



## ASCENT RESOURCES UTICA HOLDINGS, LLC REPORTS FIRST QUARTER OPERATING AND FINANCIAL RESULTS

### First Quarter Highlights:

- Averaged net production of approximately 1.8 bcfe per day for the quarter, of which 89% was natural gas
- Adjusted EBITDAX<sup>(1)</sup> of \$240 million and net cash provided by operating activities of \$210 million
- Decreased average well cost<sup>(2)</sup> to approximately \$564 per lateral foot during the quarter, resulting in capital expenditures incurred of \$148 million
- Generated \$54 million of free cash flow<sup>(1)</sup> during the quarter
- Eliminated all debt maturities until Q2 2024 with the retirement of our Convertible Notes in March 2021 and the redemption of our Senior Notes due 2022 in April 2021
- Borrowing base reaffirmed at \$1.85 billion in April 2021
- Reiterating annual production, free cash flow and capital guidance for 2021

<sup>(1)</sup> A non-GAAP financial measure. See the Non-GAAP reconciliations included in this press release for the definition of, and other important information regarding, this non-GAAP financial measure.

<sup>(2)</sup> Well costs include drilling, completions, facility and pad costs.

Oklahoma City, Oklahoma, May 12, 2021 (PR Newswire) – Ascent Resources Utica Holdings, LLC (“Ascent”, “our” or the “Company”) today reported its first quarter 2021 operating and financial results and reaffirmed its 2021 guidance. In addition, Ascent announced a conference call with analysts and investors at 9 AM CDT / 10 AM EDT, Thursday, May 13, 2021. For more detailed information on Ascent, please refer to the latest investor presentation and additional information located on our website at <https://www.ascentresources.com/investors>.

Commenting on our first quarter 2021 performance, Ascent's Chairman and Chief Executive Officer, Jeff Fisher said, “Ascent has delivered another strong quarter of results. Coming into the year our strategy was clear: improve margins, optimize cost structure and generate sustainable free cash flow while achieving attractive corporate level returns. We successfully executed on all fronts, generating \$54 million of free cash flow that was used to improve our balance sheet by eliminating all debt maturities until Q2 2024. As we move forward, the Company is well positioned to deliver on our financial and operational plans as we reiterate our production, capital and free cash flow guidance for the year.”

### *First Quarter 2021 Financial Results*

First quarter 2021 net production averaged 1,791 mmcf per day, which consisted of 1,600 mmcf per day of natural gas, 9,333 bbls per day of oil and 22,533 bbls per day of natural gas liquids (“NGL”).

First quarter 2021 price realizations, including the impact of settled derivatives, were \$3.14 per mcf. Excluding the impact of derivatives, first quarter 2021 price realizations were \$3.27 per mcf.

For the first quarter of 2021, Ascent reported net loss of \$43 million, adjusted net income of \$59 million and adjusted EBITDAX of \$240 million. Ascent incurred a total of \$148 million of capital expenditures in the first quarter of 2021 including \$127 million for well costs, \$8 million for acquisitions and leasehold costs and \$13 million of capitalized interest. The Company generated \$54 million of free cash flow in the first quarter of 2021.

### *Balance Sheet and Liquidity*

As of March 31, 2021, Ascent had total debt outstanding of approximately \$2.8 billion, with \$888 million of borrowings outstanding and \$149 million of letters of credit issued under its revolving credit facility. Liquidity at the end of the first quarter of 2021 was \$819 million, comprised of \$813 million of available borrowing capacity and \$6 million of cash on hand. Our leverage ratio at the end of the quarter was 3.1x.

The Company continued to improve the balance sheet with a series of transactions aimed at optimizing our debt profile. On March 1, 2021, the Company retired the remaining Convertible Notes for \$13 million, and on April 1, 2021, the Company redeemed the remaining \$68 million in aggregate principal amount of its 10% Senior Notes due 2022.

In April 2021, Ascent's borrowing base was also reaffirmed at \$1.85 billion pursuant to the regularly scheduled semi-annual borrowing base redetermination under our credit agreement.

### *Operational Update*

During the first quarter of 2021, Ascent operated 4 drilling rigs and one fracture stimulation crew. The Company spud 14 operated wells, hydraulically fractured 18 wells, and turned in line 11 wells with an average lateral length of 15,265 feet. Seven of the 11 new wells were located in the dry gas and lean gas areas, while the four other wells were in the liquids-rich window. As of March 31, 2021, Ascent had 609 gross operated producing Utica wells.

Our well costs averaged approximately \$564 per lateral foot during the first quarter of 2021, a 17% reduction compared to the first quarter of 2020. These cost savings are primarily attributable to sustainable and repeatable drilling and completion efficiency gains as the team continues to reduce cycle times, increase footage drilled and stages completed per day while simultaneously reducing our non-productive time.

### *Hedging Update*

Ascent has significant hedges to reduce exposure to volatility in commodity prices, as well as to protect our expected operating cash flow. As of March 31, 2021, Ascent had hedged 1,475,000 mmbtu per day of natural gas production for the remainder of calendar year 2021, at approximately \$2.56 per mmbtu. In addition, Ascent had also hedged 3,600 bbls per day of crude oil production at an average price of \$51.82 per bbl for the remainder of calendar year 2021. We also have significant natural gas hedges in place for 2022 and beyond (please reference our financials for additional detail).

### *About Ascent Resources*

Ascent is the eighth largest producer of natural gas in the United States in terms of daily production and is focused on acquiring, developing, producing, and operating natural gas and oil properties located in the Utica Shale in Southern Ohio. With a continued focus on good corporate citizenship, Ascent is committed to delivering low-cost clean-burning energy to our country and the world with limited environmental impact. For more information, visit [www.ascentresources.com](http://www.ascentresources.com).

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This news release contains forward-looking statements within the meaning of US federal securities laws. Forward-looking statements express views of Ascent regarding future plans and expectations. Forward-looking statements in this news release include, but are not limited to, statements regarding future operations, business strategy, liquidity and cash flows of Ascent. These statements are based on numerous assumptions and are subject to known and unknown risks and uncertainties, including, commodity price volatility, inherent uncertainty in estimating natural gas, oil and NGL reserves, environmental and regulatory risks, availability of capital, and the other risks described in Ascent's most recent investor presentation provided at [www.ascentresources.com/investors](http://www.ascentresources.com/investors). Actual future results may vary materially from those expressed or implied in this news release and Ascent's business, financial condition, results of operations and cash flow could be materially and adversely affected by such risks and uncertainties. As a result, forward-looking statements should be understood to be only predictions and statements of Ascent's current beliefs; they are not guarantees of performance.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended March 31,	
<i>(\$ in thousands)</i>	2021	2020
<b>Revenues:</b>		
Natural gas	\$ 430,198	\$ 292,518
Oil	41,958	49,554
NGL	55,532	36,003
Commodity derivative (loss) gain	(98,670)	208,483
Total Revenues	429,018	586,558
<b>Operating Expenses:</b>		
Lease operating expenses	21,405	20,927
Gathering, processing and transportation expenses	220,671	232,713
Production and ad valorem taxes	9,040	9,798
Exploration expenses	18,493	26,953
General and administrative expenses	16,569	14,420
Natural gas and oil depreciation, depletion and amortization	138,721	175,550
Depreciation and amortization of other assets	513	924
Total Operating Expenses	425,412	481,285
<b>Income from Operations</b>	3,606	105,273
<b>Other (Expense) Income:</b>		
Interest expense, net	(41,446)	(33,920)
Change in fair value of contingent payment right	(5,446)	—
Gains on purchases or exchanges of debt	—	13,493
Other income	348	516
Total Other Expense	(46,544)	(19,911)
<b>Net (Loss) Income</b>	<u>\$ (42,938)</u>	<u>\$ 85,362</u>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	March 31, 2021	December 31, 2020
<i>(\$ in thousands)</i>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 6,034	\$ 8,843
Accounts receivable – natural gas, oil and NGL sales	237,756	223,976
Accounts receivable – joint interest and other	10,698	8,466
Short-term derivative assets	554	8,202
Other current assets	9,822	8,316
<b>Total Current Assets</b>	<b>264,864</b>	<b>257,803</b>
<b>Property and Equipment:</b>		
Natural gas and oil properties, based on successful efforts accounting	8,921,819	8,791,061
Other property and equipment	31,525	31,565
Less: accumulated depreciation, depletion and amortization	(2,766,200)	(2,627,213)
<b>Property and Equipment, net</b>	<b>6,187,144</b>	<b>6,195,413</b>
<b>Other Assets:</b>		
Long-term derivative assets	4,536	2,401
Other long-term assets	15,004	16,232
<b>Total Assets</b>	<b>\$ 6,471,548</b>	<b>\$ 6,471,849</b>
<b>Current Liabilities:</b>		
Accounts payable	\$ 63,475	\$ 36,736
Revenue payable	102,572	84,142
Accrued interest	57,572	31,287
Current portion of long-term debt, net	—	12,498
Short-term derivative liabilities	130,205	54,144
Other current liabilities	224,533	257,495
<b>Total Current Liabilities</b>	<b>578,357</b>	<b>476,302</b>
<b>Long-Term Liabilities:</b>		
Long-term debt, net of current portion	2,645,558	2,707,382
Long-term derivative liabilities	109,105	113,160
Other long-term liabilities	78,388	73,010
<b>Total Long-Term Liabilities</b>	<b>2,833,051</b>	<b>2,893,552</b>
<b>Member's Equity</b>	<b>3,060,140</b>	<b>3,101,995</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 6,471,548</b>	<b>\$ 6,471,849</b>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Three Months Ended March 31,	
	2021	2020
<i>(\$ in thousands)</i>		
<b>Cash Flows from Operating Activities:</b>		
Net (loss) income	\$ (42,938)	\$ 85,362
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation, depletion and amortization	139,234	176,474
Change in fair value of commodity derivatives	77,659	(62,375)
Change in fair value of interest rate derivatives	(139)	—
Impairment of unproved natural gas and oil properties	17,394	26,310
Non-cash interest expense	4,686	1,988
Change in fair value of contingent payment right	5,446	—
Gains on purchases or exchanges of debt	—	(13,493)
Stock-based compensation	1,083	—
Other	3,463	(34)
Changes in operating assets and liabilities	4,232	77,891
<b>Net Cash Provided by Operating Activities</b>	<b>210,120</b>	<b>292,123</b>
<b>Cash Flows from Investing Activities:</b>		
Drilling and completion costs	(110,551)	(157,857)
Acquisitions of natural gas and oil properties	(20,601)	(45,391)
Additions to other property and equipment	(93)	(1,212)
<b>Net Cash Used in Investing Activities</b>	<b>(131,245)</b>	<b>(204,460)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from credit facility borrowings	325,000	185,000
Repayment of credit facility borrowings	(390,000)	(220,000)
Repayment of long-term debt	(12,781)	(47,031)
Cash paid for debt issuance costs	(447)	—
Other	(3,456)	—
<b>Net Cash Used in Financing Activities</b>	<b>(81,684)</b>	<b>(82,031)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(2,809)</b>	<b>5,632</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>8,843</b>	<b>7,346</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 6,034</b>	<b>\$ 12,978</b>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**NATURAL GAS, OIL AND NGL PRODUCTION AND PRICES**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Net Production Volumes:</b>		
Natural gas (mmcf)	143,967	155,814
Oil (mbbls)	840	1,253
NGL (mbbls)	2,028	3,250
Natural Gas Equivalents (mmcfe)	161,171	182,832
<b>Average Daily Net Production Volumes:</b>		
Natural gas (mmcf/d)	1,600	1,712
Oil (mbbls/d)	9	14
NGL (mbbls/d)	23	36
Natural Gas Equivalents (mmcfe/d)	1,791	2,009
% Natural Gas	89 %	85 %
% Liquids	11 %	15 %
<b>Average Sales Prices:</b>		
Natural gas (\$/mcf)	\$ 2.99	\$ 1.88
Oil (\$/bbl)	\$ 49.95	\$ 39.55
NGL (\$/bbl)	\$ 27.38	\$ 11.08
Natural Gas Equivalents (\$/mcfe)	\$ 3.27	\$ 2.07
Settlements of commodity derivatives (\$/mcfe)	(0.13)	0.80
Average sales price, after effects of settled derivatives (\$/mcfe)	\$ 3.14	\$ 2.87

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**CAPITAL EXPENDITURES INCURRED**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2021	2020
<i>(\$ in thousands)</i>		
Capital Expenditures Incurred:		
Drilling and completion costs incurred	\$ 126,447	\$ 195,115
Acquisition and leasehold costs incurred	8,402	24,236
Capitalized interest incurred	13,303	22,684
Total Capital Expenditures Incurred	<u>\$ 148,152</u>	<u>\$ 242,035</u>

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF ADJUSTED NET INCOME (LOSS)**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2021	2020
<i>(\$ in thousands)</i>		
Net (Loss) Income	\$ (42,938)	\$ 85,362
Adjustments to reconcile net (loss) income to adjusted net income:		
Impairment of unproved natural gas and oil properties	17,394	26,310
Change in fair value of commodity derivatives	77,659	(62,375)
Change in fair value of interest rate derivatives	(139)	—
Change in fair value of contingent payment right	5,446	—
Gains on purchases or exchanges of debt	—	(13,493)
Stock-based compensation	1,083	—
Adjusted Net Income (Non-GAAP) <sup>(a)(b)</sup>	<u>\$ 58,505</u>	<u>\$ 35,804</u>

<sup>(a)</sup> As shown above and on the following pages, Ascent uses adjusted net income (loss), EBITDAX, adjusted EBITDAX, discretionary cash flow and free cash flow (non-GAAP measures) as supplemental measures to evaluate the performance of its assets. Ascent believes these non-GAAP measures provide meaningful information to our investors, as discussed below. These non-GAAP measures, as used and defined by Ascent, are not measures of performance as determined by United States generally accepted accounting principles (US GAAP) and may not be comparable to similarly titled measures employed by other companies.

Non-GAAP measures should not be considered in isolation or as substitutes for operating income, net income or loss, cash flows provided by operating, investing and financing activities or other income or cash flow statement data prepared in accordance with US GAAP. Non-GAAP measures provide no information regarding a company's capital structure, borrowings, interest costs, capital expenditures and working capital movement. Non-GAAP measures do not represent funds available for discretionary use because those funds may be required for debt service, capital expenditures, working capital, exploration expenses and other commitments and obligations. However, Ascent's management team believes these non-GAAP measures are useful to an investor in evaluating Ascent's financial performance because these measures:

- Are widely used by investors in the natural gas and oil industry to measure a company's operating performance without regard to items excluded from the calculation of such terms, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure, and the method by which assets were acquired, among other factors;
- Are more comparable to estimates used by analysts;
- Help investors to more meaningfully evaluate and compare the results of Ascent's operations from period to period by removing the effect of its capital structure from its operating structure;
- Excludes one-time items, non-cash items or items whose timing cannot be reasonably estimated; and
- Are used by Ascent's management team for various purposes, including as a measure of operating performance, in presentations to its Board of Managers and as a basis for strategic planning and forecasting.

There are significant limitations to using non-GAAP measures as measures of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect Ascent's net income or loss, the lack of comparability of results of operations of different companies, and the different methods of calculating non-GAAP measures reported by different companies.

<sup>(b)</sup> Ascent defines "adjusted net (loss) income" as net income (loss) before impairment of unproved natural gas and oil properties; changes in fair value of commodity derivatives; change in fair value of interest rate derivatives; change in fair value of contingent payment right; (gains) losses on purchases or exchanges of debt; stock-based compensation; non-recurring legal expense (benefit); acquisition expenses; impairment of other property and equipment; and other non-recurring items.



**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF EBITDAX, ADJUSTED EBITDAX AND NET DEBT**  
**(Unaudited)**

*EBITDAX and Adjusted EBITDAX*

	Three Months Ended	
	March 31,	
	2021	2020
<i>(\$ in thousands)</i>		
Net (Loss) Income	\$ (42,938)	\$ 85,362
Adjustments to reconcile net (loss) income to EBITDAX:		
Exploration expenses	18,493	26,953
Natural gas and oil depreciation, depletion and amortization	138,721	175,550
Depreciation and amortization of other assets	513	924
Interest expense, net	41,446	33,920
EBITDAX (Non-GAAP) <sup>(a)(b)</sup>	156,235	322,709
Adjustments to reconcile EBITDAX to Adjusted EBITDAX:		
Change in fair value of commodity derivatives	77,659	(62,375)
Change in fair value of contingent payment right	5,446	—
Gains on purchases or exchanges of debt	—	(13,493)
Stock-based compensation	1,083	—
Adjusted EBITDAX (Non-GAAP) <sup>(b)(c)</sup>	\$ 240,423	\$ 246,841

- (a) Ascent defines "EBITDAX" as net income (loss) before exploration expenses; depreciation, depletion and amortization; and interest expense, net.
- (b) See footnote (a) on page 8 for a discussion around our uses of non-GAAP measures.
- (c) Ascent defines "adjusted EBITDAX" as EBITDAX before changes in fair value of commodity derivatives; change in fair value of contingent payment right; (gains) losses on purchases or exchanges of debt; stock-based compensation; non-recurring legal expense (benefit); and other non-recurring items.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF EBITDAX, ADJUSTED EBITDAX AND NET DEBT (CONTINUED)**  
**(Unaudited)**

*Last Twelve Months ("LTM") EBITDAX and Adjusted EBITDAX*

	Three Months Ended				Twelve Months Ended
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2021
<i>(\$ in thousands)</i>					
Net (Loss) Income	\$ (42,938)	\$ 168,609	\$ (552,432)	\$ (291,050)	\$ (717,811)
Adjustments to reconcile net (loss) income to EBITDAX:					
Exploration expenses	18,493	26,323	28,096	22,858	95,770
Natural gas and oil depreciation, depletion and amortization	138,721	161,449	195,120	201,331	696,621
Depreciation and amortization of other assets	513	774	928	942	3,157
Interest expense, net	41,446	35,781	33,279	31,233	141,739
EBITDAX (Non-GAAP) <sup>(a)(b)</sup>	156,235	392,936	(295,009)	(34,686)	219,476
Adjustments to reconcile EBITDAX to Adjusted EBITDAX:					
Change in fair value of commodity derivatives	77,659	(202,620)	500,175	239,847	615,061
Change in fair value of contingent payment right	5,446	6,518	—	—	11,964
Losses on purchases or exchanges of debt	—	15,708	3,632	190	19,530
Stock-based compensation	1,083	1,065	710	—	2,858
Non-recurring legal expense	—	—	—	5,572	5,572
Adjusted EBITDAX (Non-GAAP) <sup>(b)(c)</sup>	<u>\$ 240,423</u>	<u>\$ 213,607</u>	<u>\$ 209,508</u>	<u>\$ 210,923</u>	<u>\$ 874,461</u>

<sup>(a)</sup> Ascent defines "EBITDAX" as net income (loss) before exploration expenses; depreciation, depletion and amortization; and interest expense, net.

<sup>(b)</sup> See footnote (a) on page 8 for a discussion around our uses of non-GAAP measures.

<sup>(c)</sup> Ascent defines "adjusted EBITDAX" as EBITDAX before changes in fair value of commodity derivatives; change in fair value of contingent payment right; (gains) losses on purchases or exchanges of debt; stock-based compensation; non-recurring legal expense (benefit); and other non-recurring items.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF EBITDAX, ADJUSTED EBITDAX AND NET DEBT (CONTINUED)**  
**(Unaudited)**

*Net Debt and Net Debt to LTM Adjusted EBITDAX*

<i>(\$ in thousands)</i>	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
Net Debt:		
Total debt <sup>(a)</sup>	\$ 2,754,108	\$ 2,746,900
Less: cash and cash equivalents	6,034	12,978
Net Debt <sup>(b)</sup>	<u>\$ 2,748,074</u>	<u>\$ 2,733,922</u>
Net Debt to LTM Adjusted EBITDAX:		
Net Debt <sup>(b)</sup>	\$ 2,748,074	\$ 2,733,922
LTM Adjusted EBITDAX <sup>(c)</sup>	\$ 874,461	\$ 1,136,848
Net Debt to LTM Adjusted EBITDAX	<u>3.1 x</u>	<u>2.4 x</u>

<sup>(a)</sup> Total debt represents outstanding principal balances and includes the current portion of our long-term debt.

<sup>(b)</sup> Ascent defines "Net Debt" as total debt less cash and cash equivalents. Management uses Net Debt to determine our outstanding debt obligations that would not be readily satisfied by its cash and cash equivalents on hand.

<sup>(c)</sup> Adjusted EBITDAX for the LTM ended March 31, 2021 and 2020, respectively.

**ASCENT RESOURCES UTICA HOLDINGS, LLC**  
**RECONCILIATIONS OF DISCRETIONARY CASH FLOW AND FREE CASH FLOW**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2021	2020
<i>(\$ in thousands)</i>		
Net Cash Provided by Operating Activities	\$ 210,120	\$ 292,123
Adjustments to reconcile Net Cash Provided by Operating Activities to Discretionary Cash Flow:		
Changes in operating assets and liabilities	(4,232)	(77,891)
Discretionary Cash Flow (Non-GAAP) <sup>(a)(b)</sup>	205,888	214,232
Adjustments to reconcile Discretionary Cash Flow to Free Cash Flow:		
Drilling and completion costs incurred	(126,447)	(195,115)
Acquisition and leasehold costs incurred	(8,402)	(24,236)
Capitalized interest incurred	(13,303)	(22,684)
Other	(3,456)	—
Free Cash Flow (Non-GAAP) <sup>(b)(c)</sup>	\$ 54,280	\$ (27,803)

(a) Discretionary cash flow is widely accepted as a financial indicator of a natural gas and oil company's ability to generate cash which is used to internally fund exploration and development activities and service debt. Ascent defines "discretionary cash flow" as net cash provided by operating activities before changes in operating assets and liabilities.

(b) See footnote (a) on page 8 for a discussion around our uses of non-GAAP measures.

(c) Free cash flow is an indicator of a company's ability to generate funding to maintain or expand its asset base, make distributions and repurchase or extinguish debt. Ascent defines "free cash flow" as discretionary cash flow less incurred drilling and completion costs, acquisitions of natural gas and oil properties, capitalized interest, debt exchange fees and certain non-recurring items.