EON Resources Inc.

Conference Call – November 2024

NYSE American: EONR

https://www.EON-R.com/

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- In preparing this presentation, the Company has substantially and materially relied on the Evaluations of Certain Oil and Gas Properties ("reserve reports") rendered by William M. Cobb & Associates, Inc. ("Cobb"), an unrelated third party that had previously been engaged and compensated by EON concerning the oil and gas assets owned by EON including, without limitation, the proved reserves and future income as of the date of the Cobb reserve reports, the most recent reflecting values as of December 31, 2023.

Presenters

- Michael J. Porter – Investor Relations
- Dante V. Caravaggio – CEO
- Mitchell B. Trotter – CFO
- Jesse J. Allen – VP of Operations

Chief Executive Officer Comments

- Opening remarks
- Want to hear from you on your interest and feedback
  - Deck is a guideline for discussion purposes
  - Ask questions as we go along
- Overview of the field
- Path to date
- Observations at closing

The Oil Field

- The oil field has several large reservoir structures. The EON intervals range from as shallow as 1,500 feet deep to 4,000 feet deep
- The EON field has attainable proven reserves of approximately 20 million barrels of crude oil and 5 billion cubic feet of natural gas
- Original Oil in Place (OOIP) is mapped at 956,000,000 barrels of oil in EON intervals
- Wells and reserves
  - 85% crude oil and 15% natural gas
  - 550 producing wells and 95 active patterns
  - Producing wells tap 40% of the reserves
  - Rest of reserves are proven

Period	Epoch	Formation		Approx. Regional Thickness (ft)
Permian	Ochoan	Dewey Lake		200-400
		Rustler		100
		Salado		1,000
	Guadalupian	Tansil		200
		Yates		200
		Seven Rivers		500
		Queen		200-500
		Grayburg		300
		San Andres		1,500
	Leonardian	Glorieta		100
		Yeso	Paddock	1,500
			Blinebry	
			Tubb	
			Drinkard	
		Abo		1,000
	Wolfcampian	Wolfcamp		0-1,500

Path to Date

Incorporated in Delaware on December 9, 2020

SPAC IPO was effective on February 10, 2022

Became public company with first acquisition on November 15, 2023

1Q-Q2-24

Evaluate the producing wells to increase production

Name change to EON Resources Inc. on September 18, 2024

3Q-Q4-24

Ramp up production from existing and developing wells

Chief Financial Officer Comments

- Q3 results
- Equity structure
- Debt structure

- Information on the following slides are in Corp Deck slides 25 to 29

Financials – Income Statement Summary

	Q1	Q2	Q3	YTD
Revenues	3,283,099	5,060,795	7,364,346	15,708,239
Operations expenses	3,236,877	3,066,234	3,144,277	9,447,388
General and administrative	2,309,824	2,323,662	2,235,263	6,868,748
Operating income	(2,263,601)	(329,101)	1,984,806	(607,897)
Other income (expense)	(3,631,178)	(656,469)	(6,681,902)	(10,969,550)
Net income before taxes	(5,894,779)	(985,570)	(4,697,096)	(11,577,446)
Tax benefits	1,201,279	347,775	855,925	2,404,979
Net income	(4,693,500)	(637,796)	(3,841,171)	(9,172,468)

- Revenues generated from cash was $5.0 million plus per quarter. Derivatives had a non-cash expense impact on revenues as described on another slide
- G&A costs per month dropped $30K per month in Q3
- Lease operating expenses averaged $765K in Q1 and averaged $700K range Q2 and Q3
- The results were impacted by certain non-cash expenses as described on another slide

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Revenues – $5 MM+ per Quarter of Cash Generated

	Q1	Q2	Q3	YTD
Oil	4,971,150	4,885,959	5,275,254	15,132,363
Gas	178,608	128,084	89,978	396,670
Other	130,588	130,230	98,452	359,271
Without derivatives	5,280,347	5,144,273	5,463,684	15,888,303
Derivatives	(1,997,248)	(83,478)	1,900,661	(180,064)
Total revenues	3,283,099	5,060,795	7,364,346	15,708,239

- Oil and gas production were similar with prices increasing $4 range in Q3
- Derivatives impact is a non-cash expense
- Hedging is at a responsible level with all hedges $70.00 or higher

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Non-Cash Expenses

1. **Hedging derivatives**: Driven by oil prices at end of each quarter
2. **G&A**: includes fees paid in stock of $574K in Q1, $360K in Q2 and $260K in Q3
3. **Warrant liability**: changes based on stock price at end of quarter
4. **FPA liability**: changes based on stock price at end of quarter.
5. **Financing costs amortization**: positive trend
6. **Extinguishment of liabilities**: one-time gain of $1.7 million in Q2 removing payables from B/S

		Q1	Q2	Q3	YTD
	Revenues without derivatives	5,280,347	5,144,273	5,463,684	15,888,303
1	Gain (loss) on derivative instruments	(1,997,248)	(83,478)	1,900,661	(180,064)
	Total revenues	3,283,099	5,060,795	7,364,346	15,708,239
	Production taxes	428,280	408,985	489,524	1,326,789
	Lease operating	2,299,518	2,094,181	2,136,731	6,530,430
	Depletion, depr and amort	476,074	522,542	507,626	1,506,242
	Asset retirement obligations	33,005	40,526	10,395	83,927
2	General and administrative	2,309,824	2,323,662	2,235,263	6,868,748
	Total expenses	5,546,700	5,389,896	5,379,540	16,316,136
	Operating income (loss)	(2,263,601)	(329,101)	1,984,806	(607,897)
3	Change in fair value of warrant liability	(624,055)	277,167	(137,911)	(484,799)
4	Change in fair value of FPA liability	(349,189)	23,717	(4,209,294)	(4,534,766)
5	Amortization of financing fees	(813,181)	(662,076)	(507,701)	(1,982,958)
	Interest expense	(1,860,582)	(2,030,317)	(1,841,848)	(5,732,747)
	Interest income	15,105	14,257	14,852	44,213
6	Gain on extinguishment of liabilities	-	1,720,000	-	1,720,000
	Other (income) expense	723	783	-	1,506
	Total other income and (expense)	(3,631,178)	(656,469)	(6,681,902)	(10,969,550)
	Income (loss) before income taxes	(5,894,779)	(985,570)	(4,697,096)	(11,577,446)
	Income tax provision (benefit)	1,201,279	347,775	855,925	2,404,979
	Net income (loss)	(4,693,500)	(637,796)	(3,841,171)	(9,172,468)

Equity Structure as of September 30, 2024

- **Common stock**: There were 7.0 million shares of Class A common stock and 1.4 million shares of Class B common stock outstanding.
  - The Class B common stock has voting rights only and can be converted on a one-for-one basis for Class A common stock
- **Preferred stock**: There are no preferred stock shares issued on the 1.0 million shares authorized, and there are no designated classes of preferred stock.
  - There are $15 million of preferred units at a subsidiary level that are included in the minority interest component of shareholder equity. The preferred units automatically convert to common stock at the end of two years based on a formula. There is no cash obligation to the Company
- **Warrants**: There were 14.9 million warrants outstanding that are convertible to 11.2 million Class A shares at an exercise price of $11.50

Debt Structure as of September 30, 2024

- **Reserve Based Loan ("RBL")**: First International Bank & Trust ("FIBT") provided at $28 million RBL at acquisition closing.
  - The debt has a five-year amortization schedule with maturity in three years, and an interest rate of 15 percent.
  - The balance was $25.1 million.
- **Seller note**: There is a $15 million note issued to the Seller at closing
- **Private loans**: There are $3.8 million of private loans

VP of Operations Comments

- Safety – No reportable incidents
- Actions to increase production
- Actions to reduce costs

Actions to Increase Production

- Follow the science to analyze the producing wells
- Analysis indicates oil not included in the Cobb report
- Chemical acid treatment program to clean wells and recover production
- Continuing to upgrade infrastructure
- Perform recompletions on the next 20 wells in the7R
- Analyze the 207 injection wells as second wave

Actions to Reduce Costs

- Upgraded flowlines that will reduce costs by $30K per month
- Satellite test stations improved to optimize operations
- Implementing state-of-the-art AI automation software
- Internalized equipment to reduce costs by $10K per month
- Expecting to reduce workover cost per well by $75K to $100K

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Questions & Thank You for Attending

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