



**ASCENT**  
RESOURCES®



# Investor Presentation

December 2020

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This presentation, and oral statements made in connection with this presentation, contain forward-looking statements, within the meaning of US federal securities laws. Forward-looking statements express views of the Company regarding future plans and expectations. They include, but are not limited to, statements that include words such as “may,” “could,” “would,” “should,” “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project,” “plan,” “intend,” and similar words or expressions.

Forward-looking statements in this presentation include, but are not limited to, statements regarding future operations, business strategy, and past, present, or future values of the anticipated reserves, cash flows, income, costs, expenses, liabilities, and profits, if any, of the Company. These statements are based on numerous assumptions and are subject to known and unknown risks and uncertainties. These assumptions may not materialize. Actual future results may vary materially from those expressed or implied in these forward-looking statements, and our business, financial condition, and results of operations could be materially and adversely affected by numerous factors, including such known and unknown risks and uncertainties. As a result, forward-looking statements should be understood to be only predictions and statements of our current beliefs; they are not guarantees of performance.

All of the forward-looking statements in this presentation are qualified by risks related to our ability or inability to, among other things:

- execute on our financial strategy and access the capital and financing required to achieve our business plan;
- replace our reserves with new reserves and develop those reserves;
- execute on the assumptions regarding our drilling and development plan;
- manage increases in the cost of, fluctuation in availability of, and competition for, goods, services, and personnel;
- acquire additional leasehold or fee mineral acreage;
- manage changes in, and volatility of, natural gas, oil and natural gas liquids prices and the potential impact of such changes on our asset carrying values;
- convert our reserves into production on an economic basis;
- successfully implement the latest horizontal drilling and completion techniques;
- effectively utilize technology, including 3D seismic data, to identify future reserves and execute our drilling and development plan;
- cure any defects impairing title to our properties;
- mitigate credit risk posed by significant customers and other participating owners;
- access third-party transportation facilities and infrastructure;
- manage conflicts of interest with our directors and officers;
- mitigate uncertainty regarding derivative instruments and related regulation;
- deal with possible regulatory responses or liability related to seismic activity in our area of operations;
- respond to shifting government regulatory requirements with respect to unconventional resource recovery, including hydraulic fracture stimulation and saltwater disposal;
- mitigate uncertainty regarding our reserve estimates and future operating results;
- accurately predict the timing and amount of our future natural gas, oil, and natural gas liquids production;
- manage operating risks, losses, and liabilities arising from uninsured or underinsured events;
- access water sourcing, distribution, and disposal systems;
- generate sufficient cash flow to pay fixed charges;
- deal with the imposition of additional taxes on natural gas, oil, and natural gas liquids exploration and development;
- control our operating expenses and other costs;
- navigate through general credit market and economic conditions;
- manage risks and cost of compliance with applicable laws and regulations, including environmental laws and regulations;
- respond to competition and litigation;
- maintain access to capital on terms acceptable to the Company and manage restrictions in our debt instruments;
- manage the effects of global pandemics, including the COVID-19 pandemic;
- meet our plans, objectives, expectations, and intentions contained in this presentation; and
- recognize and mitigate other risks to our planned objectives described herein.

The cautionary statements in this presentation expressly qualify all of our forward-looking statements. The forward-looking statements speak only as of the date of this presentation and undue reliance should not be placed on these statements. We disclaim any obligation to update any forward-looking statements after the date of this presentation.

**Resilient Operational and Financial Performance in the Face of Unprecedented Challenges**

**Balance Sheet Focus and Successful Debt Exchange Transaction**

**Commitment to Free Cash Flow Generation Bolstered by Strong Hedge Position**


**Continued Focus on Safety and the Environment**

**Well Positioned for Improving Macro Gas Environment**


# Differentiated Approach with Premier Assets




Responsible environmental stewardship and unwavering belief that safety is our top priority



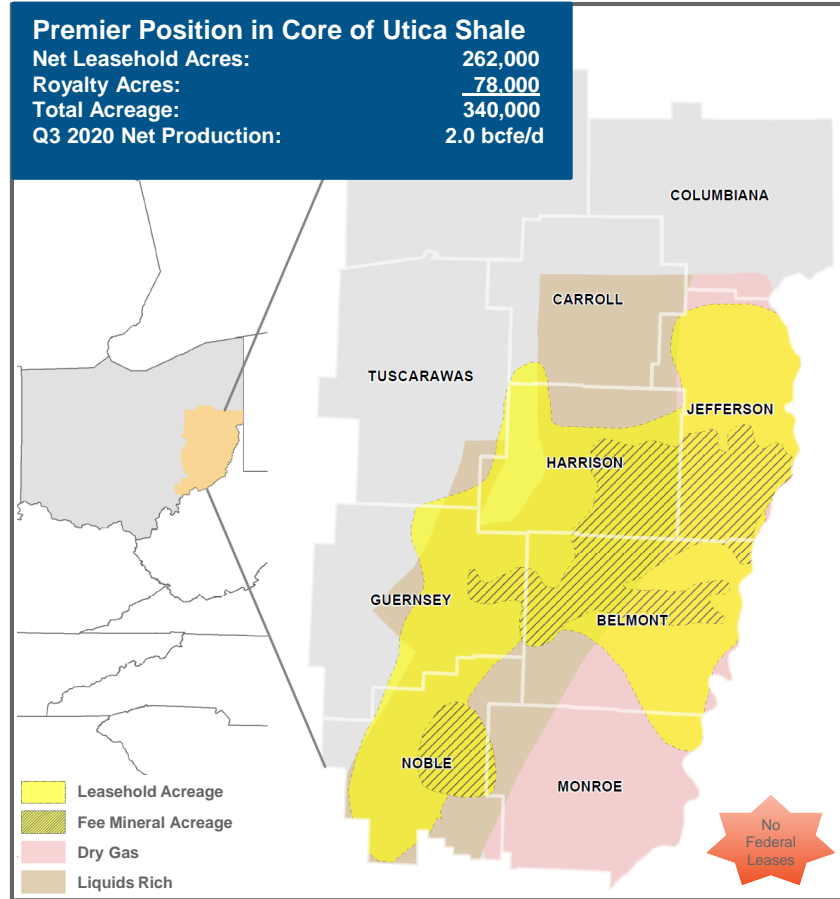
Operational and technical excellence drives best-in-basin metrics



Large, diverse asset base supports free cash flow for years to come



Active risk management and disciplined financial strategy to protect free cash flow



**Largest oil & gas producer in Ohio and 8<sup>th</sup> largest natural gas producer in the United States<sup>(1)</sup>**

1) Per Ohio Department of Natural Resources (ODNR) and Natural Gas Supply Association (NGSA) data first quarter 2020.

# Well-Defined Strategy and Execution



## Lead by Example When it Comes to ESG

- Established leadership in emissions, safety, community engagement and governance
- Issued second annual Environmental, Social and Governance (“ESG”) Report in Q2 2020
- ~75% of produced water reused YTD and 2019 methane loss rate of only 0.05% (ONE Future protocol)
- Ascent’s 12-month rolling avg. Total Recordable Incident Rate (TRIR) of 0.24, versus industry average of 0.58
- Gender diversity in our management team with nearly 30% of our senior positions held by women

## World Class Resource Development

- Unique combination of depth, pressure and deliverability for hydrocarbon development and production
- Approximately 340,000 net acres with greater than 15 years of additional operated inventory capable of maintaining >2.0 bcfe/d net production
- Reached gross production of 1 bcfe/d and 2 bcfe/d with fewer wells than any other E&P company in history

## Optimize Value of Reserves

- Operator of 99% of net production allows for control of development across multiple hydrocarbon windows
- Best 12-month average dry gas well performance in Appalachia<sup>(1)</sup> (avg. 6.0 bcfe cumulative production)
- Lowest development costs in Ohio Utica (full-year outlook of less than \$650 per lateral foot)
- Low production and peer-leading G&A costs<sup>(2)</sup> yield strong per-unit margins

## Generate Sustainable Free Cash Flow

- Generated cumulative positive free cash flow over the last twelve months
- Reiterate 2020 free cash flow guidance of \$50 to \$100 million despite significant commodity market volatility
- Target sustainable, long-term free cash flow to drive value creation for all stakeholders

## Active Risk Management and Disciplined Financial Strategy

- Exchange transaction extended our weighted average maturity profile to ~5 years, and dramatically reduced near-term maturities (~\$80 million through Q1 2024)
- Disciplined commodity hedging program with positions covering production through YE2024
- Interest rate hedges covering approximately half of our outstanding floating rate borrowings through YE2021

1) RS Energy’s Core platform by operator and play for wells with first production in 2016-2019. Peers include Antero, BP, Cabot, Chesapeake, CNX, EQT, Gulfport, Indigo, Montage, Shell and Vine.

2) Third quarter 2020 LOE of \$0.11/mcfe and G&A of \$0.08/mcfe.

# Setting the Course for a Sustainable Future



## Environmental Stewardship and Operational Excellence

- **Best-in-class GHG and methane emissions in the U.S.**
  - No routine flaring of produced natural gas on company operated properties
  - GHG emissions intensity of 0.51 mt CO<sub>2</sub>e/MMcfe (3.06 kg CO<sub>2</sub>e/BOE)
  - Methane loss rate of 0.05% (below the 2025 ONE Future target of 0.28%)
- **Enhanced Leak Detection and Repair (LDAR) Program**
  - Leak rate of 0.16% on more than 130,000 components monitored monthly
- **~75% reuse of Total Produced Water year-to-date in 2020**
- **Member of The Environmental Partnership and ONE Future Coalition**

## Strong Corporate Governance

- **12 member Board of Managers (representing >75% of equity ownership)**
  - 2 independent Managers, 2 female Managers
  - Audit Committee, which includes 1 independent Chairperson
- **Nearly 30% of senior positions within the Company are filled by women including our SVP and Chief Accounting Officer, VP of Human Resources, VP of Land and Treasurer**
- **Ongoing proactive engagement with stakeholders relating to ESG Performance**
- **Cross-Departmental Enterprise Risk Management Committee tasked with monitoring risk**

## Community Engagement and Safety Focus

- **Committed to a comprehensive safety program with active participation at all levels of the organization (management, employees and contractors)**
  - Peer leading safety results (0.24 employee TRIR per 100 employees)
- **Actively support the communities where we live and operate via active engagement with regulatory bodies, charitable organizations and emergency first responders**
  - Over 3,200 volunteer hours made available annually to employees for community service
  - Committed to supporting national and state charities in Ohio and Oklahoma including the United Way, American Heart Association, Toys for Tots and Imagination Library

Note: The leak rate and employee TRIR are based on data through September 30, 2020 while the GHG emissions intensity and methane loss rate were as of 2019.

# Proactive Response to Global Pandemic and Extreme Volatility in Commodity and Capital Markets



## Managing Activity in 2020 Based on Current Market Dynamics

- Successfully responded to COVID-19 protocols to protect stakeholders with minimal impacts to the business
- Reduced and redirected activity to dry gas to maintain sustainable free cash flow generation
- Continued to improve capital efficiency while leveraging our basin-leading cost structure
- Improved balance sheet and liquidity to ensure flexibility in a dynamic and challenging market
- Mitigated impacts of commodity price and interest rate volatility through robust hedging program

### Initial 2020E Guidance / Outlook

Rigs / Frac Crews	4 / 2	
Capital Allocation	75% Dry Gas	25% Liquids Rich
Total Capex	\$700mm – \$800mm	
Avg. Cost / Lateral Foot	\$700 – \$800	
Production	>2.0 bcfe/d	
Free Cash Flow	\$100mm – \$150mm	
Debt Maturities	\$2.2bn through 2022	



### Reaffirmed 2020E Guidance / Outlook

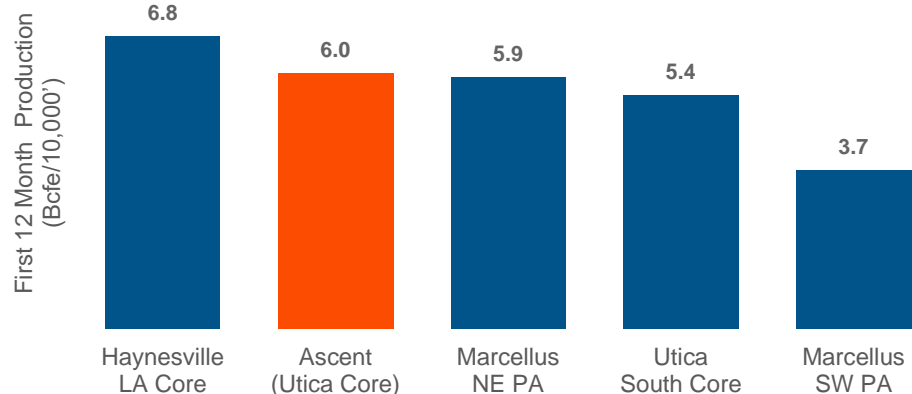
Rigs / Frac Crews	3 / 1	
Capital Allocation	85% Dry Gas	15% Liquids Rich
Total Capex	\$600mm – \$650mm	
Avg. Cost / Lateral Foot	\$640 – \$660	
Production	~2.0 bcfe/d	
Free Cash Flow	\$50mm – \$100mm	
Debt Maturities	<\$0.1bn through Q1 2024	



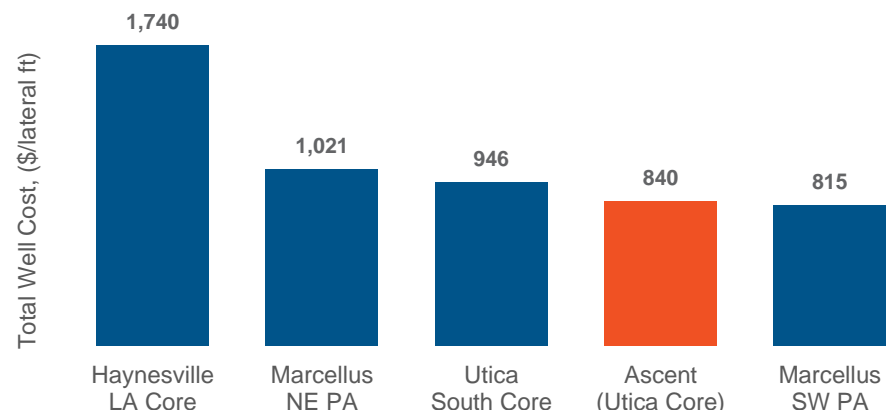
# Best in Class Performance and Rock Quality



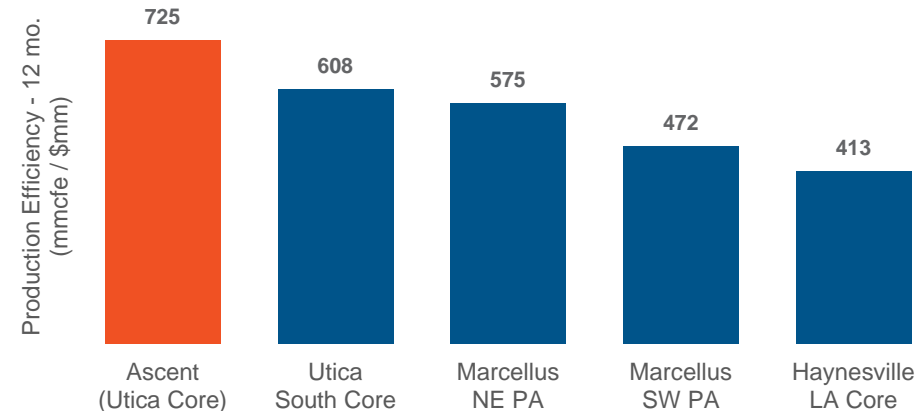
## Production



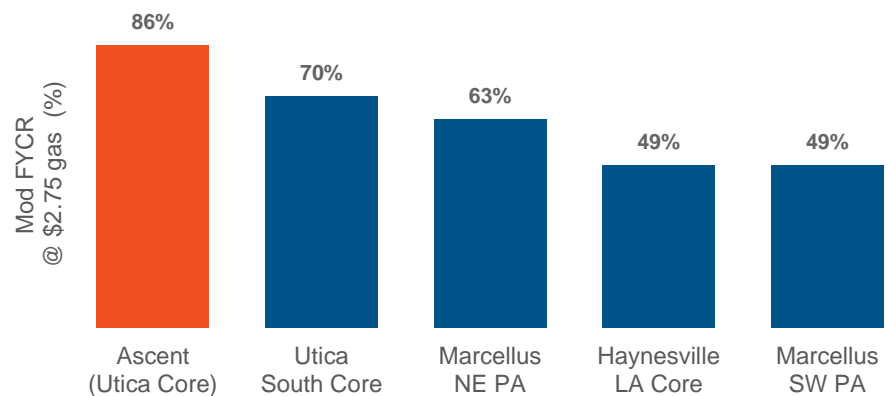
## Total Well Cost (\$/lateral ft)



## Production Efficiency by Sub-Play



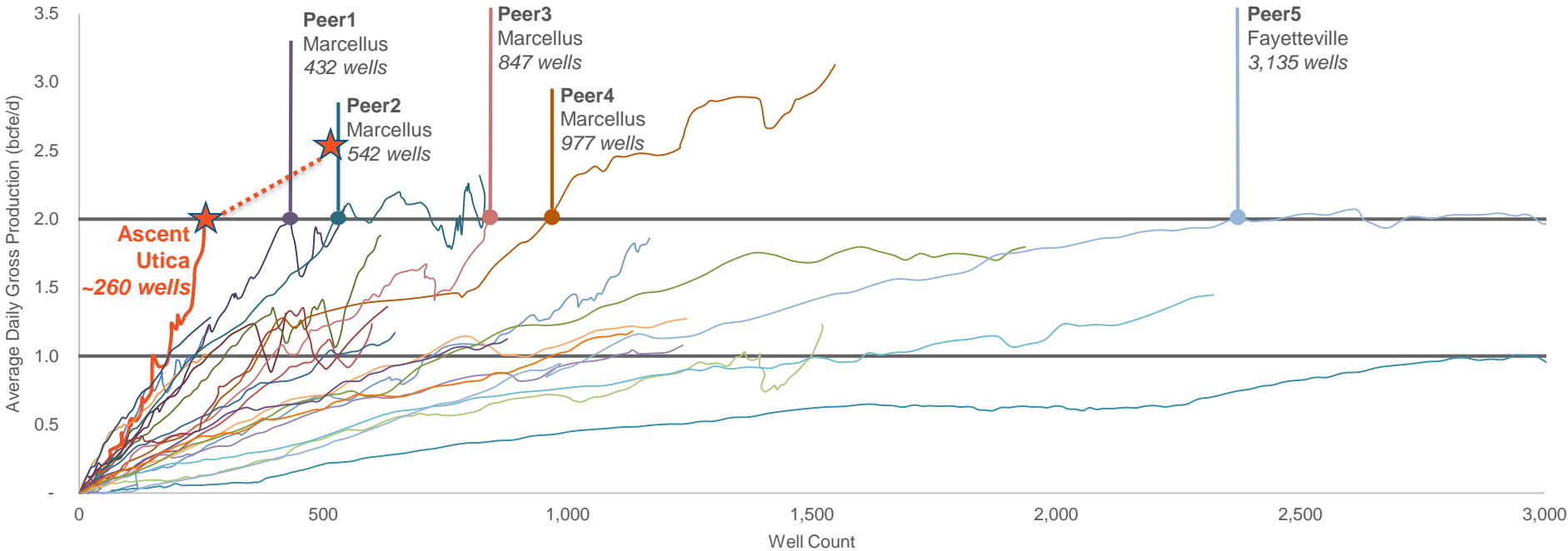
## % Payout at 12 months



Ascent Other Dry Gas Sub-plays

Notes: Sourced from Enverus as of Aug 4, 2020. Data limited to 2019+ with 12 months of production; Production Efficiency defined as ratio of 12-month cumulative production to capital investment required; Mod FYCR is the first-year capital recovery. Based on actual 12-month cumulative production

# Execution and Great Rock Deliver Great Results



**Achieved 1 bcfe/d gross operated production with only 151 wells**

**Surpassed 2 bcfe/d after 257 total wells (an incremental 106 wells)**

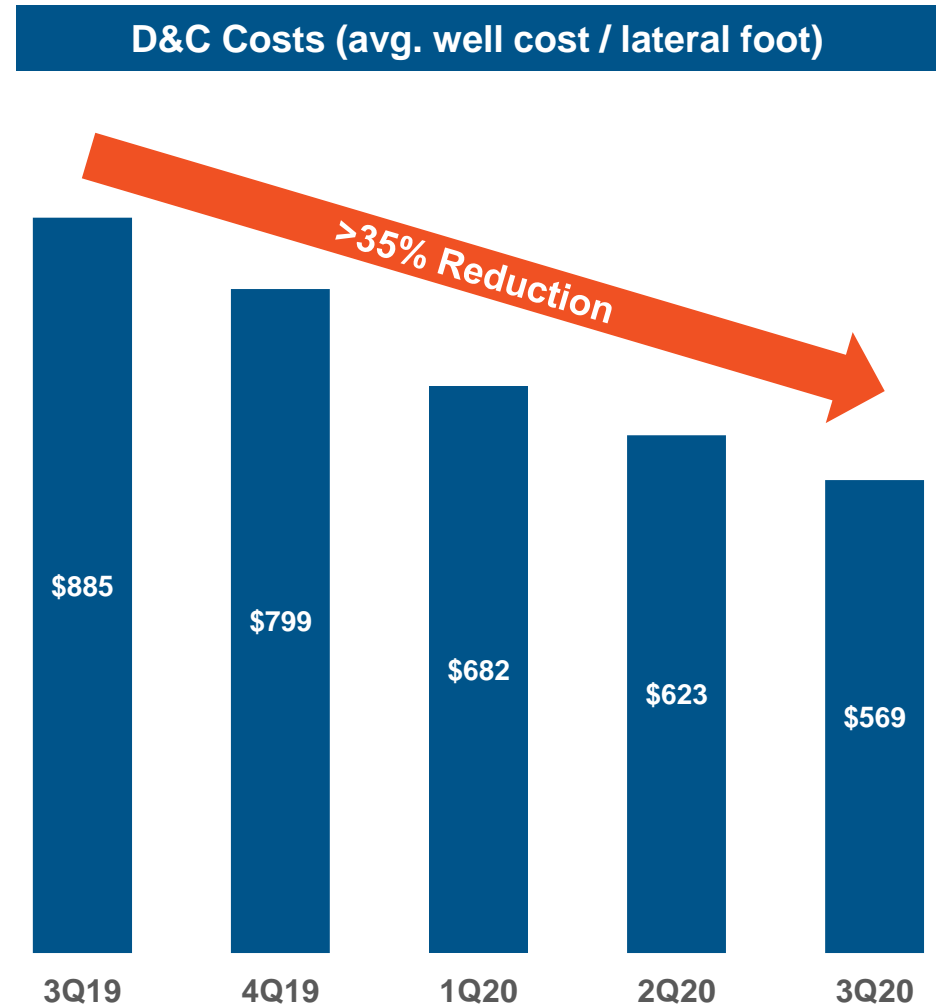
**Current gross operated production is holding steady at approximately 2.5 bcfe/d**

Source: Wood Mackenzie North American Well Analysis tool (2018)

Note: 3-month daily average of production and well count; production is plotted to peak production. Production includes acquired wells.

# Industry Leading Cost Structure Builds Resiliency

- D&C costs have decreased to an average of \$569 per lateral foot during 3Q 2020
  - Leading capital efficiency driven by sustainable improvements
    - Increased completion stages per day
    - Improved drilling cycle times
  - Vendor pricing further enhances savings
- Ascent’s development costs are the lowest amongst the Utica peer group<sup>(1)</sup>
  - Next closest peer is over \$800 per lateral foot



1) Peers include AR, CNX, EQT, GPOR and MR. Excludes Marcellus development cost figures.

# Diversified Marketing and Transportation Portfolio

- Firm transportation takeaway capacity of ~2.1 bcf/d (gross marketed volumes exceed commitments) with access to multiple physical and financial markets with premium pricing – including Gulf Coast LNG
- Fully-utilized firm transportation provides opportunities for the sale of excess gas to attractive in-basin markets, lowering Ascent’s per unit cost of transportation
- Existing third-party gathering and processing infrastructure supports development plan execution

Market	2019A		2020E <sup>(1)</sup>	
	Basis Differential	% of Gas Sold	Basis Differential	% of Gas Sold
Midwest	\$(0.19)	38%	\$(0.12)	39%
Gulf Coast	\$(0.21)	37%	\$(0.13)	37%
TCO Pool	\$(0.35)	14%	\$(0.39)	14%
In-basin	\$(0.47)	11%	\$(0.65)	10%
Wtd. avg. differential	\$(0.25)	100%	\$(0.21)	100%
BTU uplift	\$0.15		\$0.13	
<b>Differential to NYMEX</b>	<b>\$(0.10)</b>		<b>\$(0.08)</b>	

**2020E realized price projected to yield ~96% of NYMEX<sup>(1)</sup>**

1) Estimated basis differential based on pricing as of 9/30/2020; prior to the effect of hedges.

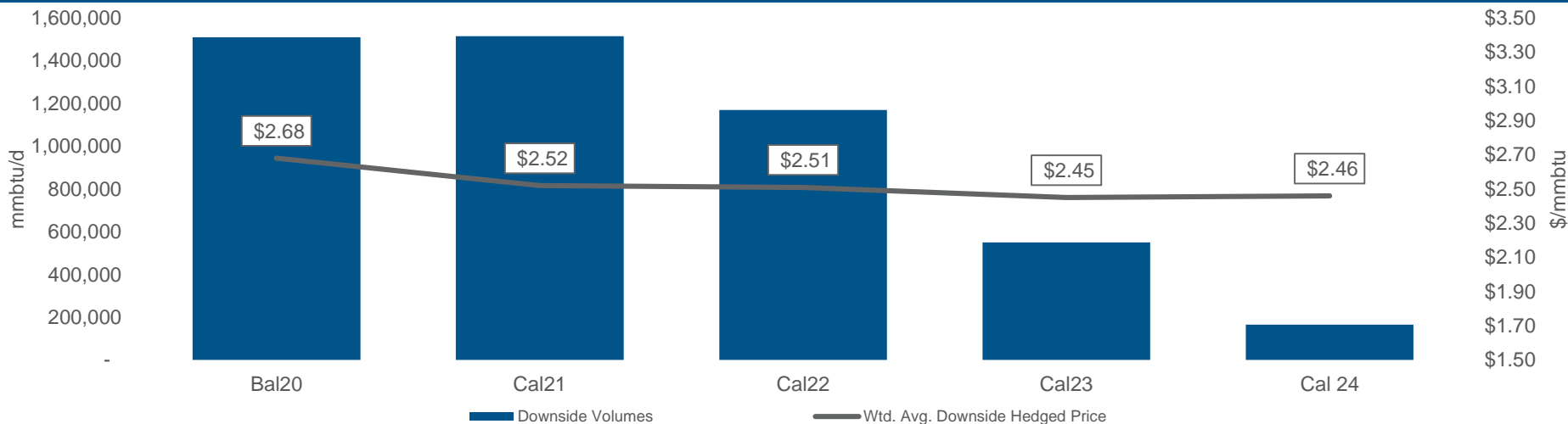
## Fully-Pathed Gas Transportation Commitments



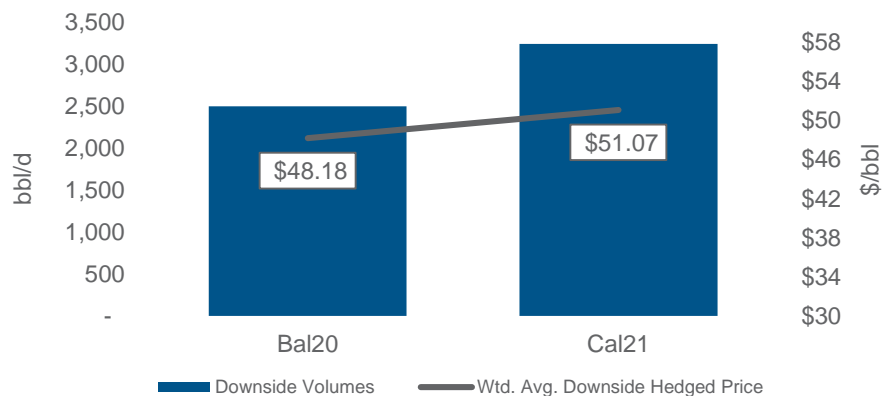
# Hedge Book Supports Sustainable Free Cash Flow



## Natural Gas



## Crude



## NGLs

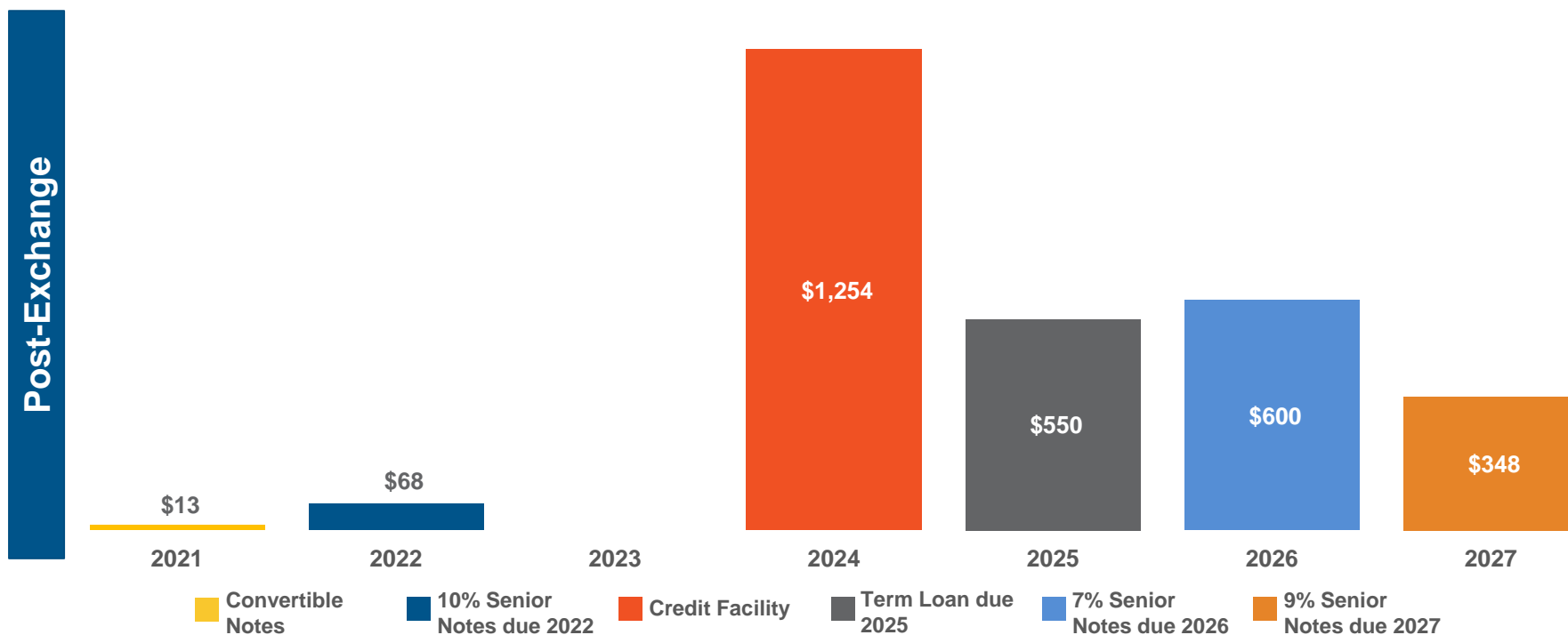
Propane		
Year	Volume (bbl/d)	Wtd. Avg. Price (\$/bbl)
Bal 2020	2,500	\$25.68

Ethane		
Year	Volume (bbl/d)	Wtd. Avg. Price (\$/bbl)
Bal 2020	1,000	\$8.40

Note: As of 9/30/2020

# Continued Focus on Balance Sheet Strength

- Extended weighted average maturity profile to ~5 years
- No significant debt maturities until 2024
- 3Q 2020 leverage of 2.7x with long-term target of < 2.0x
- Borrowing base reaffirmed at \$1.85 billion in November 2020



Note: Debt balances are pro forma for the exchange transaction and convert repurchase as of 9/30/2020; Convert balance includes terminal value premium of 53.8%.

# Appendix

# Third Quarter 2020 Results (Unaudited) & Current 2020 Annual Guidance



Third Quarter Results	9/30/2020
Production (mmcfe/d)	1,982
% Natural Gas	90%
<b>Operating Expenses (\$/mcf)</b>	
LOE	\$0.11
GP&T	\$1.25
Production & Ad Valorem Taxes	\$0.05
G&A	\$0.08
<b>Total Expenses</b>	<b>\$1.49</b>
<b>Adj. EBITDAX (\$mm)</b>	<b>\$210</b>
<b>CAPEX Incurred (\$mm)</b>	
Drilling & Completions	\$92
Land	\$11
Capitalized Interest	\$19
<b>Total CAPEX Incurred</b>	<b>\$122</b>
<b>Free Cash Flow (\$mm)</b>	<b>\$59</b>
<b>Operations</b>	
Operated Rigs	3
Wells Spud	14
Wells Completed	11
Wells TIL'd	18
Average Lateral Length of Wells TIL'd	11,231'

Full Year 2020 Guidance	
Total Production (mmcfe/d)	2,000
<b>Operating Expenses (\$/mcf)</b>	<b>\$1.40 – \$1.45</b>
<b>CAPEX Incurred (\$mm)<sup>(1)</sup></b>	<b>\$600 – \$650</b>
<b>Free Cash Flow (\$mm)</b>	<b>\$50 – \$100</b>
<b>Operations</b>	
Operated Rigs	3 – 4
Wells Spud	55 – 60
Wells Completed	65 – 75
Wells TIL'd	65 – 75
Average Lateral Length of TILs	~13,000'

1) Excludes capitalized interest.