

Upstream M&A Themes and Trends for 2026

Energy Valuation Conference 2026

May 14, 2026

STRICTLY PRIVATE AND CONFIDENTIAL

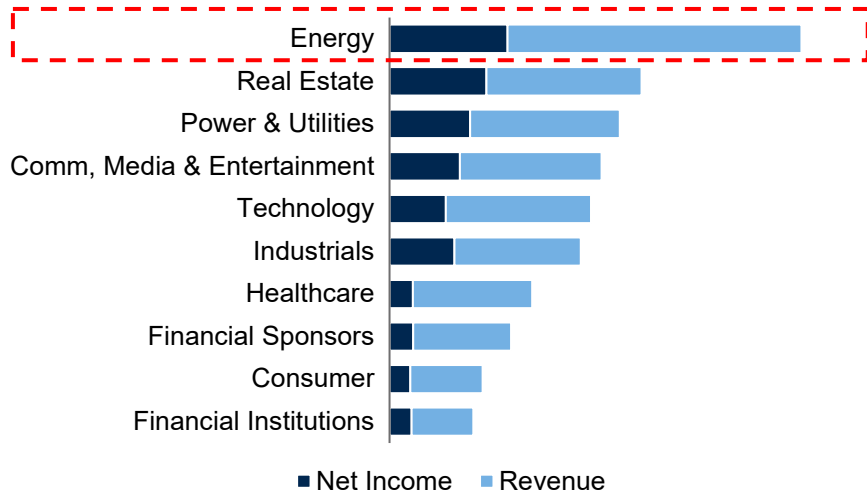


Capital Markets
Richardson Barr

RBC is a Leading Full-Service Investment Bank Providing M&A Advisory and Capital Markets

Energy is the top performing group inside RBC Capital Markets

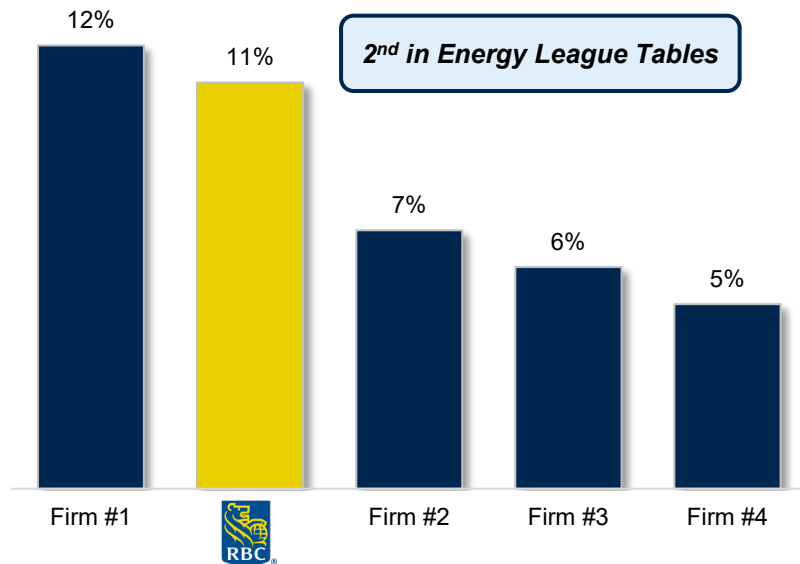
Energy is RBC's Largest Revenue Contributor (2017 – 2025)



RBC's Product Offering



2026 YTD North America Market Share (%)



~60+ investment banking professionals across Upstream, Midstream, and Downstream

Market leader in upstream advisory and capital markets

RBC is a Market Leader in Upstream M&A, A&D and Capital Markets Transactions

Notable M&A Engagements



~C\$21,600,000,000
Financial Advisor to ARC
Ann. April 2026



~C\$3,800,000,000
Financial Advisor to NuVista
February 2026



~C\$8,600,000,000
Financial Advisor to MEG
Ann. August 2025




~\$717,000,000
Financial Advisor to CRC
December 2025



~\$11,500,000,000
Financial Advisor to Southwestern
October 2024



~\$13,500,000,000
Financial Advisor to EQT
July 2024



~\$4,500,000,000
Financial Advisor to Callon
April 2024



~\$4,500,000,000
Financial Advisor to Earthstone
November 2023

Notable A&D Engagements



\$950,000,000
Financial Advisor to SM Energy
Ann. February 2026



\$3,900,000,000
Financial Advisor to Antero
February 2026



\$1,500,000,000
Financial Advisor to GeoSouthern
February 2026



\$1,200,000,000
Financial Advisor to Antero
February 2026



Confidential Buyer
\$2,305,000,000
Financial Advisor to Baytex
December 2026



~\$4,450,000,000
Financial Advisor to Diamondback
May 2025




~\$4,100,000,000
Financial Advisor to Double Eagle
April 2025



\$950,000,000
Financial Advisor to APA
January 2025

Notable Capital Markets Engagements



7.125% Senior Notes
\$600,000,000
Joint Bookrunner
April 2026



Senior Unsecured Notes, TLA, and Bridge Facility
~\$2,300,000,000
January 2026



Senior Unsecured Notes and Bridge Facility
~\$1,300,000,000
December 2025



Initial Public Offering
\$304,750,000
Joint Active Bookrunner
January 2025

Key RBC Upstream Statistics

- **>\$30 billion** of M&A advisory in 2025
- **>\$12 billion** of capital markets financing in 2025
- Advised on **9 of the last 16 corporate M&A** upstream transactions in North America since 2023
- **2nd** in energy league tables with **11% market share**

Executive Summary | *What's in Store for 2026*

Geopolitical uncertainty not slowing dealmaking but demanding disciplined risk-taking to stay competitive



Energy security top of mind for both crude and natural gas, albeit for different macro factors



Softness in oil market to start the year has been displaced by Middle East conflict



Gas remains in vogue as need for reliable power supply for data center & AI buildout needed



Internationals are looking to participate in U.S. hydrocarbon growth; energy transition out of vogue



Strong demand for the commodity + scarcity of quality assets = premium valuations for seller



Public's demand for inventory is driving a risk-on market and push on leverage metrics



ABS market continues to build depth and deal size continues to set high water marks



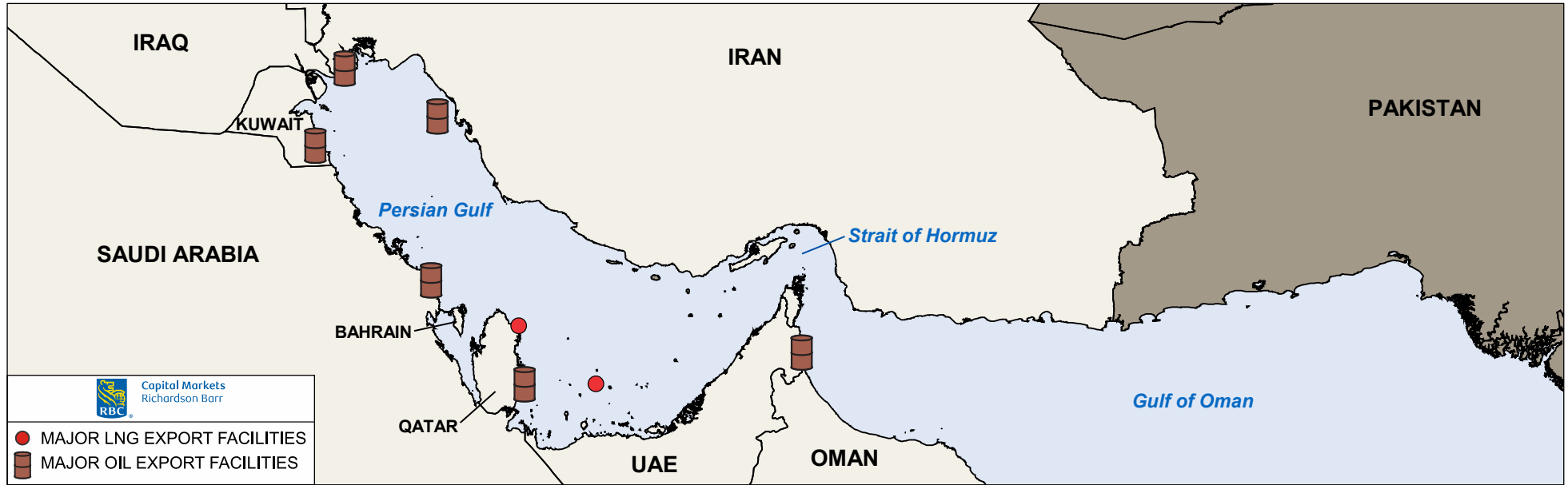
2026 is the year of the big deal; consolidation will continue



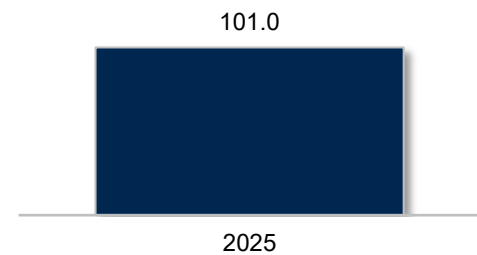
Capital markets remain open for upstream assets; private credit not impacting upstream debt markets

Uncertainty Persists as ~20% of Global Crude and LNG Uses Strait of Hormuz

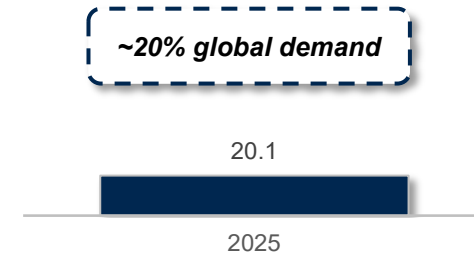
Minimal spare capacity to offset supply disruptions when compared to past conflicts



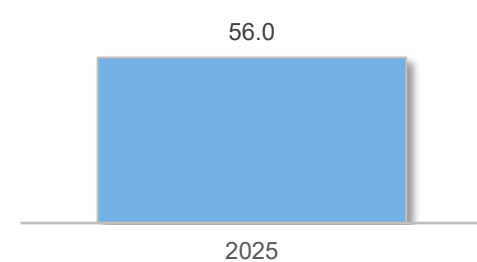
World Oil Demand (MMbbl/d)



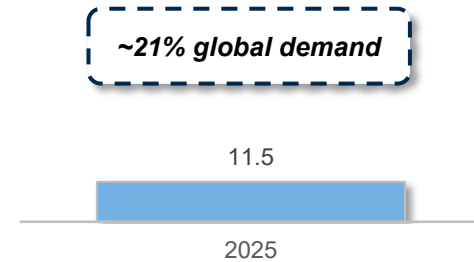
Hormuz Oil Throughput (MMbbl/d)



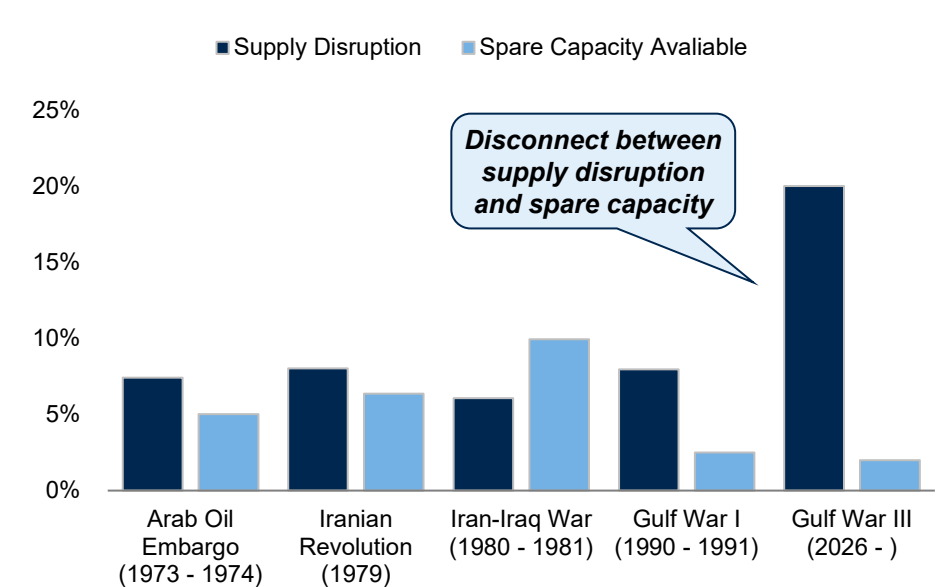
World LNG Demand (Bcf/d)



Hormuz LNG Throughput (Bcf/d)



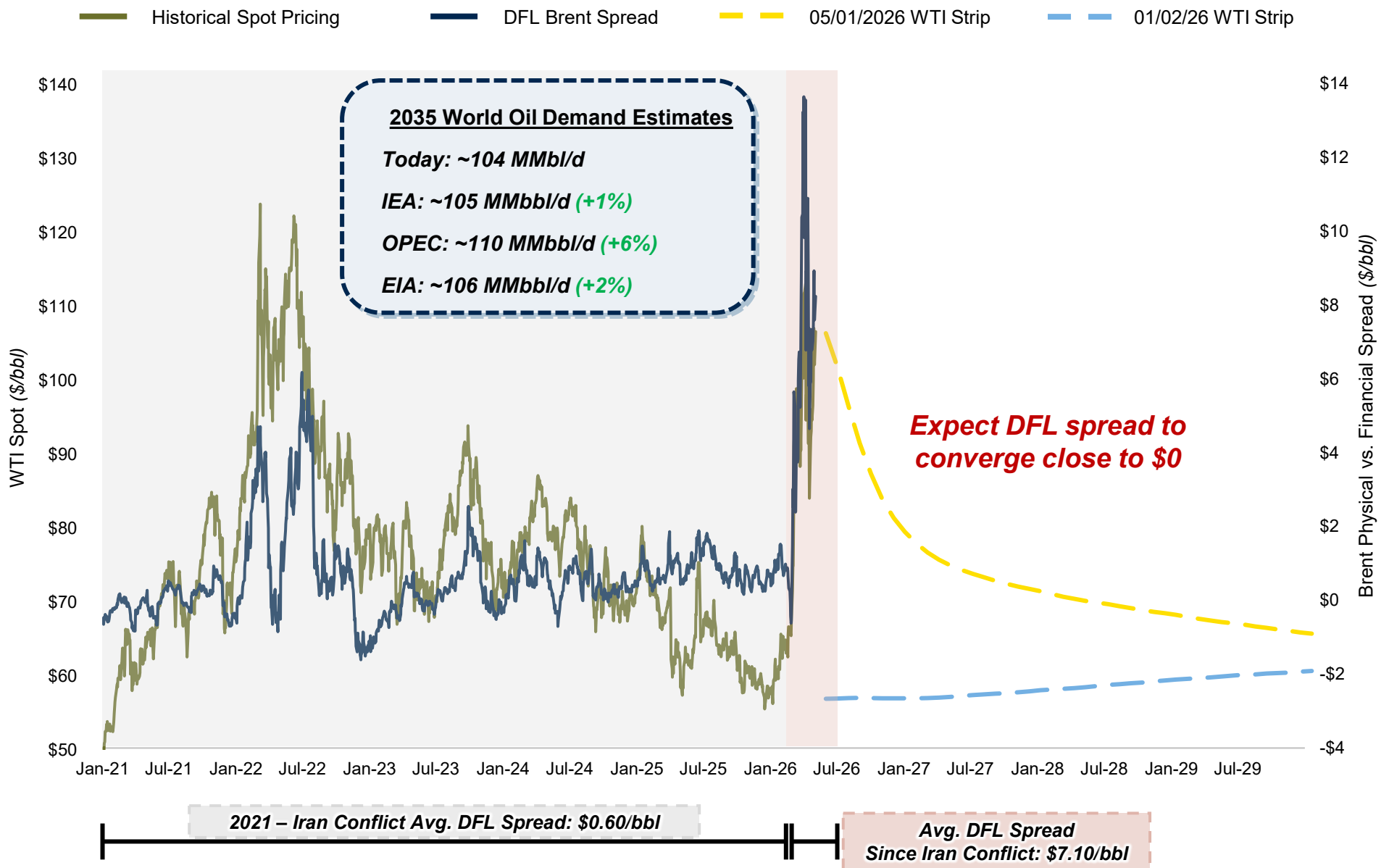
Supply Disruption | Historic Impacts Of War



Long-Term Demand Growth + Need for Energy Security Likely to have Lasting Impact on Crude Prices

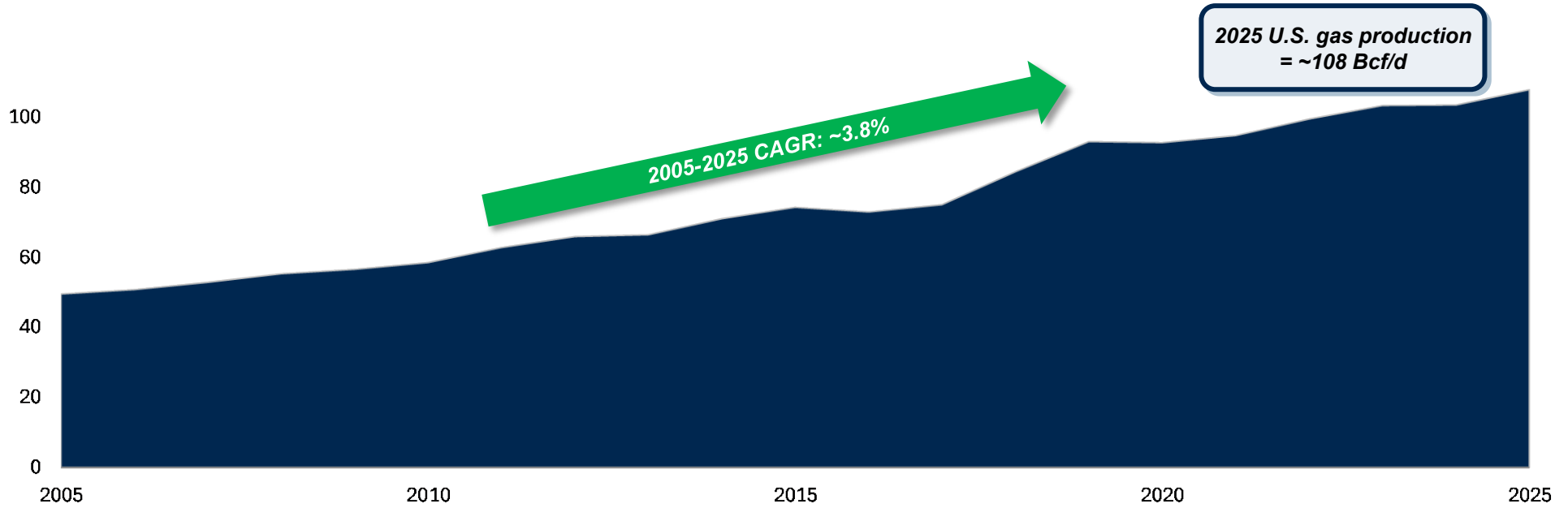
Disconnect between physical and financial markets point towards continued volatility

WTI (\$/bbl)

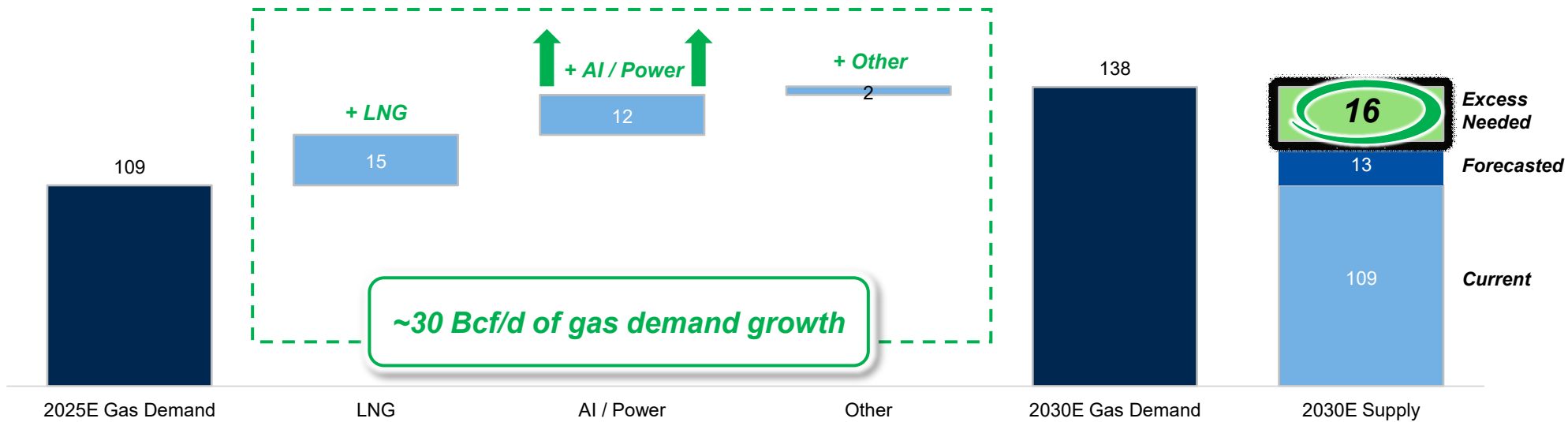


U.S. Natural Gas Boom Fueled by LNG Growth and Anticipated AI Buildout

North American Natural Gas Production (Bcf/d): Supply Growing at ~4% CAGR



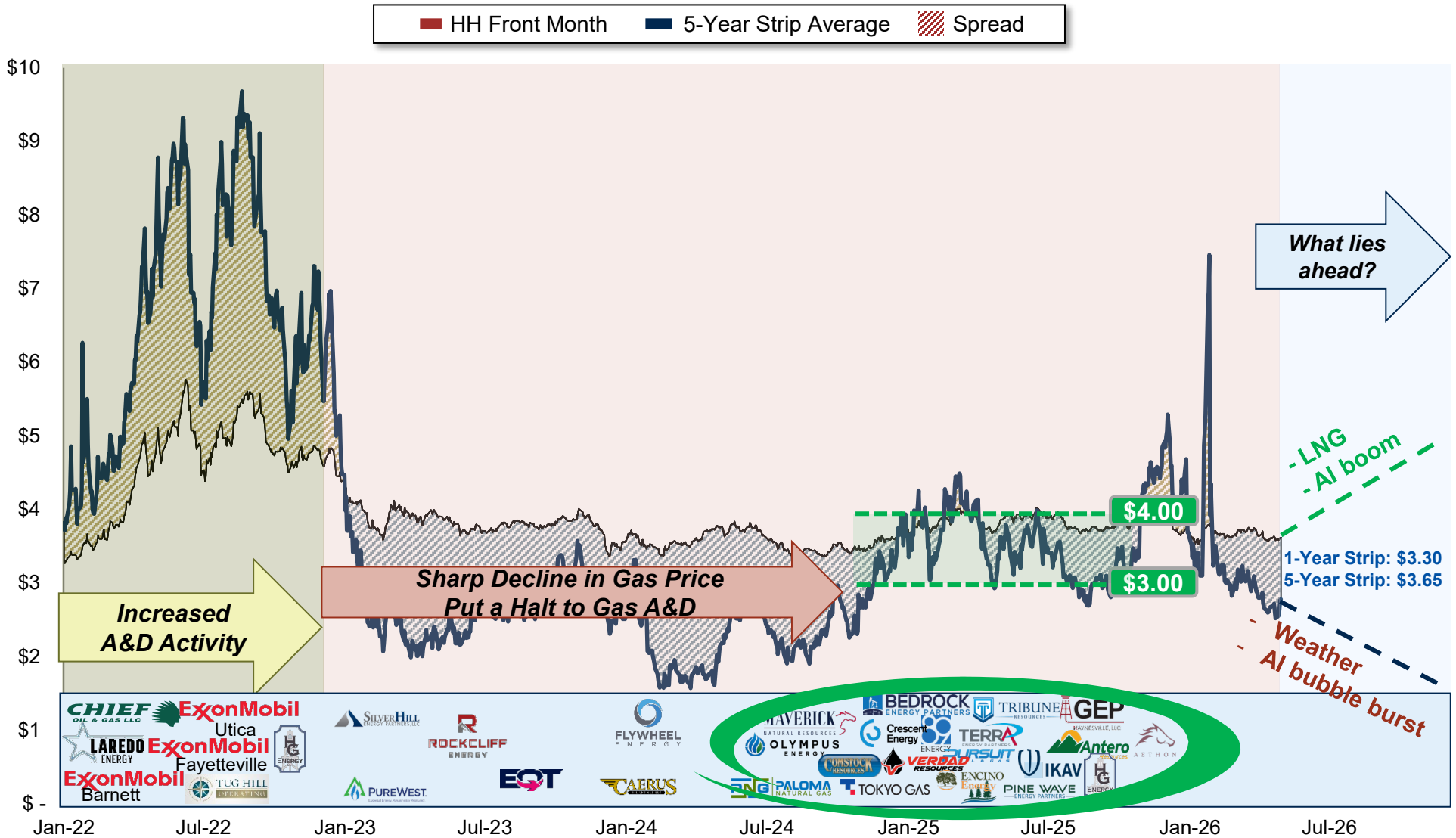
North American Gas Demand (Bcf/d): Demand Growing at 5% CAGR



Despite Roller Coaster for Gas Prices, \$3-4 Gas Constructive for MA&D

Alignment between front month and 5-year strip results in most constructive MA&D market for gas assets

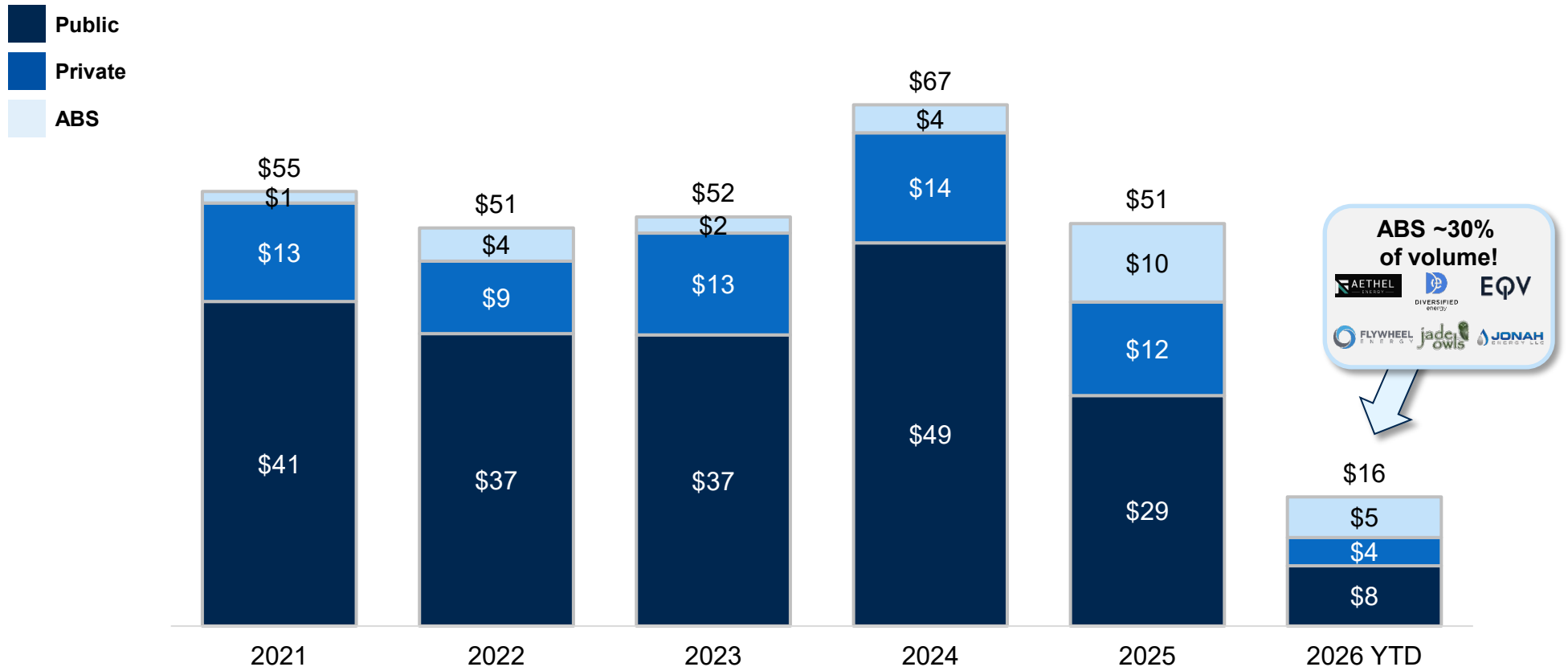
HH Prices (\$/MMBtu)



A&D Market Remains Incredibly Active with Path to Another ~\$50 Bn Year

Entrance of ABS and international buyers add to growing buyer universe

Transactions by Buyer Type (\$B)



		2021	2022	2023	2024	2025	2026 YTD
Commodity Split	% Oil	77%	72%	87%	85%	54%	
	% Gas	23%	28%	13%	15%	63%	
Seller Type	% Public	39%	20%	15%	10%	34%	
	% PE / Private	61%	80%	85%	90%	66%	
Average Deal Size (\$ MM)		\$523	\$529	\$653	\$950	\$582	

ABS ~30% of volume!

RBC expects another robust year of A&D activity further fueled by accelerated oil divestitures

9 Source: RBC. Represents US Onshore Asset Transactions >\$100 MM. Note: Commodity Split and Seller Type calculated as a % of annual deal value.

Private Capital Landscape Continues to Evolve

Fewer Management teams, less capital and larger check sizes pervasive across the industry

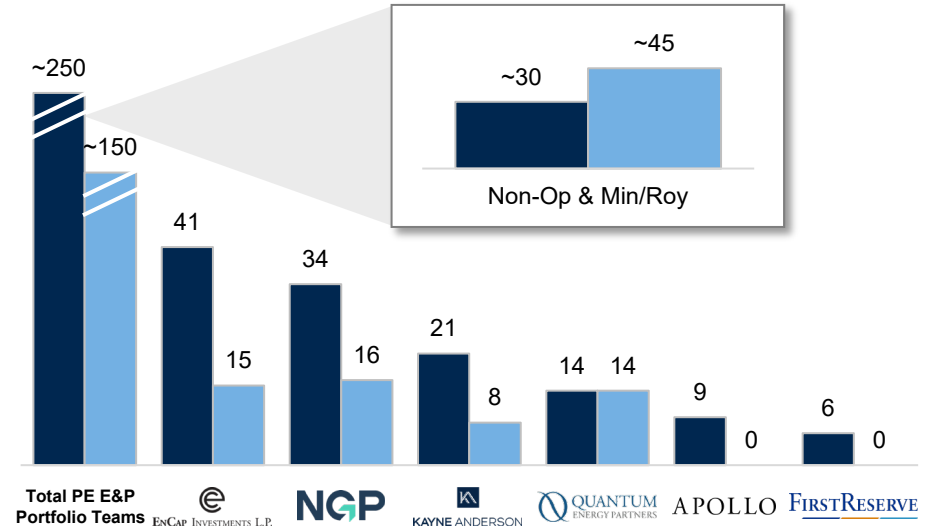
Financial Sponsors Shift From NY For TX

★ NY PE ★ TX PE

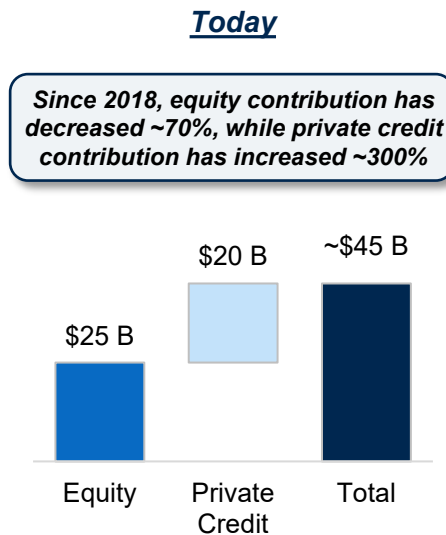


Financial Sponsor Team Comparison

■ 2018 ■ 2026



Equity vs. Private Credit



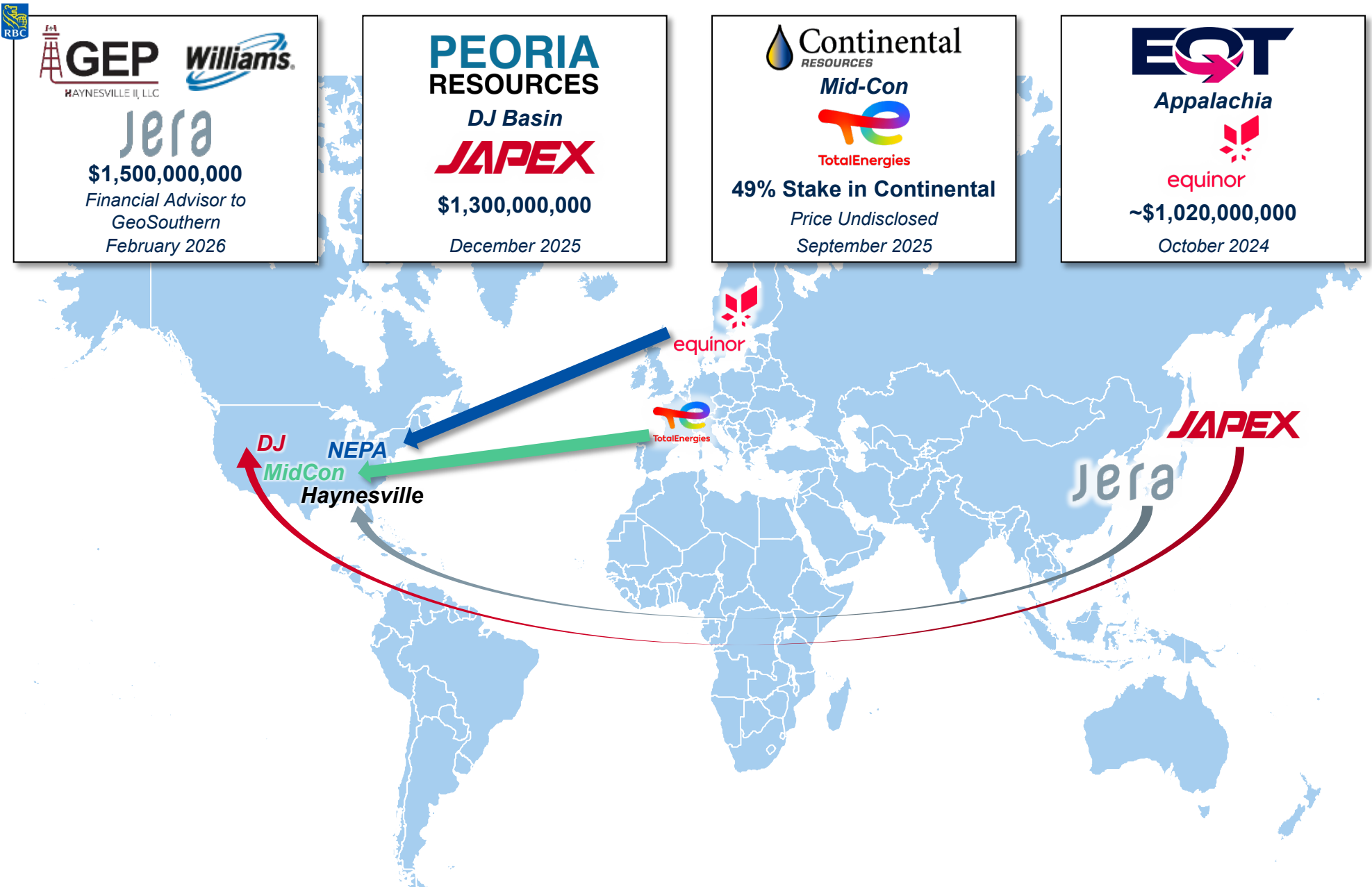
Team's Investment Thesis

- 2018**
- High volume of 2-3 man teams
 - Sub \$150 MM equity checks
 - Buy & Flip acreage
 - 1-2 year hold life

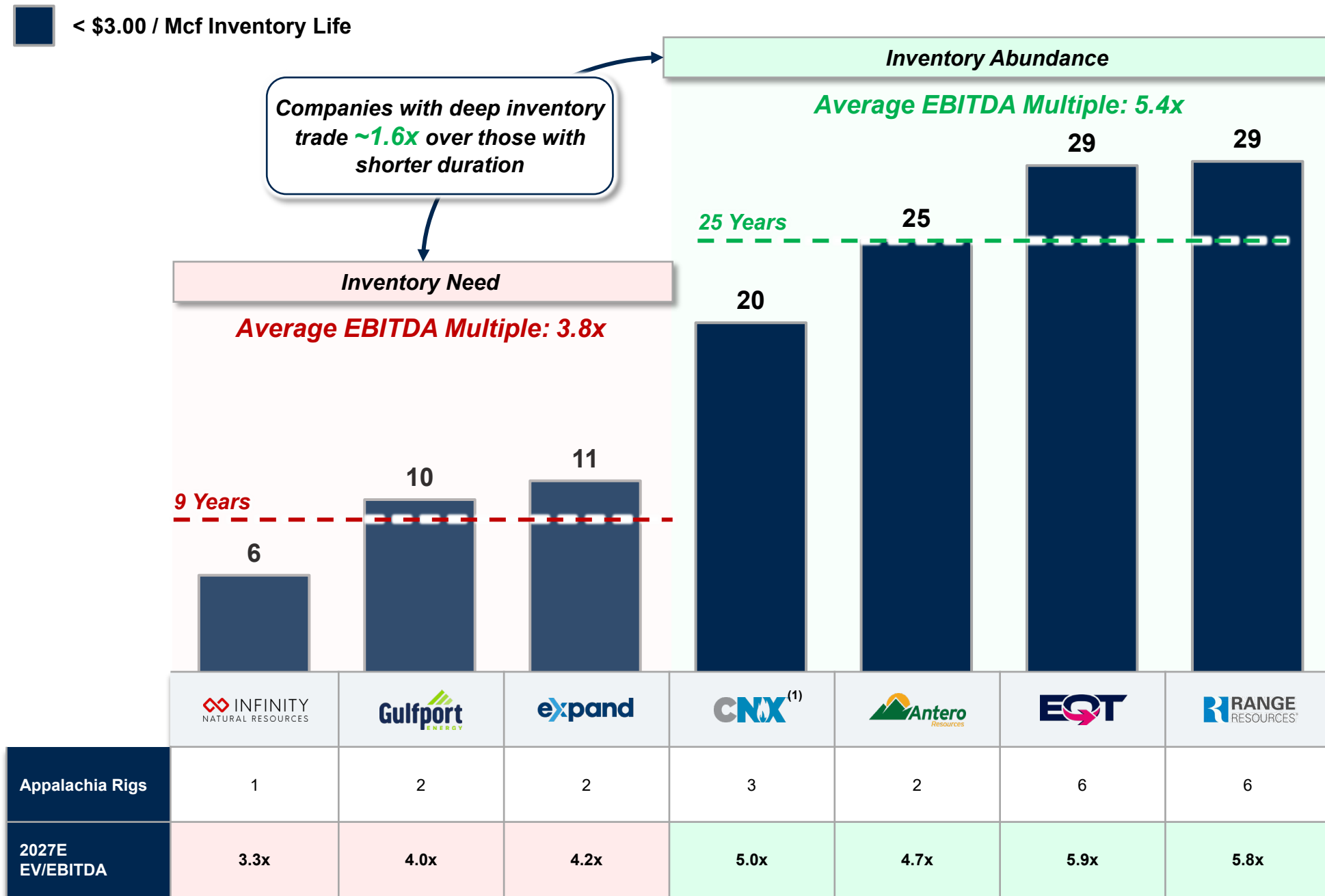
- Today**
- Fewer, more seasoned, teams
 - \$500-\$1B+ equity checks
 - Scale and Optimize businesses
 - 4-7 year hold life

International Interest on the Rise for U.S. Assets

More internationals looking at U.S. assets while U.S. companies are evaluating international opportunities

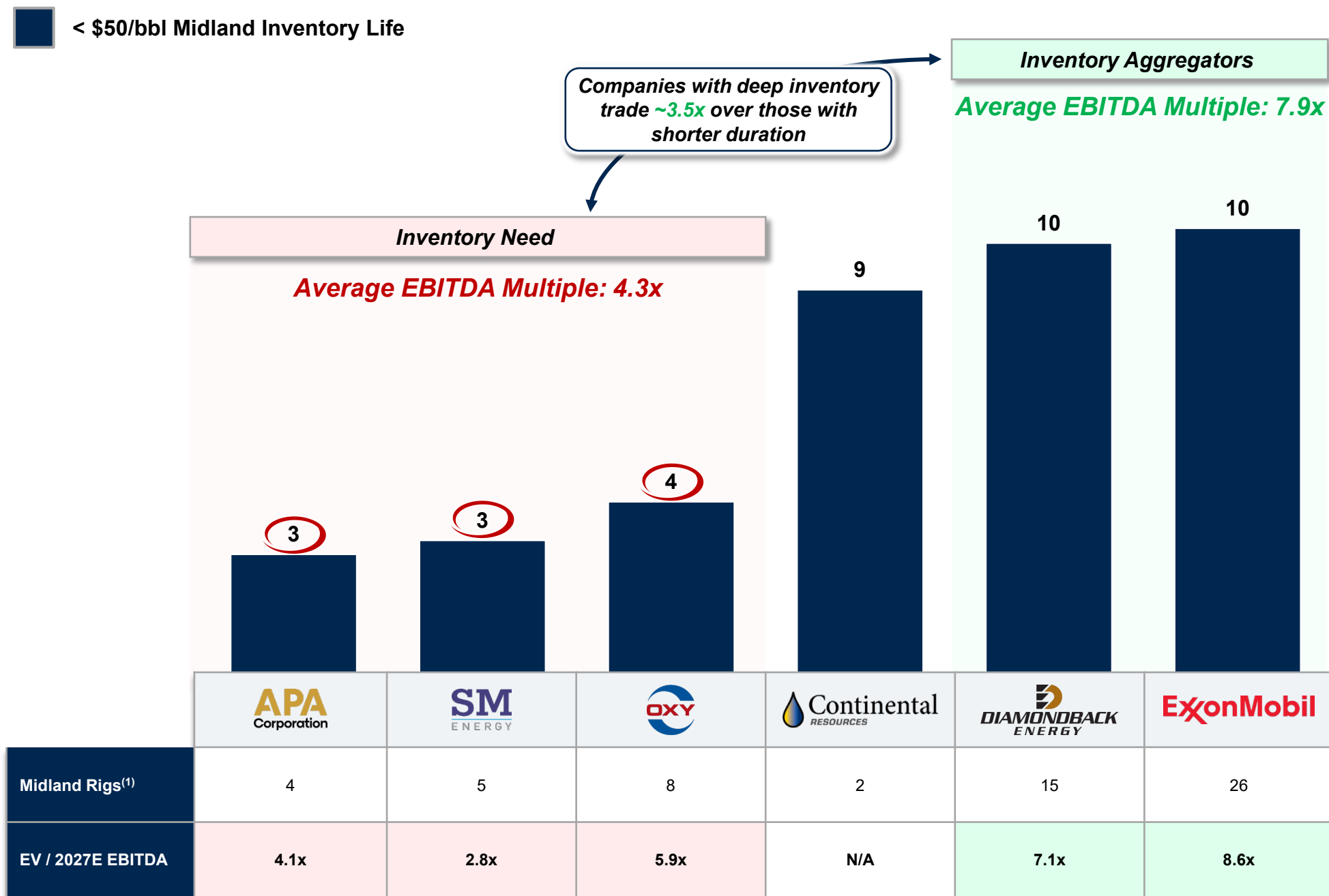


EBITDA Multiples for Gas Businesses Continue to Widen Driven by Inventory Duration...



12 Source: Enverus, public disclosures
 Note: Inventory life defined as total locations divided by 2025E completions as of February 2026.
 (1) Inventory life reflects 2026E completions estimate

...With Same Theme Seen Across Oil-Weighted Permian Businesses

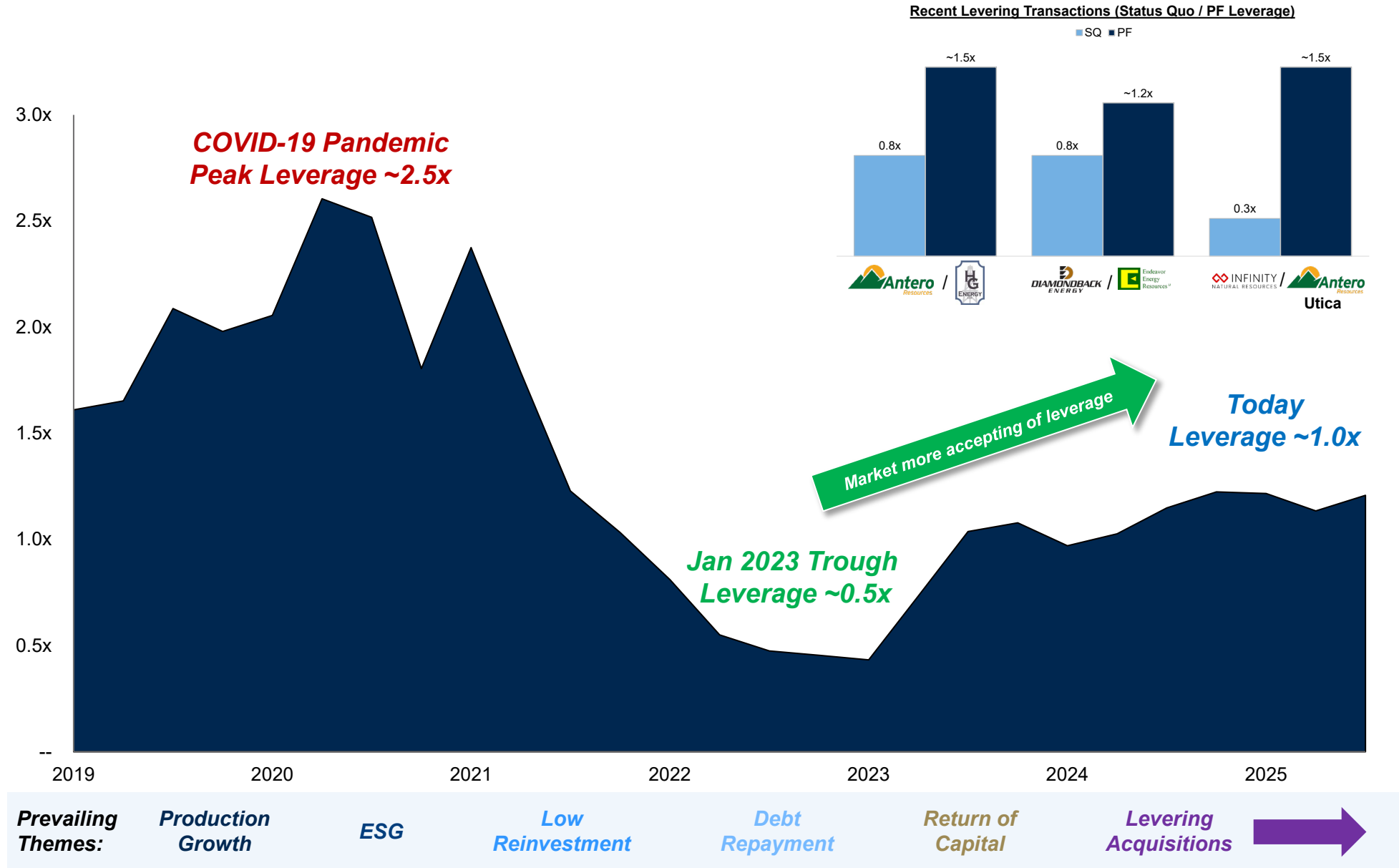


13 Source: Enverus, public disclosures, FactSet as of 04/03/2026.
 Note: Inventory life defined as total net locations divided by NTM net completions per Enverus.
 (1) Rig count as of 04/03/2026.

Publics are Willing to Lever Up for Quality Acquisitions

1.5x leverage is acceptable if companies show path to delevering

Historical Median Public E&P Net Leverage⁽¹⁾

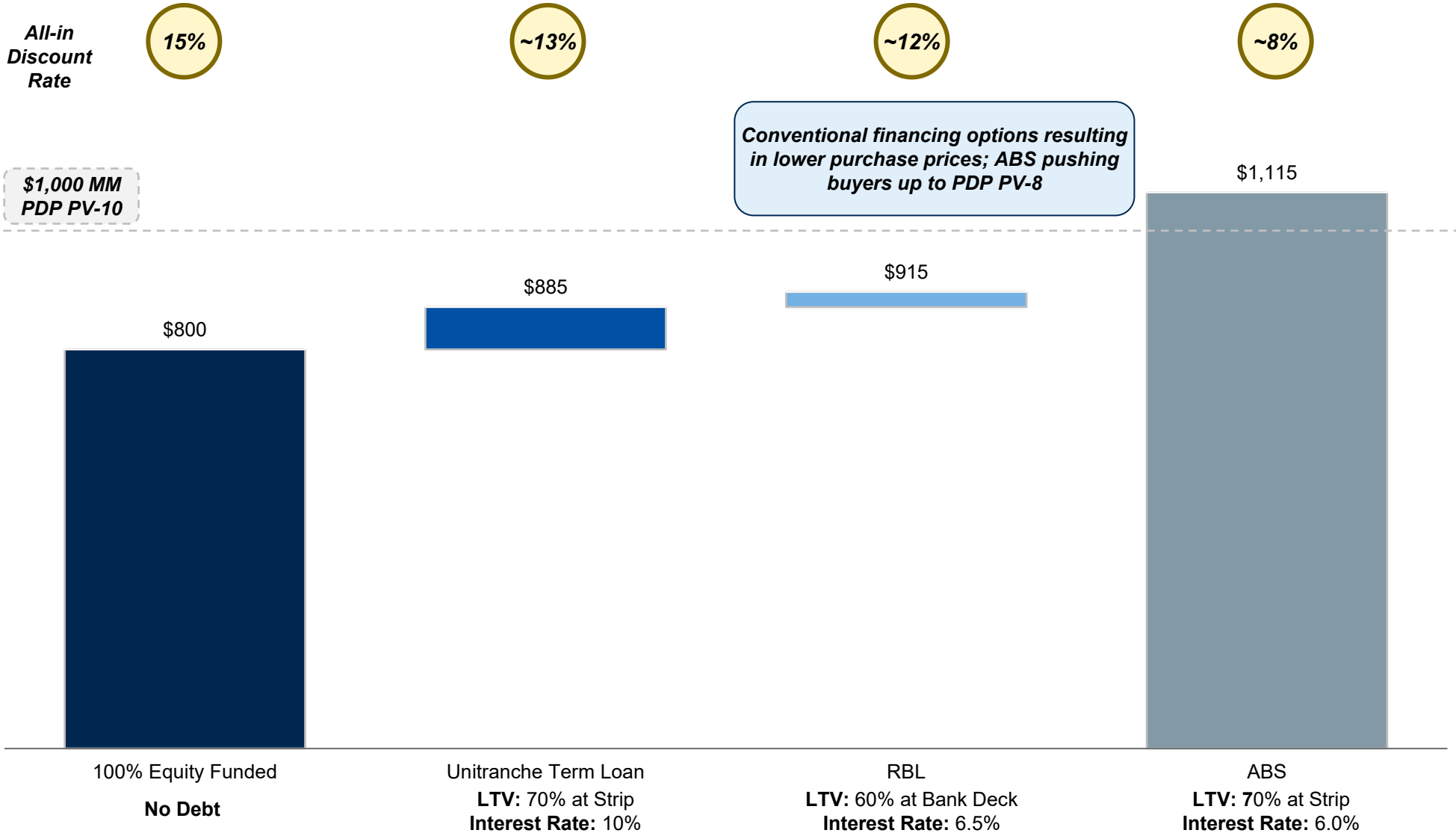


14 Source: FactSet.
 (1) Calculated based on quarterly Net Debt / LTM EBITDA; includes all Small, Mid, and Large Cap companies.

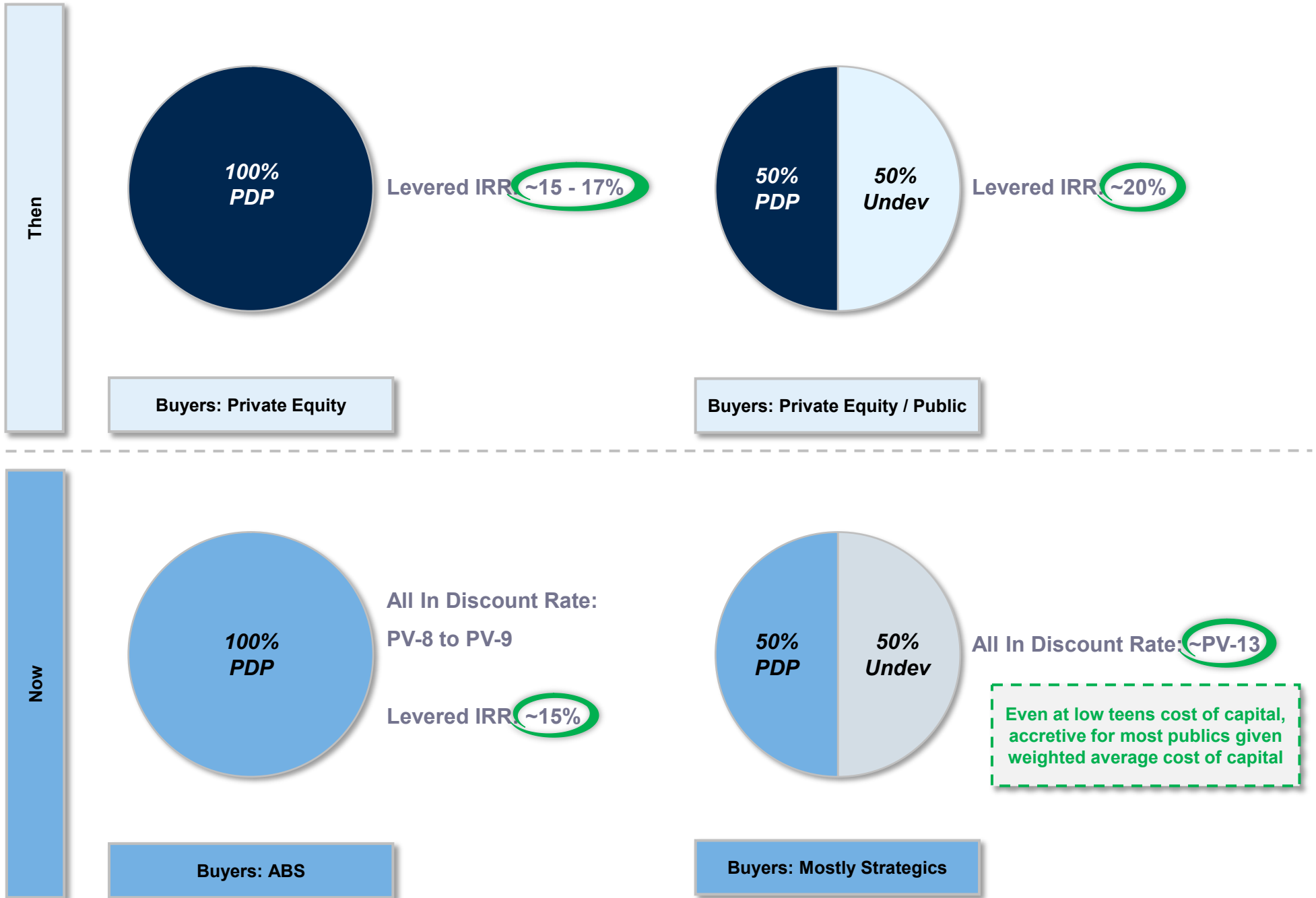
ABS Financing Reduces “All-In” Cost Of Capital

Higher LTV + attractive interest rate allowing buyers to pay in excess of PDP PV-10 and still achieve a mid-teens equity return

Illustrative Buyer Ability to Pay for a 15% Levered IRR (\$MM)



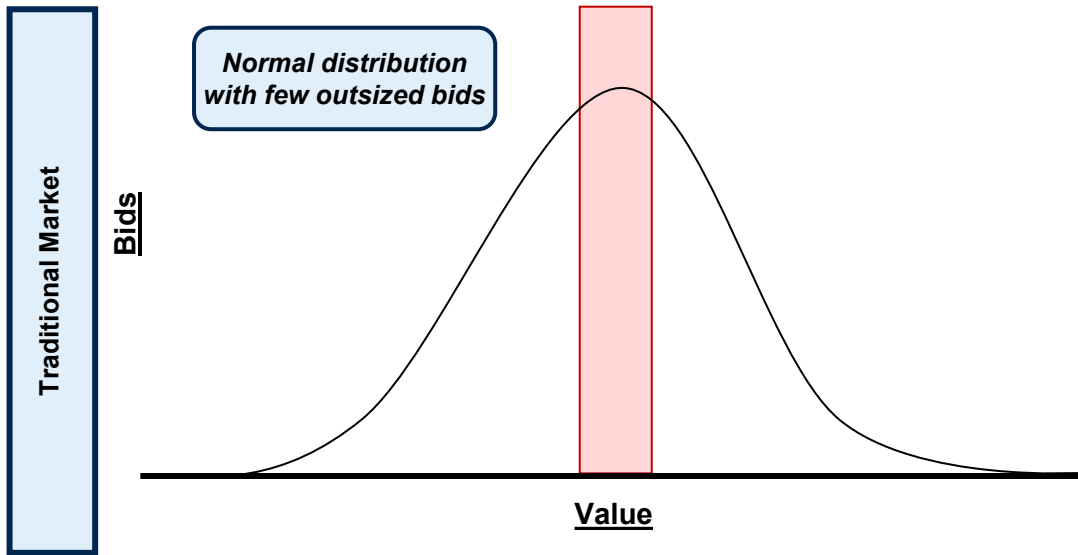
Buyers are Bidding Down the Cost Of Capital for Both PDP and Undeveloped Assets



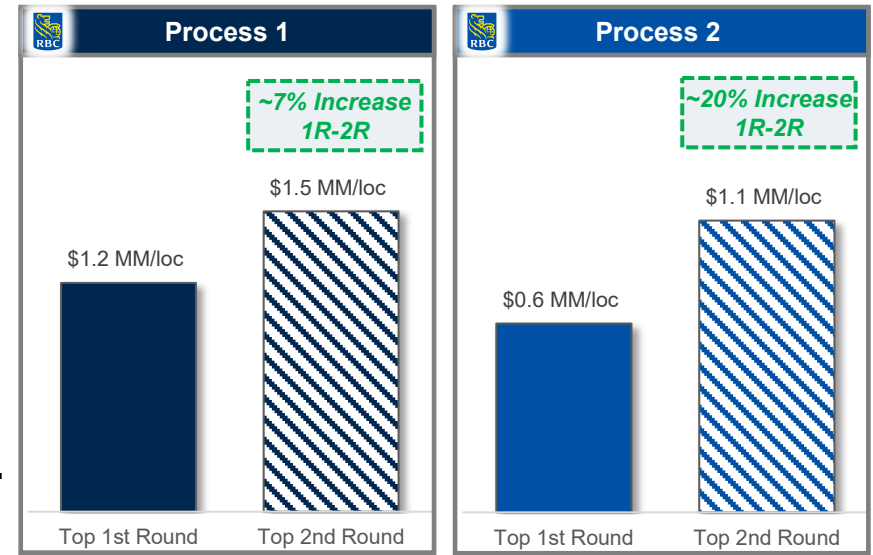
Scarcity of Inventory Depth Combined with Strength of ABS is Driving a Risk-On Market

Buyer quality and depth in the current market increases chance of a “fly-bid”

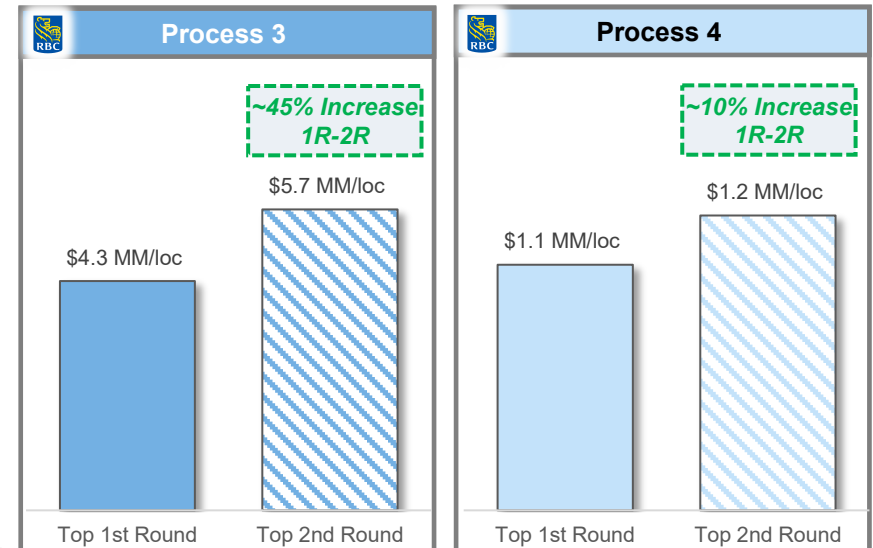
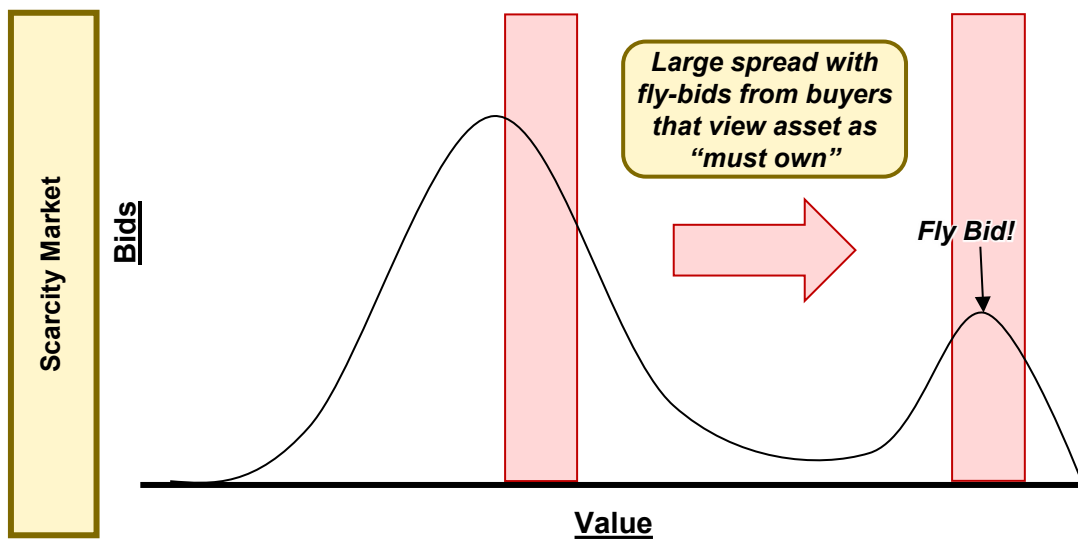
“Risk-Off” Market Bid Range



Indicative Bid Breakout for Recent RBC A&D Sell-Side Processes

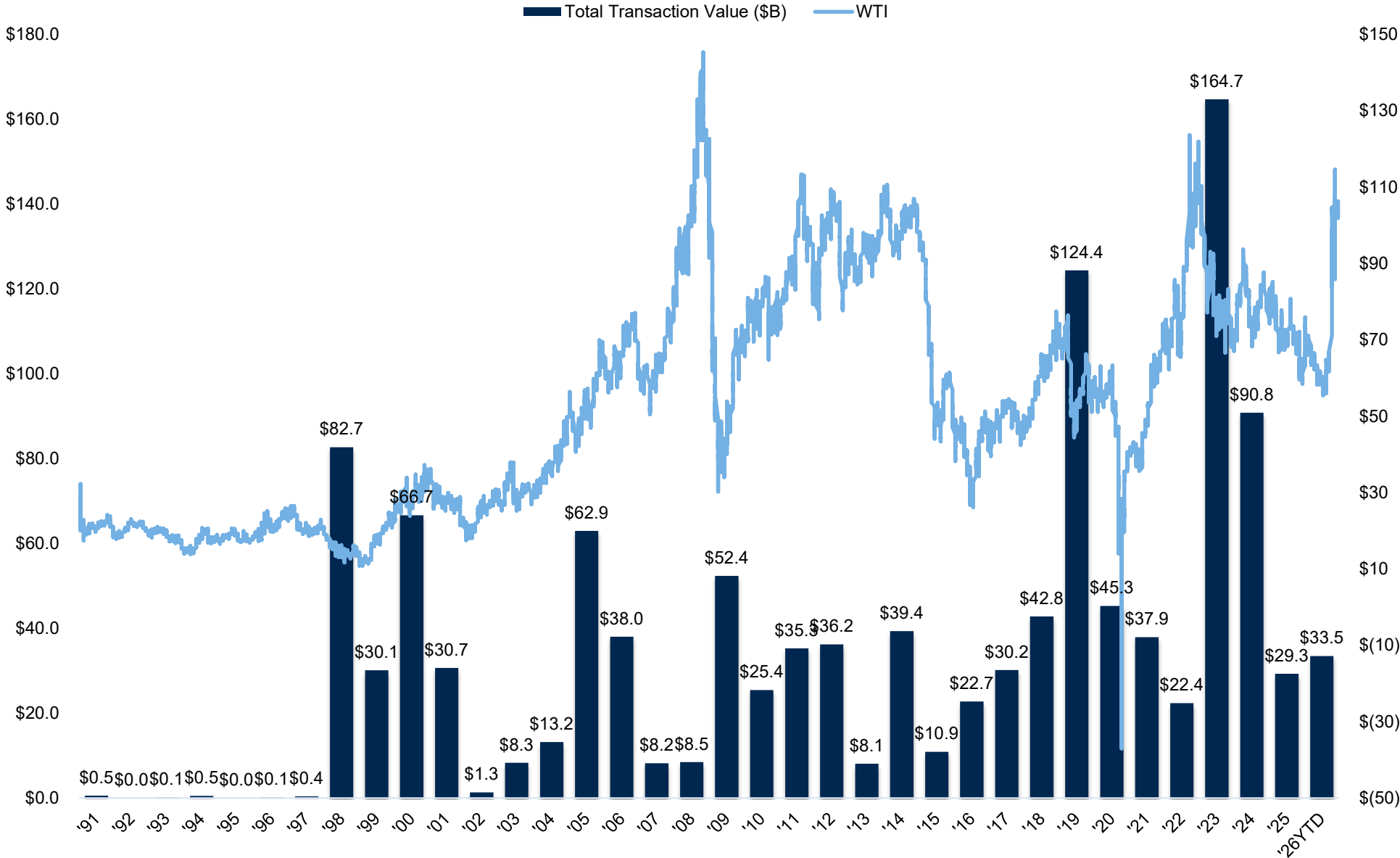


“Risk-On” Market Bid Range



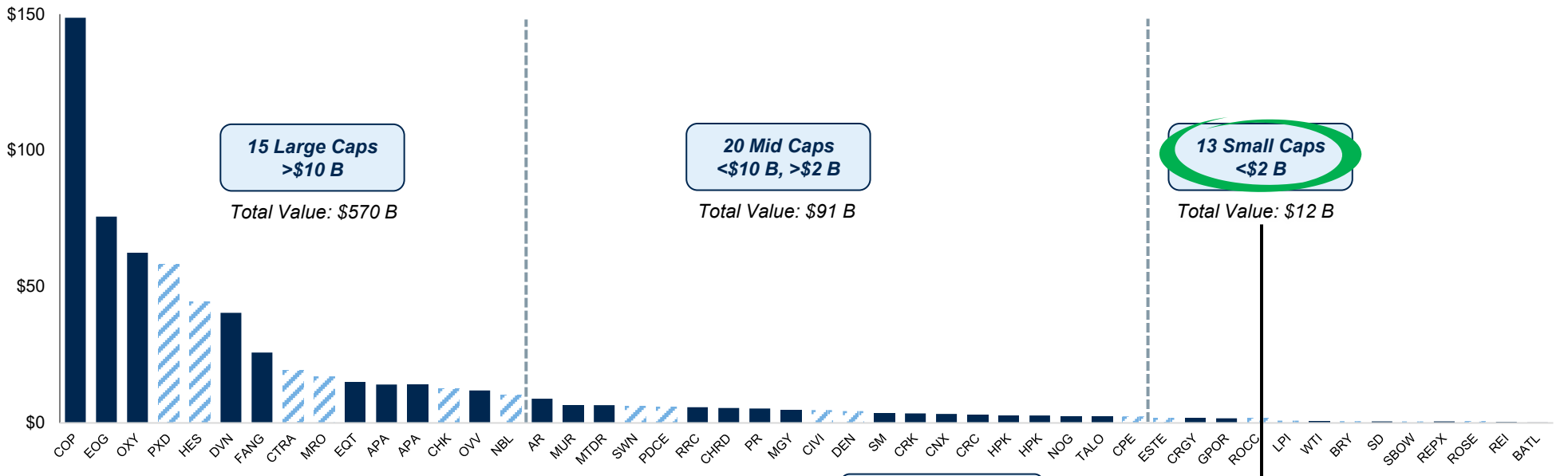
Corporate M&A in the Upstream Sector has Reached Record Highs

2026 poised to be an active market with MOE's and heavy A&D

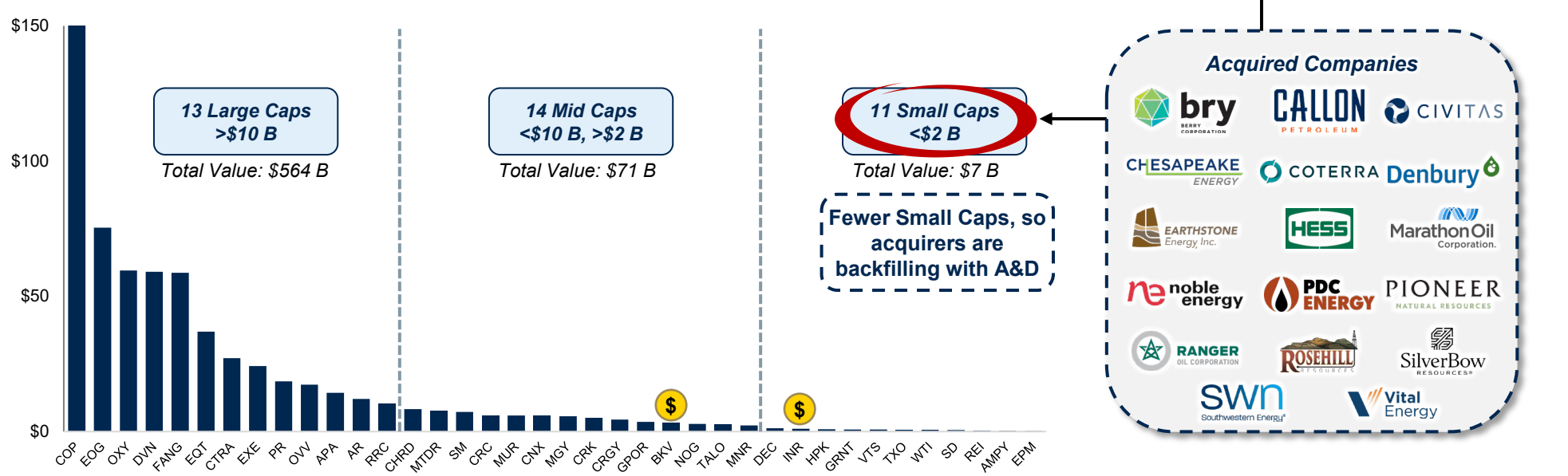


Public E&P Consolidation Continuing with >25% Reduction in Company Count Since 2023

E&P Universe At 01/01/2023 | Market Cap (\$B) | 48 Total Companies **Total E&P Market Cap: \$673 B** Acquired Company



Current E&P Universe | Market Cap (\$B) | 38 Total Companies **Total E&P Market Cap: \$643 B** IPO

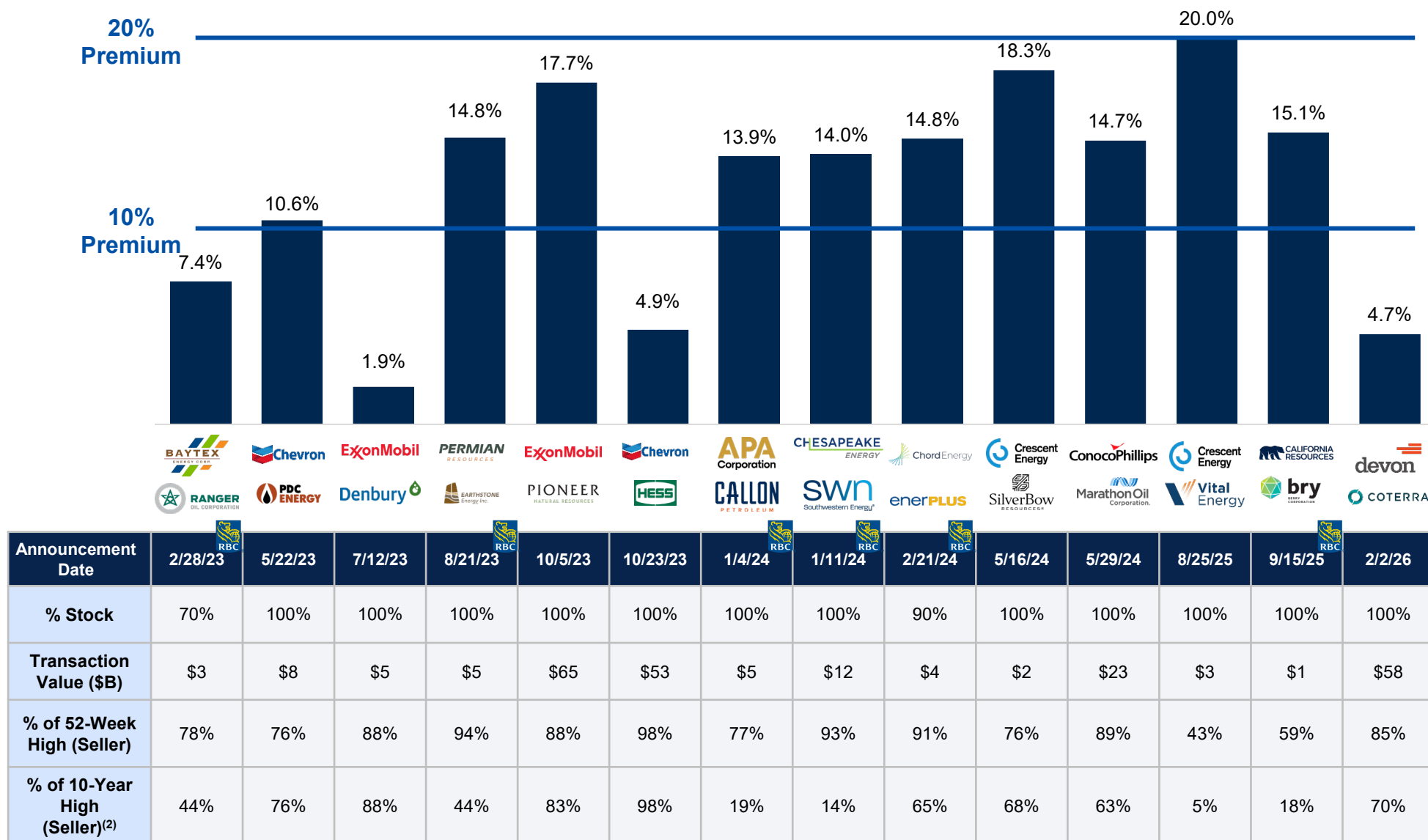


19 Source: FactSet data as of 05/01/2026.
Note: Includes E&P publics with a market capitalization greater than \$100 MM.

Outside of Merger of Equals (“MOE”), Upstream M&A Premiums Remain Range Bound

Market remains constructive for large scale public M&A transactions

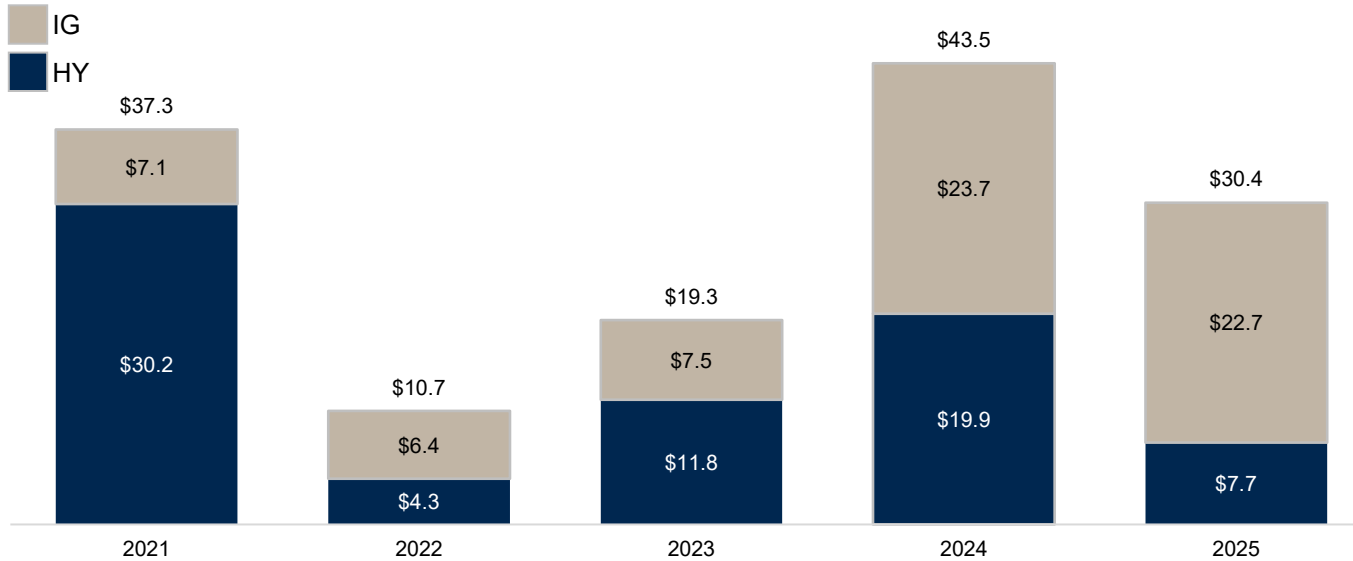
E&P M&A Premiums Paid Since 2022 (%)⁽¹⁾



Debt Capital Markets Remain Open for E&P Issuers

2025 mostly driven by acquisition financing

High Yield / Investment Grade Issuances Since 2021 (\$B)

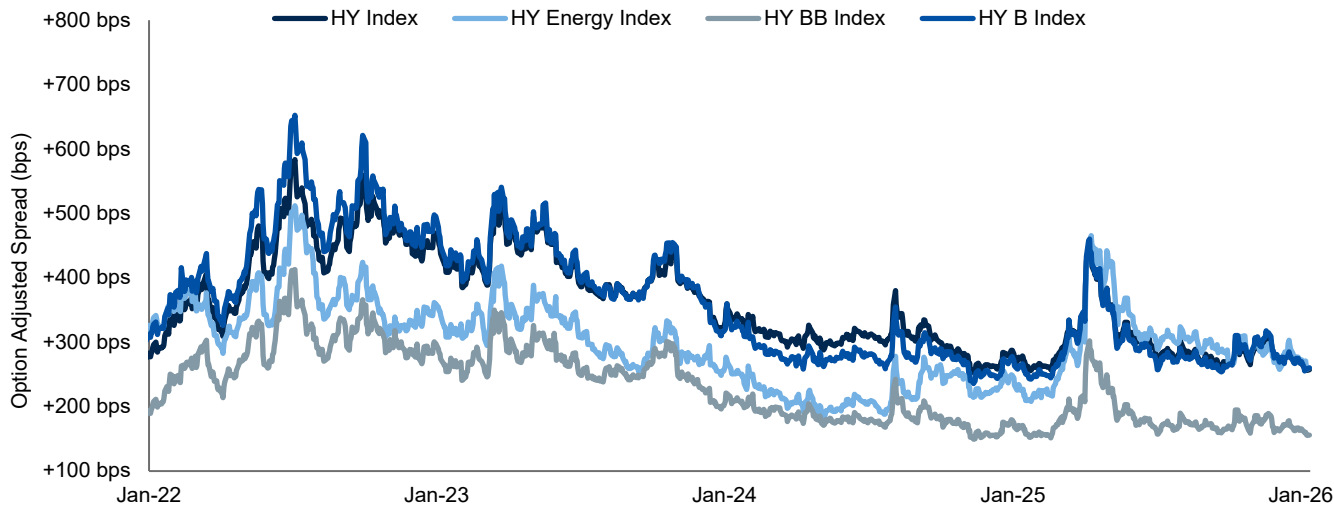


➤ HY activity decreased in 2025 vs 2024 as repeat issuers had already refinanced upcoming maturities

➤ 2 HY issuers debuted each of the last 2 years

➤ IG activity was relatively flat in 2025 vs 2024 as those markets remain wide open

Index Spreads | 2022 - Current



➤ Yields continued to tighten as interest rates fell

➤ Broader high yield market grew in 2025 as market remained issuer friendly

➤ Expect market to remain open, particularly for acquisition financing in 2026



More Oil-Weighted Assets Coming to Market



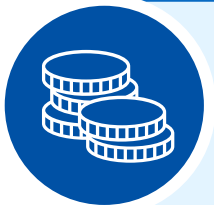
Consolidation Topical; 2026 Year of the Big Deal



Increased International Step-Outs



1.5x Leverage is the New 1.0x



Capital Markets Remain Open

Disclaimer

This presentation was prepared exclusively for the benefit of and internal use by the recipient for the purpose of considering the transaction or transactions contemplated herein.

This presentation is confidential and proprietary to RBC Capital Markets, LLC (“RBCCM”) and may not be disclosed, reproduced, distributed or used for any other purpose by the recipient without RBCCM’s express written consent; provided, however, that by acceptance of these materials, and notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, RBCCM, its affiliates and the recipient agree that the recipient (and its employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the tax treatment, structure or strategy of the transaction and any fact that may be relevant to understanding such treatment, structure or strategy, and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient relating to such tax treatment, structure, or strategy.

The information and any analyses contained in this presentation are taken from, or based upon, information obtained from the recipient or from publicly available sources, the completeness and accuracy of which has not been independently verified, and cannot be assured by RBCCM. The information and any analyses in these materials reflect prevailing conditions and RBCCM’s views as of this date, all of which are subject to change.

To the extent projections and financial analyses are set forth herein, they may be based on estimated financial performance prepared by or in consultation with the recipient and are intended only to suggest reasonable ranges of results. The printed presentation is incomplete without reference to the oral presentation or other written materials that supplement it.

References herein to “SOFR”, “SOFR Rate”, “S” or other SOFR abbreviations means the Secured Overnight Financing Rate as administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate).

Employees of RBCCM are prohibited from directly or indirectly, explicitly or implicitly: (a) promising any company favorable research coverage, a particular research rating or recommendation, as an inducement for the receipt of business or compensation; or (b) threatening to retaliate with adverse coverage or comments if such business or compensation is not awarded. All recommendations, ratings, price targets and opinions regarding a company are determined independently by RBCCM’s Research Department.

RBCCM and its affiliates do not provide tax advice and nothing contained herein should be construed as tax advice. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.

In the event that RBCCM is engaging in any discussion of activities that may be subject to the provisions of Section 15B of the Securities Exchange Act of 1934 or of any rules or regulations adopted thereunder by the Securities and Exchange Commission or the Municipal Securities Rulemaking Board (together, the “Municipal Regulations”), RBCCM hereby provides notice to you that it is providing the information contained in this document for discussion purposes only in anticipation of serving as Underwriter to you and/or any of your affiliates in which RBCCM would be acting solely as a principal in a commercial, arm’s length transaction and not as a municipal advisor, financial advisor or fiduciary to you and/or any of your affiliates or any other person or entity. The information provided herein or in connection herewith is not intended to be and should not be construed as “advice” within the meaning of the Municipal Regulations.

RBC Capital Markets is the global brand name for the capital markets businesses of Royal Bank of Canada and its affiliates, including RBC Capital Markets, LLC (member FINRA, NYSE and SIPC), RBC Dominion Securities Inc. (member IIROC and CIPF) and RBC Europe Limited (authorized and regulated by Financial Services Authority). This material is not for distribution to retail clients as defined under the rules of the FSA. ® Registered trademark of Royal Bank of Canada. Used under license.

© Copyright 2026. All rights reserved.