has recommitted the United States to the Paris Agreement and, in April 2021, announced a goal of reducing the United States’ emissions ~~by~~ **to** 50- 52 % below 2005 levels by 2030. Additionally, in November 2021, at the COP26 in Glasgow, the United States and the European Union jointly announced the launch of a Global Methane Pledge, an initiative committing to a collective goal of reducing global methane emissions by at least 30 % from 2020 levels by 2030, including “ all feasible reductions ” in the energy sector. COP26 concluded with the finalization of the Glasgow Climate Pact, which stated long- term global goals (including those in the Paris Agreement) to limit the increase in the global average temperature and emphasized reductions in GHG emissions. Various state and local governments have also publicly committed to furthering the goals of the Paris Agreement. ~~At~~ **In December 2023, the United Arab Emirates hosted** ~~COP27~~ **COP28 where parties signed onto an** ~~in Sharm El- Sheik in November 2022, countries reiterated the agreements~~ - **agreement to transition “ away** from ~~COP26 and were called upon to accelerate efforts toward the phase out of inefficient fossil fuel subsidies. The United States also announced, in conjunction with the European Union and other partner countries, that it would develop standards for monitoring and reporting methane emissions to help create a market for low methane- intensity natural gas. Although no firm commitment or timeline to phase out or phase down all~~ fossil fuels **in energy systems in a just, orderly, and equitable manner ” and increase renewable energy capacity so** ~~was~~ - **as** ~~made at COP27~~ **to achieve net zero by 2050** , **although** ~~there can be~~ no **timeline for doing so we set** ~~guarantees that countries will not seek to implement such a phase out in the future~~ . The full impact of these **various orders, pledges, agreements and** actions, and any legislation or regulation promulgated to fulfill the United States’ commitments thereunder, is uncertain at this time, and it is unclear what additional initiatives may be adopted or implemented that may have adverse effects upon Sitio’ s operations and those of its operators. On January 27, 2021, President Biden issued an Executive Order that calls for substantial action on climate change, including, among other things, the increased use of zero- emission vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, and increased emphasis on climate- related risks across government agencies and economic sectors. The Biden ~~Administration~~ **administration** has also called for restrictions on leasing on federal land and in November 2021, the Department of the Interior released a comprehensive report on the federal leasing program, which stated an intent to modernize the federal oil and gas leasing program and resulted in a reduction in the volume of onshore land available for lease and an increased royalty rate. Substantially all of Sitio’ s interests are located on private lands, but Sitio

cannot predict the full impact of these developments or whether the Biden ~~Administration~~ **administration** may pursue further restrictions. Other actions that could be pursued by the Biden ~~Administration~~ **administration** may include the imposition of more restrictive requirements for the establishment of pipeline infrastructure or the permitting of ~~liquefied natural gas ("~~ LNG ~~")~~ export facilities, as well as more restrictive GHG emission limitations for oil and gas facilities **. For example, on January 26, 2024, President Biden announced a temporary pause on pending decisions on new exports of LNG to countries that the United States does not have free trade agreements with pending Department of Energy review of the underlying analysis for authorizations. The pause is intended to provide time to integrate certain considerations, including potential energy cost increases for consumers and manufacturers and the latest assessment of the impact of GHG emissions, to ensure adequate guards against health risks are in place** . Litigation risks are also increasing as a number of entities have sought to bring suit against various oil and natural gas companies in state or federal court, alleging among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts. Should Sitio be targeted by any such litigation, it may incur liability, which, to the extent that societal pressures or political or other factors are involved, could be imposed without regard to causation or contribution to the asserted damage, or to other mitigating factors. An unfavorable ruling in any such case could significantly impact Sitio' s operations and could have an adverse impact on Sitio' s financial condition. There are also increasing financial risks for fossil fuel producers as shareholders currently invested in fossil- fuel energy companies may elect in the future to shift some or all of their investments into non- fossil fuel related sectors. Institutional lenders who provide financing to fossil fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. ~~In late~~ **For example, in October** ~~2020~~ **2023** , the Federal Reserve ~~announced that it had joined the Network for Greening the Financial System~~ , **Office** ~~a consortium~~ of **the Comptroller of the Currency and the Federal Deposit Insurance Corp. released a finalized set of principles guiding** financial ~~regulators focused~~ **institutions with $ 100 billion or more in assets** on ~~addressing climate- related risks in~~ the ~~financial sector, and, in September 2022, announced that six of the U. S.' largest banks would participate in a pilot climate scenario analysis exercise to enhance the ability of firms and supervisors to measure and manage~~ **management** ~~climate- related financial risks. The Federal Reserve released its pilot exercise in January 2023 which is designed to analyze the impact~~ of ~~both~~ physical and transition risks ~~related to~~ **associated with** climate change ~~on specific assets of the banks' portfolios~~ . Although the effects of ~~these~~ **any such** actions **as this** cannot be fully predicted at this time, any limitation of investments in and financing for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. Additionally, on March 21, 2022, the SEC issued a proposed rule regarding the enhancement and standardization of mandatory climate- related disclosures for investors. The proposed rule would require registrants to include certain climate- related disclosures in their registration statements and periodic reports, including, but not limited to, information about the registrant' s governance of climate- related risks and relevant risk management processes; climate- related risks that are reasonably likely to have a material impact on the registrant' s business, results of operations, or financial condition and their actual and likely climate- related impacts on the registrant' s business strategy, model, and outlook; climate- related targets, goals and transition plan (if any); certain climate- related financial statement metrics in a note to their audited financial statements; Scope 1 and Scope 2 GHG emissions; and Scope 3 GHG emissions and intensity, if material or if the registrant has set a GHG emissions reduction target or goal that includes Scope 3 **GHG** emissions. If the proposed rule is adopted in its current form, an attestation report from an independent GHG emissions attestation provider will be required to cover Scope 1 and 2 GHG emissions metrics for large accelerated and accelerated filers after the first disclosure year. Additionally, the proposed rule would provide a safe harbor for liability for Scope 3 GHG emissions disclosure and an exemption from the Scope 3 GHG emissions disclosure requirement for smaller reporting companies. ~~A final rule is anticipated to be released in the second quarter of 2023.~~ Although the final form and substance of these requirements is not yet known and the ultimate scope and impact on Sitio' s business is uncertain, compliance with the proposed rule, if finalized, may result in additional legal, accounting and financial compliance costs, make some activities more difficult, time- consuming and costly, and place strain on Sitio' s personnel, systems and resources. The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate ~~the~~ GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for oil and natural gas, which could reduce the profitability of Sitio' s interests. Additionally, political, litigation and financial risks may result in Sitio' s E & P operators restricting or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce the profitability of its interests. One or more of these developments could have a material adverse effect on Sitio' s business, financial condition and results of ~~operation~~ **operations** . Climate change may also 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 Sitio' s operations, as well as those of its operators and their supply chains. Such physical risks may result in damage to operators' facilities or otherwise adversely impact their operations, such as if they become subject to water use curtailments in response to drought, or demand for their products, such as to the extent warmer winters reduce the demand for energy for heating purposes, which may adversely impact the production or attractiveness of Sitio' s interests. Increasing attention to climate change, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary ESG disclosures, and consumer demand for alternative forms of energy may result in increased costs, reduced demand for Sitio' s operators' products (and thus in Sitio' s mineral interests), reduced profits, and increased investigations and litigation. Increasing attention

to climate change and environmental conservation, for example, may result in demand shifts for oil and natural gas products and additional governmental investigations and private litigation against Sitio or its operators. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to Sitio' s causation of, or contribution to, the asserted damage, or to other mitigating factors. Moreover, while Sitio may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Additionally, voluntary disclosures regarding ESG matters, as well as any ESG disclosures mandated by law, could result in private litigation or government investigation or enforcement action regarding the sufficiency or validity of such disclosures. In addition, failure or a perception (whether or not valid) of failure to implement ESG strategies or achieve ESG goals or commitments, including any GHG reduction or neutralization goals or commitments, could result in private litigation and damage Sitio' s reputation, cause Sitio' s investors or ~~consumers~~ **other stakeholders** to lose confidence in Sitio, or otherwise negatively impact its operations. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with energy- related assets could lead to increased negative investor sentiment toward Sitio and its industry and to the diversion of investment to other industries, which could have a negative impact on Sitio' s or its operators' access to and costs of capital. Also, institutional lenders may, on their own accord, decide not to provide funding for fossil fuel energy companies based on climate change related concerns, which could affect Sitio' s or its operators' access to capital for potential growth projects. Similarly, insurers may decide not to provide insurance for fossil fuel energy companies, which could impact the price Sitio or its operators must pay for appropriate insurance. Additionally, to the extent ESG matters negatively impact Sitio' s or its operators' reputation, Sitio or its operators may not be able to compete as effectively to recruit or retain employees, which may adversely affect Sitio' s or its operators' operations. ESG matters may also impact Sitio' s or its operators' suppliers and customers, which may ultimately have adverse impacts on Sitio' s or its operators' operations. Furthermore, public statements with respect to ESG matters, such as emissions reduction goals, other environmental targets, or other commitments addressing certain social **or governance** issues, are becoming increasingly subject to heightened scrutiny from public and governmental authorities related to the risk of potential " greenwashing, " i. e., misleading information or false claims overstating potential ESG benefits. For example, in March 2021, the SEC established the Climate and ESG Task Force in the Division of Enforcement to identify and address potential ESG- related misconduct, including greenwashing. Certain non- governmental organizations and other private actors have also filed lawsuits under various securities and consumer protection laws alleging that certain ESG- statements, goals, or standards were misleading, false, or otherwise deceptive. As a result, ~~we~~ **Sitio** may face increased litigation risks from private parties and governmental authorities related to ~~our~~ **its** ESG efforts. In addition, any alleged claims of greenwashing against ~~us~~ **Sitio** or others in ~~our~~ **its** industry may lead to further negative sentiment and diversion of investments. Additionally, ~~we~~ **Sitio** could face increasing costs as ~~we~~ **it** ~~attempt~~ **attempts** to comply with and navigate further regulatory ESG- related focus and scrutiny. Sitio' s or its E & P operators' results of operations may be materially impacted by efforts to transition to a lower- carbon economy. Concerns over the risk of climate change have increased the focus by global, regional, national, state and local regulators on GHG emissions, including carbon dioxide emissions, and on transitioning to a lower- carbon future. A number of countries and states have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, prohibitions on the sales of new automobiles with internal combustion engines, and incentives or mandates for battery- powered automobiles and / or wind, solar or other forms of alternative energy. Compliance with changes in laws, regulations and obligations relating to climate change could result in increased costs of compliance for Sitio' s E & P operators or costs of consuming crude oil, natural gas and NGLs for such products, and thereby reduce demand, which could reduce the profitability of Sitio' s interests. For example, Sitio' s E & P operators may be required to install new emission controls, acquire allowances or pay taxes related to their greenhouse gas emissions, or otherwise incur costs to administer and manage a GHG emissions program. Additionally, Sitio or its operators could incur reputational risk tied to changing customer or community perceptions of its, its E & P operators' or its E & P operators' customers contribution to, or detraction from, the transition to a lower- carbon economy. These changing perceptions could lower demand for oil and gas products, resulting in lower prices and lower revenues as consumers avoid carbon- intensive industries, and could also pressure banks and investment managers to shift investments and reduce lending. Separately, banks and other financial institutions, including investors, may decide to adopt policies that restrict or prohibit investment in, or otherwise funding, Sitio or its operators based on climate change- related concerns, which could affect its or its E & P operators' access to capital for potential growth projects. Approaches to climate change and **the** transition to a lower- carbon economy, including government regulation, company policies, and consumer behavior, are continuously evolving. At this time, Sitio cannot predict how such approaches may develop or otherwise reasonably or reliably estimate their impact on its or its operators' financial condition, results of operations and ability to compete. However, any long- term material adverse effect on the oil and gas industry may adversely affect Sitio' s financial condition, results of operations and cash flows. Additional restrictions on drilling activities intended to protect certain species of wildlife may adversely affect Sitio' s E & P operators' ability to conduct drilling activities. In the United States, the ~~Endangered Species Act (the "~~ ESA ~~")~~ restricts activities that may affect endangered or threatened species or their habitats. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act (the " MBTA "). In August 2019, the ~~United States Fish and Wildlife Services ("~~ FWS ~~")~~ and National Marine Fisheries Service (" NMFS ") issued three

rules amending implementation of the ESA regulations revising, among other things, the process for listing species and designating critical habitat. A coalition of states challenged the three rules and the litigation was stayed after President Biden issued an Executive Order directing the agencies to review the rules. Following this review, the FWS and NMFS requested remand of the final rules without vacatur; however, in July 2022, the United States District Court for the Northern District of California vacated and remanded the three rules. The United States Court of Appeals for the Ninth Circuit later stayed the vacatur, requiring the District Court to reconsider its decision. Subsequent to the decision, the FWS and NMFS informed the District Court that potential revisions to the rules could be completed on or before May 2023 with final revisions to be completed by May 2024. **The FWS and NMFS subsequently issued three proposed rules in June 2023 with the public comment period closing on August 21, 2023.** Separately, on December 18, 2020, the FWS amended its regulations governing critical habitat designations. However, in July 2022, the FWS issued a final rule rescinding these amendments. To the extent species that are listed under the ESA or similar state laws, or are protected under the MBTA, live in the areas where Sitio' s E & P operators operate, Sitio' s E & P operators' abilities to conduct or expand operations could be limited, or Sitio' s E & P operators could be forced to incur material additional costs. Moreover, Sitio' s E & P operators' drilling activities may be delayed, restricted or precluded in protected habitat areas or during certain seasons, such as breeding and nesting seasons. For example, in November 2022, following an extensive review, the FWS listed two distinct population segments of the Lesser Prairie Chicken **under the ESA** . The northern distinct population segment, encompassing southeastern Colorado, southcentral to western Kansas, western Oklahoma, and the northeast Texan Panhandle, is listed as threatened while the southern district population segment, covering eastern New Mexico and the southwest Texas Panhandle, is listed as endangered. Relatedly, in June 2022, FWS approved a habitat conservation plan for the Lesser Prairie Chicken, which allows oil and gas operators to receive an " incidental take " permit in exchange for purchasing credits from a conservation bank and agreeing to certain conservation practices. **As** ~~Recently, there have also been renewed calls to review protections currently in place for the dunes sagebrush lizard, whose habitat includes parts~~ - **part** of ~~the Permian Basin, and to reconsider listing the species under the ESA. In August 2022, the FWS filed~~ a stipulated settlement agreement in a case challenging its failure to timely make a twelve-month finding on a petition to list the dunes sagebrush lizard ~~. Under~~ **, whose habitat includes parts of** the ~~agreement~~ **Permian Basin** , the FWS **released** ~~will submit~~ a **proposed rule in July** ~~twelve- month finding on the petition no later than June 29,~~ 2023 **which would, if finalized, list the species as endangered under the ESA. A final rule is expected in the third quarter of 2024** . In addition, as a result of one or more settlements approved by the FWS, the agency was required to make a determination on the listing of numerous other species as endangered or threatened under the ESA by the end of the FWS' 2017 fiscal year. The FWS did not meet that deadline, but continues to evaluate whether to take action with respect to those species. The designation of previously unidentified endangered or threatened species such as the dunes sagebrush lizard or greater sage grouse could cause Sitio' s E & P operators' operations to become subject to operating restrictions or bans, and limit future development activity in affected areas. The FWS and similar state agencies may designate critical or suitable habitat areas that they believe are necessary for the survival of threatened or endangered species. Such a designation could materially restrict use of or access to federal, state and private lands. ~~We are~~ **Sitio is** subject to extensive government laws and regulations concerning ~~our~~ **Sitio' s** employees, and the cost of compliance with such laws and regulations could be material. Regulations related to wages and other compensation affect ~~our~~ **Sitio' s** business. Any appreciable increase in applicable employment laws and regulations, including the statutory minimum wage, exemption levels, or overtime regulations, could result in an increase in labor costs. Such cost increases, or the penalties for failing to comply with such statutory minimums, could adversely affect ~~our~~ **Sitio' s** business, financial condition, results of operations and cash available for distribution to ~~our~~ **its** shareholders. In addition, ~~we are~~ **Sitio is** directly and indirectly affected by new tax legislation and regulation and the interpretation of tax laws and regulations. Any changes in employment, benefit plan, tax or labor laws or regulations or new regulations proposed from time to time, could have a material adverse effect on ~~our~~ **Sitio' s** employment practices, ~~our~~ business, financial condition, results of operations and cash available for distribution to ~~our~~ **its** shareholders. ~~We have~~ **Sitio has** relied on an exclusion from the definition of " investment company " in order to avoid being subject to the Investment Company Act of 1940, or the 1940 Act. To the extent the nature of ~~our~~ **its** business changes in the future, ~~we~~ **Sitio** may become subject to the requirements of the 1940 Act, which would limit ~~our~~ **its** business operations and require ~~us~~ **it** to spend significant resources in order to comply with ~~such~~ **the 1940** Act. The 1940 Act defines an " investment company, " among other things, as an issuer that is engaged in the business of investing, reinvesting, owning, holding or trading in securities and owns investment securities having a value exceeding 40 percent of the issuer' s unconsolidated assets, excluding cash items and securities issued by the federal government. The definition of " securities " under the 1940 Act includes " fractional undivided interest in oil, gas, or other mineral rights. " However, the 1940 Act excludes from this definition any person substantially all of whose business consists of owning or holding such oil, gas or other mineral royalties or leases or fractional interests therein, or certificates of interest or participation relating to such mineral royalties or leases. ~~We~~ **Sitio** ~~believe~~ **believes** that ~~we~~ **it** ~~satisfy~~ **satisfies** this mineral company exception to the definition of " investment company. " If ~~our~~ **Sitio' s** reliance on the mineral company exclusion from the definition of investment company is misplaced, ~~we~~ **it** may have been in violation of the 1940 Act, the consequences of which can be significant. For example, investment companies that fail to register under the 1940 Act are prohibited from conducting business in interstate commerce, which includes selling securities or entering into other contracts in interstate commerce. Moreover, ~~we are~~ **Sitio is** a holding company and ~~our~~ **its** sole material asset is ~~our~~ **its** equity interest in Sitio OpCo. As the sole general partner of Sitio OpCo, ~~we~~ **Sitio** ~~manage~~ **manages** and ~~control~~ **controls** Sitio OpCo. On that basis, ~~we~~ **Sitio** ~~believe~~ **believes** that ~~our~~ **its** interest in Sitio OpCo is not an " investment security " under the 1940 Act. However, if ~~we~~ **Sitio** were to lose the right to manage and control Sitio OpCo, interests in Sitio OpCo could be deemed to be " investment securities " under the 1940 Act. If in the future the nature of ~~our~~ **Sitio' s** business changes, or a regulatory agency would disagree with ~~our~~ **Sitio' s** analysis regarding the exclusion from the 1940 Act, such that the mineral company exception to the threshold definition of investment

company is not available to ~~us~~ **Sitio** , and ~~we~~ **it** ~~cease~~ **ceases** to manage and control Sitio OpCo and ~~our~~ **its** interest in **Sitio** OpCo is determined to be an " investment security, " ~~we~~ **Sitio** will be required to register as an investment company with the SEC. The ramifications of becoming an investment company, both in terms of the restrictions it would have on **Sitio** ~~our Company~~ and the cost of compliance, would be significant. For example, in addition to expenses related to initially registering as an investment company, the 1940 Act also imposes various restrictions with regard to ~~our~~ **Sitio' s** ability to enter into affiliated transactions, the diversification of ~~our~~ **its** assets and ~~our~~ **its** ability to borrow money. If ~~we~~ **Sitio** became subject to the 1940 Act at some point in the future, ~~our~~ **its** ability to continue pursuing ~~our~~ **its** business plan would be severely limited as it would be significantly more difficult for ~~us~~ **Sitio** to raise additional capital in a manner that would comply with the requirements of the 1940 Act. Risks Related to Sitio' s Financial and Debt Arrangements Any significant contraction in the reserve- based lending syndication market may negatively impact Sitio' s ability to fund its operations. Lending institutions have significantly curtailed ~~reserved~~ - **reserve** - based lending or entirely exited the reserve- based lending market. In the prevailing market, it may be difficult for the arrangers under the **Sitio** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility** , or under any other potential future reserve- based credit facility, to obtain sufficient commitments for the borrowing base or to do so on terms favorable or acceptable to Sitio. Sitio has funded its operations since inception primarily through capital contributions and cash generated from operations, and it may finance acquisitions, and potentially other working capital needs, with borrowings under the **Sitio** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility** . Sitio intends to continue to make significant acquisitions to support its business growth. If the arrangers under the **Sitio** ~~revolving~~ **Revolving** ~~credit~~ **Credit** ~~facilities~~ **Facility** , or under any other potential future reserve- based credit facility, are unable to obtain sufficient commitments for the borrowing base Sitio may not have sufficient funds to finance its operations and future growth. If adequate funds are not available, Sitio may be required to reduce expenditures, including curtailing its growth strategies or forgoing acquisitions. In addition, during previous periods of economic instability, it has been difficult for many companies to obtain financing in the public markets or to obtain debt financing, and during any future period of economic instability Sitio may not be able to obtain additional financing on commercially reasonable terms, if at all, including as a result of recent increases in cost of capital resulting from Federal Reserve policies and otherwise. If Sitio is unable to obtain adequate financing or financing on terms satisfactory to it, Sitio could experience a material adverse effect on its business, financial condition and results of operations. Restrictions in ~~our~~ **Sitio' s** Third Amended and Restated Credit Agreement, the **Indenture governing the** ~~2026~~ **2028** Senior Notes and future debt agreements of Sitio and Sitio OpCo could limit its growth and its ability to engage in certain activities. On ~~May 16~~ **February 3** , ~~2019~~ **2023** , ~~Brigham Resources~~ **Sitio OpCo** , ~~LLC (" Brigham Resources ")~~ **as borrower, and certain of its subsidiaries as guarantors** entered into ~~that certain Credit Agreement (as amended or otherwise modified and as in effect immediately prior to the Closing Date, the " Brigham Credit Agreement ") with Wells Fargo Bank, N. A., as the administrative agent, letter of credit issuer, sole lead arranger and bookrunner, pursuant to which the lenders thereunder made loans and other~~ -- **the Third** ~~extensions of credit to Brigham Resources. Certain subsidiaries of Brigham Resources (together with Brigham Resources and Brigham Minerals Holdings, LLC, a Delaware limited liability company, the " Brigham Entities ") guaranteed the obligations under the Brigham Credit Agreement. On June 7, 2022, Sitio OpCo, as borrower, KMF Land, LLC, a Delaware limited liability company, Bank of America, N. A., as the administrative agent and issuing bank, and certain lenders entered into that certain Second~~ Amended and Restated Credit Agreement (as amended, restated, supplemented or otherwise modified **from time** ~~and as in effect immediately prior~~ to **time** ~~the Closing Date~~ , the " ~~Existing~~ **Sitio** Credit Agreement ") **among** ~~, pursuant to which the lenders thereunder made loans and other extensions of credit to the borrower thereunder. On February 3, 2023, the Existing Credit Agreement was amended and restated in its entirety pursuant to a Third Amended and Restated Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the " New Credit Agreement ") entered into by Sitio OpCo, as borrower,~~ JPMorgan Chase Bank, N. A., as the administrative agent ~~(as successor administrative agent to Bank of America, N. A.)~~ and as issuing bank, **and** the lenders and other financial institutions from time to time party thereto (the " Lenders ") ~~. The New~~ **, which amended, restated and refinanced in its entirety the RBL** Credit Agreement ~~refinanced the Existing~~ **(as defined below). The Sitio** Credit Agreement **matures on** ~~in full and paid off the Brigham Credit Agreement in full. The New Credit Agreement has a scheduled maturity date that is the earlier of~~ June **30,** 2027 ~~or 180 days prior to the maturity of any outstanding senior notes~~ . Pursuant to the terms and conditions of the ~~New~~ **Sitio** Credit Agreement, the Lenders committed to providing a credit facility to Sitio OpCo in an aggregate principal amount of up to $ 1. 5 billion. The availability under the ~~New~~ **Sitio** Credit Agreement, including availability for letters of credit, is generally limited to a borrowing base, which is determined by the required number of ~~lenders~~ **Lenders** in good faith by calculating a loan value of the proved reserves of Sitio OpCo and its subsidiaries and elected commitments provided by the Lenders. As of ~~February 3~~ **December 31** , 2023, the ~~New~~ **Sitio** Credit Agreement has ~~a~~ **an** $ ~~750~~ **850. 0** million borrowing base and $ ~~750~~ **850. 0** million elected commitment amount. As part of the aggregate commitments under the revolving advances, the ~~New~~ **Sitio** Credit Agreement provides for letters of credit to be issued at the request of the borrower in an aggregate amount not to exceed $ 15 **. 0** million. ~~Our New~~ **The Sitio** Credit Agreement contains customary affirmative and negative covenants, including, without limitation, reporting obligations, financial covenants, restrictions on asset sales, restrictions on additional debt and lien incurrence, restrictions on ~~our~~ **Sitio' s** ability to make certain fundamental changes to ~~our~~ **its** business, restrictions on hedging arrangements and restrictions on making investments and distributions. ~~Our~~ **Sitio' s** ability to make distributions is subject to satisfaction of certain conditions, including no event of default, no borrowing base deficiency, liquidity of at least 10 % of the total commitments under the ~~New~~ **Sitio** Credit Agreement, and a pro forma leverage ratio not to exceed 3. 00: 1. 00. ~~While~~ **On October 3, 2023, Sitio OpCo and Sitio Finance Corp., a Delaware corporation (" Finance Corp. " and, together with Sitio OpCo, the " Issuers "), entered into the indenture (the " Indenture "), by and among the Issuers, solely for purposes of Section 4. 16 (b) therein, the Company, the guarantors named therein and Citibank, N. A., as trustee (the " Trustee "). Pursuant to the Indenture, the Issuers issued and sold $ 600. 0 million aggregate principal amount of 7. 875 % Senior Notes due 2028 (the " 2028 Senior Notes "). Sitio OpCo used proceeds**

from the issuance of the 2028 Senior Notes to repay and redeem the 2026 Senior Notes (as defined below) ~~remain outstanding~~ **in full** , **inclusive** ~~the amount~~ of **a redemption premium of 3. 0** ~~such distributions may be further limited to 65~~ % ~~of discretionary cash flow if our leverage ratio at the end of the most recent fiscal quarter is above 1~~ . **Remaining proceeds from** ~~00: 1. 00, or 100 % of discretionary cash flow if our leverage ratio is under 1. 00: 1. 00 unless~~ the ~~2026~~ **2028** Senior Notes **offering were** ~~waive or do not impose such discretionary cash flow restriction. On September 21, 2022, Sitio OpCo, as issuer, and certain subsidiaries of Sitio OpCo, as guarantors, entered into the Note Purchase Agreement (the " Note Purchase Agreement ") with certain institutional investors party thereto as holders (the " Holders ") and U. S. Bank Trust Company, National Association, as agent for the Holders (the " Agent "). Pursuant to the Note Purchase Agreement, Sitio OpCo issued senior unsecured notes to the Holders in an aggregate principal amount of $ 450. 0 million (the " 2026 Senior Notes "). Sitio OpCo~~ used ~~$ 425. 0 million of the proceeds from the 2026 Senior Notes~~ to repay ~~in full all amounts~~ outstanding **borrowings** under the ~~Bridge Loan~~ **Sitio Revolving Credit** Facility **and** ~~(as defined below) with the remainder used~~ for general corporate purposes. The ~~2026~~ **2028** Senior Notes mature on ~~September 21~~ **November 1** , ~~2026~~ **2028** . The ~~Note Purchase Agreement includes~~ **Indenture contains covenants that** , among other **things** ~~terms and conditions~~ , **limit Sitio OpCo' s ability** ~~a maximum leverage ratio covenant, as well as customary mandatory prepayments, representations, warranties, covenants~~ and ~~events~~ **the ability** of ~~default, including, among others, a change~~ **Sitio OpCo' s restricted subsidiaries to: (i) incur or guarantee additional indebtedness or issue certain types** of **preferred stock; (ii) pay dividends** ~~control event of default, as well as limitations~~ on ~~the incurrence of~~ **capital stock or redeem, repurchase or retire its capital stock or subordinated** indebtedness ~~and~~ **; (iii) transfer or sell assets; (iv) make investments; (v) create certain** liens **; (vi) enter into agreements that restrict dividends or other payments from its restricted subsidiaries to it or any guarantor; (vii) consolidate** , ~~stock buybacks, distributions, new lines of business, mergers~~ -- **merge** ~~,~~ **or transfer all or substantially all of its assets; (viii) engage in** transactions with affiliates **;** ~~and burdensome agreements. During the continuance of an~~ **and** ~~event of default, the Holders may take a number of actions, including, among others, declaring the entire amount of the 2026 Senior Notes and other amounts then outstanding under the Note Purchase Agreement to be due and payable. The Note Purchase Agreement requires Sitio OpCo to maintain a leverage ratio as of the last day of each fiscal quarter~~ (~~beginning~~ **ix) create unrestricted subsidiaries. As of** December 31, ~~2022~~ **2023** ~~) of not more than 3. 50 to 1. 00. As of December 31, 2022~~ , Sitio OpCo was in compliance with the terms and covenants of the ~~2026~~ **2028** Senior Notes. Sitio' s debt levels may limit its flexibility to obtain additional financing and pursue other business opportunities. Sitio' s existing and any future indebtedness could have important consequences to it, including: • its ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may not be available on terms acceptable to it; • covenants in the Sitio Revolving Credit Facility and the ~~2026~~ **2028** Senior Notes require, and in any future credit and debt arrangement may require, Sitio and certain of its subsidiaries to meet financial tests that may affect its flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities; • its access to the capital markets may be limited; • its borrowing costs may increase; • it will use a portion of its discretionary cash flows to make principal and interest payments on its indebtedness, reducing the funds that would otherwise be available for operations, future business opportunities and payment of dividends to its stockholders; and • its debt level will make Sitio more vulnerable than its competitors with less debt to competitive pressures or a downturn in its business or the economy generally. Sitio' s ability to service its indebtedness will depend upon, among other things, Sitio' s future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond its control. If Sitio' s operating results are not sufficient to service its current or future indebtedness, Sitio will be forced to take actions such as reducing distributions, reducing or delaying business activities, acquisitions, investments and / or capital expenditures, selling assets, restructuring or refinancing its indebtedness, or seeking additional equity capital or bankruptcy protection. Sitio may not be able to effect any of these remedies on satisfactory terms or at all. Risks Related to Sitio' s Organization and Structure Sitio is a holding company whose sole material asset is its equity interest in Sitio OpCo. Accordingly, Sitio is dependent upon distributions **and other payments** from Sitio OpCo to pay taxes, cover its corporate and other overhead expenses and pay any dividends on its Class A Common Stock. Sitio is a holding company with no material assets other than its equity interest in Sitio OpCo. Sitio has no independent means of generating revenue and to the extent Sitio OpCo has available cash, Sitio OpCo is generally required to make pro rata cash distributions to all its unitholders, including Sitio, in an amount sufficient for Sitio to pay its U. S. federal, state, local and non- U. S. tax liabilities. Sitio OpCo may also make non- pro rata cash distributions **and other payments** periodically to enable Sitio to cover its corporate and other overhead expenses. In addition, as the sole managing member of Sitio OpCo, Sitio intends to cause Sitio OpCo to make pro rata cash distributions to all of its unitholders, including to Sitio, in an amount sufficient to fund dividends to its stockholders, to the extent Sitio' s Board declares such dividends. Therefore, although Sitio expects to pay dividends on its Class A Common Stock in amounts determined from time to time by the Board, Sitio' s ability to do so may be limited to the extent Sitio OpCo and its subsidiaries are limited in their ability to make these **payments** and other distributions to Sitio. To the extent that Sitio needs funds and Sitio OpCo or its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of their financing arrangements, or are otherwise unable to provide such funds, it could materially adversely affect Sitio' s liquidity and financial condition. Sitio' s ability to pay dividends to its stockholders may be limited by its holding company structure, contractual restrictions and regulatory requirements. Although Sitio expects to pay dividends on its Class A Common Stock, the Board will take into account general economic and business conditions, including Sitio' s financial condition and results of operations, capital requirements, contractual restrictions, including restrictions and covenants contained in its debt agreements, business prospects and other factors that Sitio' s Board considers relevant in determining whether, and in what amounts, to pay such dividends. Sitio' s ~~sponsors~~ **Sponsors** hold a significant amount of the outstanding Class C Common Stock that provides them with significant influence over Sitio, and their interests may conflict with those of Sitio' s other stockholders. Collectively, (i) KMF DPM HoldCo, LLC **, a Delaware limited liability**

company (“ KMF ”) **,** and Chambers DPM HoldCo, LLC **, a Delaware limited liability company** (“ Chambers, ” and together with KMF, “ Kimmeridge ”), (ii) BX Royal Aggregator LP, a Delaware limited partnership (“ Royal Aggregator ”) and Rock Ridge Royalty Company LLC, a Delaware limited liability company (together with Royal Aggregator, “ Blackstone ”) and (iii) Source Energy ~~Leasehold~~ **Permian II** , ~~LP~~ **LLC** , **Sierra Energy Royalties, LLC, and Source Energy Partners, LLC, each** a Delaware limited ~~partnership~~ **liability company** (**collectively, the** “ ~~Source ”) and Permian Mineral Acquisitions, LP (together with Source, “ the~~ Source Stockholders ” ~~) (collectively~~ **and, the Source Stockholders, together with Kimmeridge and Blackstone** , the “ Sponsors ”) **,** hold the substantial majority of the outstanding Class C Common Stock of the Company ~~(the “ Class C Common Stock ”)~~ . Each share of Class C Common Stock has no economic rights, but entitles the holder thereof to one vote for each share of Class C Common Stock held by such holder. Holders of Class C Common Stock are entitled to one vote for each share held on all matters to be voted on by Sitio’ s stockholders and, with the ~~holder~~ **holders** of Class A Common Stock, vote together as a single class on all matters submitted to a vote of Sitio’ s stockholders, except as required by law or Sitio’ s Amended and Restated Certificate of Incorporation (the “ A & R Charter ”). As a result, the Sponsors hold approximately 45 **. 7** % of the voting power over Sitio, which may provide them with significant influence over matters requiring stockholder approval, including the election of directors, changes to organizational documents and significant corporate transactions. This concentration of ownership and relationship with the ~~sponsors~~ **Sponsors** makes it unlikely that any other holder or group of holders of ~~our~~ **Sitio’ s** Common Stock will be able to affect the way ~~we are~~ **Sitio is** managed or the direction of ~~our~~ **its** business. As a result of their significant influence, the ~~sponsors~~ **Sponsors** may support certain decisions that could involve risks to, or that may conflict with the interests of, ~~our~~ **Sitio’ s** other stockholders. The U. S. federal income tax treatment of distributions on Sitio’ s Class A Common Stock to a holder will depend upon Sitio’ s tax attributes and the holder’ s tax basis in its stock, which are not necessarily predictable and can change over time. Distributions of cash or property on Sitio’ s Class A Common Stock, if any, will constitute dividends for U. S. federal income tax purposes to the extent paid from its current or accumulated earnings and profits, as determined under U. S. federal income tax principles. To the extent those distributions exceed Sitio’ s current and accumulated earnings and profits, the distributions will be treated as a non- taxable return of capital to the extent of the holder’ s tax basis in Sitio’ s Class A Common Stock and thereafter as capital gain from the sale or exchange of such ~~common~~ **Common** ~~stock~~ **Stock** . Also, if any holder sells its Class A Common Stock, the holder will recognize a gain or loss equal to the difference between the amount realized and the holder’ s tax basis in such Class A Common Stock. To the extent that the amount of Sitio’ s distributions is treated as a non- taxable return of capital as described above, such distribution will reduce a holder’ s tax basis in the Class A Common Stock. Consequently, such excess distributions will result in a corresponding increase in the amount of gain, or a corresponding decrease in the amount of loss, recognized by the holder upon the sale of the Class A Common Stock or subsequent distributions with respect to such stock. Additionally, with regard to U. S. corporate holders of Sitio’ s Class A ~~shares~~ **Common Stock** , to the extent that a distribution on Sitio’ s Class A ~~shares~~ **Common Stock** exceeds both its current and accumulated earnings and profits and such holder’ s tax basis in such shares, such holders would be unable to utilize the corporate dividends- received deduction (to the extent it would otherwise be applicable to such holder) with respect to the gain resulting from such excess distribution. Prospective investors in Sitio’ s Class A Common Stock are encouraged to consult their tax advisors as to the tax consequences of receiving distributions on its Class A ~~shares~~ **Common Stock** that are not treated as dividends for U. S. federal income tax purposes. If Sitio OpCo were to become a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes, Sitio and Sitio OpCo might be subject to potentially significant tax inefficiencies. Section 7704 of the **Internal Revenue** Code **of 1986, as amended,** generally provides that a publicly traded partnership will be treated as a corporation for U. S. federal income tax purposes. A “ publicly traded partnership ” is a partnership, the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. However, if 90 % or more of a partnership’ s gross income for every taxable year consists of “ qualifying income, ” the partnership may continue to be treated as a partnership for U. S. federal income tax purposes. Qualifying income generally includes income earned from royalty interests and other passive ownership interests in oil and gas properties. There can be no assurance that there will not be future changes to U. S. federal income tax laws or the Treasury Department’ s interpretations of the qualifying income rules in a manner that could impact Sitio OpCo’ s ability to qualify as a partnership for federal income tax purposes. However, Sitio believes that substantially all of Sitio OpCo’ s gross income will constitute qualifying income for purposes of Section 7704 (d) and ~~intend~~ **intends** to operate such that Sitio OpCo does not become a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes. In addition, the Second Amended and Restated Agreement of Limited Partnership of Sitio OpCo provides for limitations on the ability of unitholders of Sitio OpCo to transfer common units representing limited partner interests in Sitio OpCo (the “ Sitio OpCo Partnership Units ”) and provides Sitio, as the managing member of Sitio OpCo, with the right to impose restrictions (in addition to those already in place) on the ability of unitholders of Sitio OpCo to exchange their Sitio OpCo Partnership Units pursuant to a redemption right to the extent Sitio believes it is necessary to ensure that Sitio OpCo will continue to be treated as a partnership for U. S. federal income tax purposes. If Sitio OpCo becomes a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes, significant tax inefficiencies might result for Sitio and Sitio OpCo. In particular, Sitio OpCo would pay U. S. federal income tax on its taxable income at the corporate tax rate, which is currently a maximum of 21 %. Distributions to Sitio would generally be taxed again as corporate distributions. Because a tax would be imposed on Sitio OpCo as a corporation, the amount of cash distributions to Sitio would be substantially reduced, which may cause a substantial reduction in the value of Sitio’ s Class A Common Stock ~~. There is no guarantee that the Public Warrants will be in the money and they may expire worthless. Four whole Warrants (as defined below) are exercisable for one share of Class A Common Stock at an exercise price of $ 44. 84 per share of Class A Common Stock. Pursuant to the Contribution Agreement, to the extent that any common stock dividend paid by Sitio, when combined with other common stock dividends paid in the prior 365 days, exceeds $ 2. 00, it is categorized as an “ Extraordinary Dividend. ” Extraordinary Dividends reduce, penny for penny, the~~

~~exercise price of Warrants. There is no guarantee that the Warrants will be in the money prior to their expiration, and as such, the Warrants may expire worthless. Sitio may amend the terms of the Warrants in a manner that may be adverse to holders with the approval by the holders of at least 65 % of the then outstanding Public Warrants. As a result, the exercise price of the Warrants could be increased, the exercise period could be shortened and the number of shares of Sitio' s Class A Common Stock purchasable upon exercise of a warrant could be decreased, all without the warrantholder' s approval. In connection with its initial public offering, Sitio issued warrants by private placement (each, a " Private Placement Warrant ") and sold warrants to the public (each, a " Public Warrant, " and together with the Private Placement Warrants, the " Warrants "). The Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by the holders of at least 65 % of the then outstanding Public Warrants to make any change that adversely affects the interests of the registered holders. Accordingly, Sitio may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65 % of the then outstanding Public Warrants approve of such amendment. Although Sitio' s ability to amend the terms of the Public Warrants with the consent of at least 65 % of the then outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, shorten the exercise period, or decrease the number of shares of Class A Common Stock purchasable upon exercise of a Warrant. Sitio may redeem unexpired Warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless. Sitio has the ability to redeem outstanding Warrants at any time prior to their expiration, at a price of $ 0. 01 per Warrant, provided that the last reported sales price of Class A Common Stock equals or exceeds $ 72. 00 per share for any 20 trading days within a 30- trading day period ending on the third trading day prior to the date Sitio sends the notice of redemption to the warrantholders. If and when the Warrants become redeemable by Sitio, it may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Warrants could force the warrantholders (a) to exercise their Warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (b) to sell their Warrants at the then- current market price when they might otherwise wish to hold their Warrants or (c) to accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, is likely to be substantially less than the market value of their Warrants. None of the Private Placement Warrants will be redeemable by Sitio so long as they are held by Sitio' s sponsor, Osprey Sponsor, LLC (" Falcon Sponsor "), or its permitted transferees. Warrants may be exercised for Class A Common Stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to stockholders. Sitio issued Warrants to purchase 13, 749, 998 shares of Class A Common Stock as part of its initial public offering and concurrent with its initial public offering, Sitio issued an aggregate of 7, 500, 000 Private Placement Warrants to Falcon Sponsor. Four whole Warrants are exercisable for one share of Class A Common Stock at an exercise price of $ 44. 84 per share of Class A Common Stock. To the extent such Warrants are exercised, additional shares of Class A Common Stock will be issued, which will result in dilution to the then existing holders of Class A Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of Sitio' s Class A Common Stock. The Private Placement Warrants are identical to the warrants sold as part of the units issued in the initial public offering, except that, so long as they are held by Falcon Sponsor or its permitted transferees, (a) they will not be redeemable by Sitio and (b) they may be exercised by the holders on a cashless basis~~ . If additional stock consideration is issued to Royal pursuant to the earn- out provided for in the Contribution Agreement, it would increase the number of shares eligible for future resale in the public market and result in dilution to Sitio' s stockholders. Pursuant to the Contribution Agreement, dated as of June 3, 2018, by and among Sitio, Royal Resources L. P. (" Royal "), Royal Resources GP L. L. C., Noble Royalties Acquisition Co., LP (" NRAC "), Hooks Ranch Holdings LP (" Hooks Holdings "), DGK ORRI Holdings, LP (" DGK "), DGK ORRI GP LLC (" DGK GP ") and Hooks Holding Company GP, LLC (" Hooks GP, " and collectively with NRAC, Hooks Holdings, DGK, and DGK GP, the " Contributors ") (the " Contribution Agreement "), Royal is entitled to receive earn- out consideration to be paid in the form of Sitio OpCo Partnership Units (and a corresponding number of shares of Class C Common Stock) if the 30- Day VWAP of the Class A Common Stock equals or exceeds certain hurdles set forth in the Contribution Agreement. Royal can potentially receive up to an additional 20. 0 million Sitio OpCo Partnership Units as a part of the earn- out consideration. Royal is also entitled to the earn- out consideration described above in connection with certain liquidity events of Sitio, including a merger or sale of all or substantially all of Sitio' s assets, if the consideration paid to holders of the Class A Common Stock in connection with such liquidity event is greater than any of the 30- Day VWAP hurdles. Because any Sitio OpCo Partnership Units issued pursuant to the earn- out are redeemable on a one- for- one basis for shares of Class A Common Stock at the option of the Contributors, the issuance of additional stock consideration pursuant to the earn- out will result in dilution to the then existing holders of Class A Common Stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of Class A Common Stock. A significant portion of Sitio' s total outstanding shares may be sold into the market in the near future. This could cause the market price of its Class A Common Stock to drop significantly, even if Sitio' s business is doing well. Sales of a substantial number of shares of Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of Sitio' s Class A Common Stock. Additionally, the Sponsors and Sitio' s executive officers own over ~~94~~ **96** % of the outstanding Class C Common Stock and hold an equivalent number of Sitio OpCo Partnership Units for each such share of Class C Common Stock. Each share of Class C Common Stock has no economic rights. However, holders of Class C Common Stock are entitled to one vote for each share held on all matters to be voted on by Sitio' s stockholders and, with the ~~holder~~ **holders** of Class A Common Stock, vote together as a single class on all matters submitted to a vote of Sitio' s stockholders, except as required by law or the A & R Charter. Each

holder of Sitio OpCo Partnership Units has the right to cause Sitio OpCo to redeem all or a portion of its Sitio OpCo Partnership Units for shares of Class A Common Stock or, under certain circumstances and at Sitio OpCo' s election, an equivalent amount of cash. In connection with any such redemption, a corresponding number of shares of Class C Common Stock will be canceled. If the holders of Sitio OpCo Partnership Units redeem or exchange all of their Sitio OpCo Partnership Units for shares of Class A Common Stock, and no shares of Class A Common Stock are otherwise issued, they will own approximately 48 % of Sitio' s Class A Common Stock. Sitio has filed a registration statement registering ~~(A) shares of Class A common stock issuable upon the exercise of warrants initially purchased from Sitio' s predecessor by Osprey Sponsor, LLC, and (B)~~ shares of Class A Common Stock issued or issuable upon the redemption of common units representing limited partnership interests in Sitio OpCo (together with the cancellation of an equal number of shares Class C Common Stock), held by the parties to (1) a registration rights agreement, dated as of August 23, 2018, entered into by Sitio' s predecessor in connection with Sitio' s predecessor' s initial public offering, (2) a registration rights agreement, dated as of January 11, 2022, entered into in connection with the Falcon Merger, ~~and~~ (3) a registration rights agreement, dated as of December 29, 2022, entered into in connection with the Brigham Merger **, and (4) a registration rights agreement, dated as of June 14, 2023, entered into in connection with the acquisition of additional mineral and royalty interests** . If securities or industry analysts do not publish research or reports or publish unfavorable research about Sitio' s business, the price and trading volume of Sitio' s Class A Common Stock could decline. The trading market for Sitio' s Class A Common Stock depends in part on the research and reports that securities or industry analysts publish about Sitio or its business. In the event one or more of the analysts who covers Sitio downgrades its securities, the price of its securities would likely decline. If one or more of these analysts ceases to cover Sitio or fails to publish regular reports on Sitio, interest in the purchase of Sitio' s securities could decrease, which could cause the price of its Class A Common Stock and other securities and their trading volume to decline. If Sitio fails to develop or maintain an effective system of internal controls over its financial reporting, its financial results may not be reported accurately and timely or prevent fraud, which may result in material misstatements in its financial statements or failure to meet periodic reporting obligations. As a result, current and potential stockholders could lose confidence in Sitio' s financial reporting, which would harm its business and the trading price of its Class A Common Stock. Sitio' s management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with **GAAP** ~~generally accepted accounting principles~~ . A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Effective internal controls are necessary to provide reliable financial reports, prevent fraud and operate successfully as a public company. If Sitio cannot provide reliable financial reports or prevent fraud, its reputation and operating results may be harmed. Sitio cannot be certain that its efforts to maintain its internal controls will be successful, that it will be able to maintain adequate controls over its financial processes and reporting in the future or that it will be able to comply with its obligations under Section 404 of the Sarbanes- Oxley Act. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving internal controls, could harm Sitio' s operating results or cause it to fail to meet its reporting obligations. Ineffective internal controls could also cause investors to lose confidence in its reported financial information, which would likely have a negative effect on the trading price of Sitio' s Class A Common Stock. Additional material weaknesses may be identified in the future. If Sitio identifies such issues or if it is unable to produce accurate and timely financial statements, the trading price of its Class A Common Stock may decline and Sitio may be unable to maintain compliance with the NYSE listing standards. Provisions in the A & R Charter may prevent or delay an acquisition of ~~us~~ **Sitio** , which could decrease the trading price of Class A Common Stock, or otherwise may make it more difficult for certain provisions of the A & R Charter to be amended. The A & R Charter contains provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with the Board rather than to attempt a hostile takeover. These provisions include: • the right of the Board to issue preferred stock without stockholder approval; and • restrictions on the right of stockholders to call special meetings of stockholders. These provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that the Board determines is not in Sitio and its stockholders' best interests. In addition, the A & R Charter requires the affirmative vote of the holders of at least 75 % of the voting power of all outstanding shares of capital stock of Sitio to amend, repeal or adopt certain provisions of the A & R Charter relating to the board of directors, the bylaws, meetings of stockholders, indemnification of officers and directors, waiver of corporate opportunities, exclusive forum, amendments to the A & R Charter and Delaware' s business combinations statute. This requirement will make it more difficult for these provisions of the A & R Charter, which include the provisions intended to deter coercive takeover practices and inadequate takeover bids, to be amended. Sitio may issue preferred stock whose terms could adversely affect the voting power or value of its Class A Common Stock. The A & R Charter authorizes the Board to issue, without ~~the~~ stockholder approval, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over Sitio' s Class A Common Stock respecting dividends and distributions, as the Board may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of Class A Common Stock. For example, holders of a class or series of Sitio' s preferred stock may be granted the right to elect some number of directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, holders of preferred stock may be assigned the repurchase or redemption rights or liquidation preferences which could affect the residual value of Sitio' s Class A Common Stock. The A & R Charter designates the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, any state or the federal court sitting in the State of Delaware with jurisdiction over the matter) as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by stockholders, which could limit their ability to obtain a favorable judicial forum for disputes with Sitio or with Sitio' s directors,

officers or employees and may discourage stockholders from bringing such claims. The A & R Charter designates the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, any state or the federal court sitting in the State of Delaware with jurisdiction over the matter) to the fullest extent permitted by applicable law, as the sole and exclusive forum for (a) any derivative action or proceeding brought on Sitio' s behalf, (b) any action asserting a claim of breach of a fiduciary duty owed by any of Sitio' s directors, officers, employees or agents to Sitio or Sitio' s stockholders, (c) any action asserting a claim arising pursuant to any provision of Delaware General Corporation Law (the " DGCL "), the A & R Charter or Sitio' s bylaws or (d) any action asserting a claim against Sitio that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of Sitio' s capital stock is deemed to have notice of, and consented to, the provisions of the A & R Charter described in the preceding sentence. This provision does not apply to claims brought to enforce a duty or liability created by the **Securities** Exchange Act **of 1934 (the " Exchange Act ")** , the Securities Act **of 1933, as amended,** or any other claim for which the federal courts have exclusive jurisdiction. This choice of forum provision may limit the ability of stockholders to obtain a favorable judicial forum for disputes with Sitio or with Sitio' s directors, officers or employees and may discourage stockholders from bringing such claims. Alternatively, if a court were to find these provisions of the A & R Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, Sitio may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect Sitio' s business, financial condition, and results of operations. General Risk Factors A terrorist attack or armed conflict could harm Sitio' s business. Terrorist activities, anti- terrorist activities and other armed conflicts involving the United States or other countries, including the **Israeli- Hamas conflict and the** armed conflict in Ukraine that has resulted in severe sanctions levied on Russia and increased geopolitical and macroeconomic instability, may adversely affect the United States and global economies and could prevent Sitio from meeting its financial and other obligations. If any of these events occur, or continue, the resulting political instability and societal disruption could reduce overall demand for crude oil, natural gas and NGLs, potentially putting downward pressure on demand for Sitio' s E & P operators' services and causing a reduction in its revenues. Crude oil, natural gas and NGL related facilities, including those of Sitio' s E & P operators, could be direct targets of terrorist attacks, and, if infrastructure integral to its E & P operators is destroyed or damaged, they may experience a significant disruption in their operations. Any such disruption could materially adversely affect Sitio' s financial condition, results of operations and cash flows. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all. Increased costs of capital could adversely affect Sitio' s business. Sitio' s business and ability to make acquisitions could be harmed by factors such as the availability, terms, and cost of capital, increases in interest rates or a reduction in its credit rating. Changes in any one or more of these factors could cause Sitio' s cost of doing business to increase, limit its access to capital, limit its ability to pursue acquisition opportunities, and place it at a competitive disadvantage. A significant reduction in the availability of capital could materially and adversely affect Sitio' s ability to achieve its planned growth and operating results. Sitio may be involved in legal proceedings that could result in substantial liabilities. Like many crude oil and natural gas companies, Sitio may from time to time be involved in various legal and other proceedings, such as title, royalty or contractual disputes, regulatory compliance matters and personal injury or property damage matters, in the ordinary course of its business. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have an adverse impact on Sitio because of legal costs, diversion of management and other personnel and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in Sitio' s business practices, which could materially and adversely affect its business, operating results and financial condition. Accruals for such liability, penalties or sanctions may be insufficient. Judgments and estimates to determine accruals or range of losses related to legal and other proceedings could change from one period to the next, and such changes could be material. ~~We~~ **Sitio and its operators** are subject to cybersecurity risks. A cyber incident or systems failure could occur and result in information theft, data corruption, operational disruption and / or financial loss. The oil and gas industry, including the mineral and royalty space, has become increasingly dependent on digital technologies to conduct certain activities. For example, ~~we~~ **Sitio** ~~depend~~ **depends** on digital technologies to perform many of ~~our~~ **its** services and to process and record financial and operating data **. Sitio also relies on providers of third- party products, services, and networks, with whom it may share data and services, and who may be unable to effectively defend their digital technologies and services against attack** . At the same time, cyber incidents, including deliberate attacks or unintentional events, have increased **in both frequency and magnitude** . For example, in May 2021 the Colonial Pipeline' s digital systems were infected by a ransomware attack that caused the shutdown of the pipeline for several days and the payment of an approximate $ 4. 4 million ransom. The U. S. government has issued public warnings that indicate that energy assets might be specific targets of cybersecurity threats. ~~Our~~ **Sitio' s** technologies, systems and networks, and those of ~~our~~ **its operators,** vendors, suppliers and other business partners, may become the target of cyber- attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of business operations **. Such a cyber- attack or information security breach could negatively impact Sitio' s or its operators' operations in a variety of ways, including, but not limited to: • adversely impacting Sitio' s ability to compete for mineral and royalty interests; • causing a loss of Sitio' s operators' production or accidental discharges; • preventing or causing delays in Sitio' s operators' ability to produce, transport, process and market their production; • disrupting supply chains, which could delay or halt Sitio' s operators' E & P development activities; • adversely impacting the crude oil, natural gas and NGLs market; and • damaging Sitio' s or its operators' reputation, subjecting it or them to financial or legal liability, regulatory fines and penalties and requiring it or them to incur significant costs, including remedial and compliance costs and costs to repair or restore its or their**

systems and data . In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. ~~Our~~ **Although Sitio has not experienced a material cyber incident, Sitio' s** systems for protecting against cybersecurity risks may not be sufficient. **While Sitio has implemented controls and multiple layers of security that it believes are reasonable to mitigate the risks of a cybersecurity incident, there can be no assurance that Sitio' s response to a cyber- attack will be successful or effectively address an incident on a timely basis. Laws and regulations governing cybersecurity and data privacy and the unauthorized disclosure of confidential or protected information pose increasingly complex compliance challenges and potential costs, and any failure to comply with these data privacy requirements or other applicable laws and regulations in this area could lead to a loss of sensitive information and result in significant regulatory or other penalties and legal liability. Further, the frequency and magnitude of cyber- attacks is increasing and attackers have become more sophisticated. Cyber- attacks are similarly evolving and include, without limitation, use of malicious software, ransomware, surveillance, credential stuffing, spear phishing, social engineering, deepfakes (i. e., highly realistic synthetic media generated by artificial intelligence), attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. We may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies used by attackers change frequently or are not recognized until deployed. We may also be unable to investigate or remediate incidents as attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.** As cyber incidents **and applicable laws and regulations** continue to evolve, ~~we~~ **Sitio** may be required to expend additional resources to continue to modify or enhance ~~our~~ **its** protective measures or to investigate and remediate any vulnerability to cyber incidents. ~~Our~~ **Sitio' s** insurance coverage ~~for cyber- attacks~~ may not be sufficient to cover **any** ~~all the~~ losses ~~we~~ **it** may experience as a result of such cyber- attacks.