

Risk Factors Comparison 2025-02-26 to 2024-02-29 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

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 financial 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 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 **and the degree to which consolidation among our customers may affect spending on U. S. drilling and completions in the near-term**; • political and economic conditions and events in foreign oil, natural gas and NGL producing countries, including **rising inflation, elevated** interest rates **and associated monetary policies of the Federal Reserve**, embargoes, the conflict in the Israel- Gaza region and **continued increased** hostilities in the Middle East **, including heightened tensions with Iran** 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; • **the severity and duration of world health events, natural disasters or inclement or hazardous** weather conditions **and other natural disasters**, such as **including cold weather, hurricanes, droughts, earthquakes, wildfires, flooding and tornadoes** ~~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; • **uncertainty surrounding recent U. S. elections, including potential legal, regulatory and policy changes, such as proposed tariffs, as well as the potential for general market volatility and political uncertainty**; • domestic and foreign governmental regulations and taxes; • **evolving cybersecurity risks** ~~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 **involving unauthorized access, third-party provider defects and service failures, denial-of-service attacks, malicious software, data privacy breaches** by **employees** ~~the U. S. on oil and gas exports from Iran~~; • global or national health concerns, including the outbreak of an illness pandemic (like COVID **insiders or others with authorized access, cyber or phishing - attacks** 19), which may reduce demand **ransomware, social engineering, physical breaches for- or other actions** ~~crude oil, natural gas and NGLs due to reduced global or national economic activity~~; • 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~~ **transition to a low-carbon economy** 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. ~~33-21~~ per MMBtu in ~~September~~ **November 2020-2024** to a high of \$ 23. 86 per MMBtu in February 2021. **The** ~~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~~ **. Additionally, on January 20, 2025, President Trump issued an Executive Order titled "Unleashing American Energy," with the stated goals of, among other things, encouraging energy exploration and production and reviewing actions that potentially burden the development of domestic energy resources. We cannot predict what impact, if any, the Executive Order will have on**

crude oil, natural gas and NGLs prices. 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 the Sitio Revolving Credit 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~~ **is** 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 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, ~~2023~~ **2024**, Sitio received revenue from ~~237~~ **142** E & P operators, with approximately ~~58~~ **69** % coming from the top ten E & P operators on its properties, ~~one~~ **three** 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 **have historically** 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 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 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, 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 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. **Investment in new business ventures could prove unsuccessful and adversely affect Sitio's business, financial condition and results of operations. In the future, Sitio may invest in new business ventures. Such endeavors may involve risks and uncertainties, including greater-than-expected liabilities and expenses, as well as economic and regulatory challenges associated with operating in new businesses, regions or countries. Investment into new business ventures may expose Sitio to additional risks that could delay or prevent Sitio from completing an investment or otherwise limit Sitio's ability to fully realize the anticipated benefits of an investment. The failure of any significant investment could adversely affect Sitio's business, financial condition, and results of operations.** 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 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 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 operators of Sitio's properties 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 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 the Sitio Revolving Credit Facility or has access to in capital markets. The level of borrowing base available under the Sitio Revolving Credit 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 elevated** 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, 2023-2024, approximately 18-12% 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 **audited reserve-reserves** data included in the reserve report of Sitio's independent petroleum engineer 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-downgrade some PUDs. Declining general economic, business or industry conditions and inflation may have a material adverse effect on Sitio's results of its proved reserves-operations, cash flows and financial position. Concerns over global economic conditions, global health threats, supply chain disruptions, including as PUDs a result of the imposition of tariffs, increased demand, labor shortages associated with a fully employed U. Continuing or worsening inflationary S. labor force, geopolitical issues, inflation, the availability and associated changes in monetary policy-cost of credit and the United States financial markets and other factors have resulted contributed to increased economic uncertainty. Although inflation in and the United States had been relatively low for may many result in additional years, there was a significant increases-increase to-in inflation beginning in the costs incurred by Sitio's second half of 2021, with a general decline beginning in the second half of 2022. Annual inflation for the year ended December 31, 2024 was 2.9%. Our E & P operators may experience supply chain constraints and inflationary pressure**, which in turn could have a negative effect on Sitio's results of operations and financial condition. The U. S. inflation rate steadily 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 **their costs-cost structures. Our** incurred by Sitio and its E & P operators **also may face shortages**, which would in turn have a negative effect on Sitio's business and financial condition. Sustained levels of **equipment, raw materials, supplies, commodities, labor** high inflation have likewise caused the U. S. Federal Reserve and other central banks to increase interest rates multiple times in 2022 and 2023 in an **and** effort to curb **services. These supply chain constraints and** inflationary pressure **pressures** 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 COVID-19 pandemic 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 impacts of public health emergencies, including the COVID-19 pandemic, are uncertain and hard to predict. Although there has been economic recovery and higher oil prices through the year ended December 31, 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 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 **our** 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' operating costs and, if they are unable to manage their supply chain, it may impact their ability to procure materials and equipment in a timely and cost-effective manner, if at all, which could materially and adversely affect the revenues received in respect of our E & P operators' operations. In addition, increased hostilities related to the Russia-Ukraine war, as well as the Israel-Hamas conflict and increased tensions in the Middle East, including Iran, and the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the global economy. The resulting political instability and societal disruption and other factors, such as declining business and consumer confidence, may contribute to an economic slowdown and a recession. 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 Sitio's 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. Recent concerns about global economic growth have had a significant adverse impact on global financial markets and commodity prices. If the economic climate in the United States or abroad deteriorates, worldwide demand for oil and natural gas products could diminish, which could impact our E & P operators' operations, affect the ability of our E & P operators to continue operations and ultimately materially adversely impact our Sitio's results of operations, financial condition and cash flows and financial position. 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, 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, if due to the deterioration in commodity prices and operator activity deteriorated in 2020 as a result of the COVID-19 pandemic and other factors, the commodity price assumptions used to calculate reserves estimates would decline, which in turn would lower 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 one to 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 one to 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 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. Sitio recognized impairment expense of \$ 25.6 million related to its Appalachian Basin proved properties during the year ended December 31, 2023. Sitio did not record any impairment during the years ended December 31, ~~2024 or 2022 or 2021~~. The risk that Sitio will be required to recognize impairments of its crude oil, natural gas and 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 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 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, 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 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 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 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, December 2022, and January 2024 that adversely affected operator activity and production volumes in the United States, including in the Delaware and Williston 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 transactions in a highly competitive environment.

Risks Related to Environmental and Regulatory Matters The IRA 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 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 started calendar year 2024 at \$ 900 per ton of methane, 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 On November 12, 2024, the EPA finalized the methane emissions charge rule, implementing the IRA 2022, which applies to oil and gas facilities emitting more than 25, 000 metric tons of CO2 per year. The Trump Administration is likely to challenge, repeal, or revise the EPA rule, although we cannot predict when or to what extent. Additionally, Congress may take action to repeal or revise the IRA 2022, including with respect to the methane charge, which timing or outcome similarly cannot be predicted. To the extent the methane emissions charge rule is implemented as originally promulgated, it** 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 2022 also incorporated royalty rate increases, raising onshore royalty rates to 16 ⅔ %. **In July According to provisions of the IRA 2022-2022**, the Department of the Interior released a ~~proposed final~~ 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 **other** 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 Trump~~ **Administration** may pursue further restrictions. ~~President Biden also issued an Executive Order directing all federal agencies to review and take action to address revise or repeal any of federal regulations, orders, guidance documents, policies and any similar agency actions during the these restrictions prior administration that may be inconsistent with the current administration's policies.~~ **Further** For example, in October 2021, the EPA announced it was reconsidering its 2020 decision to maintain the 2015 National Ambient Air Quality Standards ("NAAQS") for ground-level ozone. A draft assessment released in April 2022 indicated EPA staff had reached a preliminary conclusion that the December 2020 decision would stand, however, in August 2023, the EPA announced a new review of the ozone NAAQS to reflect updated ozone science in combination with the reconsideration of the December 2020 decision. The **review remains ongoing and is not expected to be complete before the** EPA is expected to release its ~~Integrated's~~ **five-year cycle for NAAQS Review review Plan in December the fall of 2024-2025**. 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 Future actions of President Biden, and the Biden 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. **While the incoming presidential administration may take actions to revise or repeal existing environmental laws and regulations, we cannot predict how or when the new administration may take such actions, if at all, or the ultimate impact such changes may have on our business.** 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. **Recent regulatory changes in Colorado relating to oil and natural gas permits could cause Sitio' s E & P operators in Colorado to incur increased costs and experience operational delays and result in fewer potential drilling locations. Following a mandate from the Colorado legislature, the ECOM adopted broad changes to the regulatory scheme governing the issuance of oil and natural gas permits in the state. The new rules most notably introduce a “ cumulative impacts ” assessment to the permit review process, requiring new oil and natural gas permits to consider past, present and future impacts of new oil and natural gas development in conjunction with existing operations. The rules also increase buffer requirements around residences and communities and adopt emission intensity standards and best management practices. The new regulations became effective on December 15, 2024 and are expected to increase the time needed to obtain new permits in the state. As a result of these developments, Sitio' s operators may be required to curtail operations, delay projects or adjust development plans, which may adversely impact Sitio' s business. Separately, other developments in Colorado may further impede oil and natural gas development in the state. Legislators continue to propose bills restricting oil and natural gas development, which, if approved, could have an adverse impact on Sitio' s business. For example, in 2024, Colorado legislators proposed a bill that would phase out the permitting of new oil and gas wells in the state beginning in 2028, and fully prohibit new drilling permits as of 2030. Although that bill was eventually abandoned, any future state laws that prohibit drilling or restrict the methods of drilling may adversely impact Sitio' s business. Additionally, the EPA has found that several permits issued by the Colorado Air Pollution Control Division for oil and natural gas developments are unlawfully flawed. While the impact of these developments on Sitio' s business is not yet known, these or other related developments in Colorado could adversely impact Sitio' s operators' production and operations.** 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 In 2022, the EPA published the results of its 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 including .** ~~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 . **The EPA is still determining what, if any, next steps should be taken regarding produced water management.** Other government agencies, including the U. S. Department of Energy, the USGS, 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 ~~EOGCC~~ **ECMC** to prioritize public health and environmental concerns in its decisions, instructing the ~~EOGCC~~ **ECMC** 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 ~~EOGCC~~ **ECMC** 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 ~~feet -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. **In October 2024, the ECMC adopted final rules that would apply increased scrutiny to the cumulative impacts of GHG emissions of oil and gas development and set GHG emissions intensity targets for oil and gas operators. Neither New Mexico nor Texas currently have state-wide setback legislation, although the state of New Mexico is considering the establishment of state-wide setbacks, as evidenced by a legislative hearing on the topic in June 2024.** 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. **For example, in 2024, Colorado lawmakers proposed a bill that would phase out the permitting of new oil and gas wells in the state beginning in 2028, and fully prohibit new drilling permits as of 2030. Although this bill was eventually abandoned, any future state laws that prohibit drilling or the restrict the methods of drilling may adversely impact our business.** 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 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 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 Although the impact of future Trump Administration policies is currently unknown, 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 **2015-2016**, the USGS identified **eight six** states, including Colorado, New Mexico, 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. In some instances, regulators may also order that disposal wells be shut in. 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. The Texas Railroad Commission has used this authority to deny permits for waste disposal wells. **In some instances, regulators may also order that most recently suspending the permits of all deep** disposal wells be shut in. **In late 2021, the Texas Railroad Commission issued a notice to operators of disposal wells in the Midland area to reduce saltwater**

disposal well actions and provide certain data to the Commission. In December 2021, the Texas Railroad Commission suspended all disposal well 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 ~~in~~ **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, **and in July 2024, announced the administrative cancellation of 75 pending permit applications for UIC Class II wells within the 10-mile County Line Seismic Response Area due to the potential for increased seismicity.** 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 to regulatory developments, an additional consequence of seismic activity is potential lawsuits alleging that produced water handling operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal.** 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 5.5-1% of Sitio's NRAs as of December 31, 2023-2024 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 DOT, 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 to President Biden's executive order calling on the EPA to revisit federal regulations regarding methane, the EPA finalized more stringent methane rules for new, modified and reconstructed 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 and other advanced monitoring to encourage the deployment of innovative technologies to detect and reduce methane emissions, reduction of emissions by 95 % through capture and control systems, zero- emission requirements for certain devices, and the establishment of a "super emitter" investigation and repair requirements. ~~If~~ **The final methane rule is currently being** likely,

however, that the final rule and its requirements will be subject to legal challenges **challenged by 23 states and a coalition of industry groups in the U. S. Circuit Court of Appeals for the D. C. Circuit, although OOOOb is already in effect**. The new rules could adversely affect operations and, failure to comply, could result in the imposition of substantial fines and penalties, as well as costly injunctive relief. 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 **became the 12th state 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 (" RGGI")**, a multi- state regional cap- and- trade program comprised of several Eastern U. S. states, including New York and Maryland, **among others as the result of an executive order and subsequent rulemaking promulgated by the Pennsylvania Department of Environmental Protection and Environmental Quality Board. In November 2023, the Commonwealth Court of Pennsylvania ruled that RGGI participation violates the state constitution and the governor' s office subsequently appealed this decision to the state Supreme Court. Although this litigation remains pending at the Supreme Court, in May 2024, Pennsylvania lawmakers proposed, with the support of the governor, the Pennsylvania Climate Emissions Reduction Act, which, if passed, would establish a Pennsylvania- specific cap- and- invest program**. 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 **New York State Department of this program is still in the Environmental Conservation conducted multiple stages of pre- proposal stage outreach and is preparing draft regulations**. 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 to 50- 52 % below 2005 levels by 2030 **; subsequent**. Additionally, in November 2021, at the COP26 in Glasgow, the United **Nations 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- climate conferences 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 called for additional action also publicly committed to furthering the goals of the Paris Agreement. In December 2023, the United Arab Emirates hosted COP28 where parties signed onto an agreement to transition " away from fossil fuels in energy systems in a just, orderly, and control or otherwise reduce GHG emissions equitable manner " and increase renewable energy capacity so as to achieve net zero by 2050. although-- though no timeline for doing so we set none have been legally binding. However, on January 20, 2025, President Trump issued an Executive Order re- withdrawing from the Paris Agreement and from other commitments made under the United Nations Convention on Climate Change. The full impact of these actions and the United States' participation in future United Nations climate- related conferences is uncertain at this time**. 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- The federal government, 2021- from time to time, President and most recently under the Biden issued- Administration, has taken, an and Executive Order that calls for substantial in the future could again attempt to take, various action- actions on- related to 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, which have had varying degrees of success. We cannot predict at this time what actions the Trump Administration may take with respect to these matters**. The **Bureau of Biden administration has also called for restrictions on leasing on federal land and Land Management recently finalized rules in November 2021, the Department of the Interior released a comprehensive report on the federal leasing program, which stated an intent to modernize update the fiscal terms of the federal oil and gas leasing program and resulted in a reduction in, as well as impose additional requirements on operators with regards to methane waste, the volume- latter of onshore- which is currently subject to litigation land-- and halted in certain states 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- a future administration may pursue further restrictions -. Other actions that could be pursued by the Biden administration may include the imposition of more restrictive requirements for the establishment of pipeline infrastructure or the permitting of 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 **was challenged by both states and industry groups and was struck down by the U. S. District Court** for consumers and manufacturers and the latest assessment **Western District of Louisiana in July 2024. Subsequently, in December 2024, the Biden Administration released a study on the economic and environmental impact impacts of LNG exports, finding, based on a range of scenarios that vary in assumptions about global climate policies and technology availability, that increased U. S. LNG exports are associated with higher global GHG emissions**, to ensure adequate guards against health risks are in place. **While President Trump has issued an Executive Order directing the DOE to restart reviews of LNG export applications, we cannot predict what impact the study released by the prior administration may ultimately have. Further,** ~~Litigation 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. ~~For example, in October 2023, the Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. released a finalized set of principles guiding financial institutions with \$ 100 billion or more in assets on the management of physical and transition risks associated with climate change. Although~~ **although** the effects of any such actions as this **trend has waned in recent years. While we cannot be fully predicted** ~~predict at this time~~ **how or to what extent sustainable lending and investment practices may impact our operations**, any ~~the~~ 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 ~~21-6, 2022-2024~~, the SEC ~~issued~~ **adopted** a ~~proposed~~ **final** rule regarding the enhancement and standardization of mandatory climate-related disclosures for investors. The ~~proposed~~ **final** 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; **and material** Scope 1 and Scope 2 GHG emissions. **The rule's implementation is currently paused pending litigation, and the SEC under the Trump Administration is expected to repeal or further modify the rule**; and Scope 3 GHG emissions and intensity ~~however, the timeline for any repeal, if at all, is subject to uncertainty and may face additional legal challenges~~ material or if the registrant has set a GHG emissions reduction target or goal that includes Scope 3 GHG emissions. ~~If~~ **Notwithstanding** the proposed **foregoing, the implementation of any similar climate-related disclosure 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. ~~Although the final form and substance of these~~ **the future** 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 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 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 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, Sitio may face increased litigation risks from private parties and governmental authorities related to its ESG efforts. In addition, any alleged claims of greenwashing against Sitio or others in its industry may lead to further negative sentiment and diversion of investments. Additionally, Sitio could face increasing costs as it 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 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 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 **were** without vacatur; however, in July 2022, the United States District Court for the Northern District of California vacated and remanded **, the FWS and NMFS revised** the three rules. The **revised regulations** United States Court of Appeals for **classifying species** the Ninth Circuit later stayed the vacatur, requiring the District Court to reconsider its decision. Subsequent to the decision, the FWS and **designating** 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 **, interagency cooperation, and protecting endangered and threatened species were finalized on April 5, 2024. Among other things, these rules reinstate prior language affirming that listing designations- determinations**. However, in July 2022, **are made “ without reference to possible economic or the other FWS issued a final impacts of such determination, ” clarify the standards for delisting species, revise the set of circumstances for when critical habitat may be not prudent, revise the criteria for identifying unoccupied critical habitat, and reinstate general application of the “ blanket rule rescinding these amendments ” option for protecting newly listed threatened species**. 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 distinct 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 part of In June 2024, the FWS issued a final rule listing** 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, whose habitat includes parts of the Permian Basin **, the FWS released a proposed rule in July 2023 which would, if finalized, list the species as endangered under the ESA. A final rule is expected in The FWS listing decisions for both the third quarter lesser prairie chicken and the dunes sagebrush lizard are subject to litigation in the U. S. District Court for the Western District of 2024-Texas, and the results of both challenges remain uncertain**. 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 **, which has been proposed for listing as threatened,** 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. Sitio is subject to extensive government laws and regulations concerning Sitio’ s employees, and the cost of compliance with such laws and regulations could be material. Regulations related to wages and other compensation affect 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 Sitio’ s business, financial condition, results of operations and cash available for distribution to its shareholders. In addition, 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 Sitio’ s employment practices, business, financial condition, results of operations and cash available for distribution to its shareholders. 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 its business changes in the future, Sitio may become subject to the requirements of the 1940 Act, which would limit its business operations and require it to spend significant resources in order to comply with 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. Sitio believes that it satisfies this mineral company exception to the definition of “ investment company. ” If Sitio’ s reliance on the mineral company exclusion from the definition of investment company is misplaced, 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, Sitio is a holding company and its sole material asset is its equity interest in Sitio OpCo. As the sole general partner of Sitio OpCo, Sitio manages and controls Sitio OpCo. On that basis, Sitio believes that its interest in Sitio OpCo is not an “ investment security ” under the 1940 Act. However, if 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 Sitio’s business changes, or a regulatory agency would disagree with 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 Sitio, and it ceases to manage and control Sitio OpCo and its interest in Sitio OpCo is determined to be an “investment security,” 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 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 Sitio’s ability to enter into affiliated transactions, the diversification of its assets and its ability to borrow money. If Sitio became subject to the 1940 Act at some point in the future, its ability to continue pursuing its business plan would be severely limited as it would be significantly more difficult for 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 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 Credit 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 Credit Facility. Sitio intends to continue to make significant acquisitions to support its business growth. If the arrangers under the Sitio Revolving Credit 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 Sitio’s Third Amended and Restated Credit Agreement, the Indenture governing the 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 February 3, 2023, Sitio OpCo, as borrower, and certain of its subsidiaries as guarantors entered into the Third Amended and Restated Credit Agreement (as amended, restated, supplemented or otherwise modified from time to time, the “Sitio Credit Agreement”) among JPMorgan Chase Bank, N. A., as the administrative agent and as issuing bank, and the lenders and other financial institutions from time to time party thereto (the “Lenders”), which amended, restated and refinanced in its entirety the RBL Credit Agreement (as defined below). The Sitio Credit Agreement matures on June 30, 2027. Pursuant to the terms and conditions of the 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 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 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 December 31, 2023-2024, the Sitio Credit Agreement has an a \$ 850-925.0 million borrowing base and \$ 850-925.0 million elected commitment amount. As part of the aggregate commitments under the revolving advances, the 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. 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 Sitio’s ability to make certain fundamental changes to its business, restrictions on hedging arrangements and restrictions on making investments and distributions. 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 Sitio Credit Agreement, and a pro forma leverage ratio not to exceed 3.00: 1.00. 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) in full, inclusive of a redemption premium of 3.0 %. Remaining proceeds from the 2028 Senior Notes offering were used to repay outstanding borrowings under the Sitio Revolving Credit Facility and for general corporate purposes. The 2028 Senior Notes mature on November 1, 2028. The Indenture contains covenants that, among other things, limit Sitio OpCo’s ability and the ability of Sitio OpCo’s restricted subsidiaries to: (i) incur or guarantee additional indebtedness or issue certain types of preferred stock; (ii) pay dividends on capital stock or redeem, repurchase or retire its capital stock or subordinated indebtedness; (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, merge or transfer all or substantially all of its assets; (viii) engage in transactions with affiliates; and (ix) create unrestricted subsidiaries. As of December 31, 2023-2024, Sitio OpCo was in compliance with the terms and covenants of the 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 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 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 Permian II, LLC, Sierra Energy Royalties, LLC, and Source Energy Partners, LLC, each a Delaware limited liability company (collectively, the "Source Stockholders" 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~~. 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 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 (**as amended,** the "A & R Charter"). As a result, the Sponsors hold approximately **45.46.70%** 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 makes it unlikely that any other holder or group of holders of ~~Sitio's~~ Common Stock will be able to affect the way Sitio is managed or the direction of its business. As a result of their significant influence, the Sponsors may support certain decisions that could involve risks to, or that may conflict with the interests of, 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 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 Common Stock, to the extent that a distribution on Sitio's Class A

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 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 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. 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 ~~96-98~~ % 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 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 ~~48-47~~ % of Sitio's Class A Common Stock. Sitio has filed a registration statement registering 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, (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. 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 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 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, **and such terms may prevent or delay an acquisition of Sitio**. 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. 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, Sitio depends on digital technologies to perform many of 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. Sitio’s technologies, systems and networks, and those of 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. 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, Sitio may be required to expend additional resources to continue to modify or enhance its protective measures or to investigate and remediate any vulnerability to cyber incidents. Sitio's insurance coverage may not be sufficient to cover any losses it may experience as a result of such cyber- attacks.