



ROCKCLIFF ENERGY

2021 SUSTAINABILITY REPORT

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MESSAGE FROM THE CEO

As a top-tier energy company helping to fuel the U.S. and global economy with clean-burning natural gas, Rockcliff is committed to being a leader in environmental, social and corporate governance (ESG) practices.

According to the US Energy Information Administration (EIA), natural gas provides 40% of the U.S.'s energy today, allowing Americans to enjoy some of the most affordable, reliable and abundant energy in the world. As an industry, energy companies are making strides to be a part of the solution to reduce greenhouse gas emissions and improve our air quality, and America's natural gas is an important part of that equation. Simply stated, natural gas is:

1. **Clean**—The electricity generated from natural gas reduces greenhouse gas emissions by over 50% compared to coal.
2. **Affordable**—Utilizing natural gas for heating, cooking and other activities can save households approximately \$1,000 per year.
3. **Abundant**—The U.S. produces enough natural gas to meet our energy needs for approximately 100 years.



Being a champion of clean-burning natural gas is only part of Rockcliff's ESG commitment. We believe that our ultimate success is dependent upon the success of our stakeholders - our employees, our investors, the communities where we work, and the land on which we operate. We strive to be good stewards, operating safely and efficiently with minimal impact to the environment, while continuing to grow and promote a secure energy future for Americans and the world.

Our robust ESG programs have and will continue to evolve over time to further these goals. These programs have my full support as well as the support of the entire leadership team. We appreciate your interest in Rockcliff and are excited to showcase some of the ways we are committed to a sustainable future.

Alan Smith
*Rockcliff Co-founder,
President and Chief Executive Officer*

OUR MISSION: To safely produce certified responsibly sourced natural gas in a manner that minimizes the environmental footprint of our operations, provides rewarding jobs for our employees, encourages partnership with the communities in which we operate, and rewards our shareholders.

ROCKCLIFF ENERGY: AN INTRODUCTION

Rockcliff Energy is the third largest producer of natural gas in Texas. In fact, Rockcliff produces approximately 1.5% of all natural gas in the U.S. Our core operating area is the prolific and highly economic Haynesville Shale region of East Texas, strategically located near multiple Gulf Coast markets.

Over the years, our team has built nine companies across various basins, commodities, and economic cycles, all with outstanding project-level and corporate-level returns to our investors. As a safe, efficient, and innovative operator, our success is driven by exceptional people who utilize best-in-class technologies to consistently deliver extraordinary results. This has earned us the respect of our industry partners, service providers, landowners, investors, regulatory agencies, and the communities in which we operate.

THE GRI OIL AND GAS SECTOR STANDARD

The GRI oil and gas sector standard is a global best practice for impact reporting, to help deliver the highest level of transparency for organizational impacts on the economy, the environment, and people. At Rockcliff, we use these standards as a benchmark to measure our ESG programs and results. Please see the Appendix of this document for a list of specific GRI Topics and correlating Rockcliff-specific information.



Founded:

2015

Net Acres:

>270k

Gross Production:

~1.5 Bcf/d

Locations:

>1,000

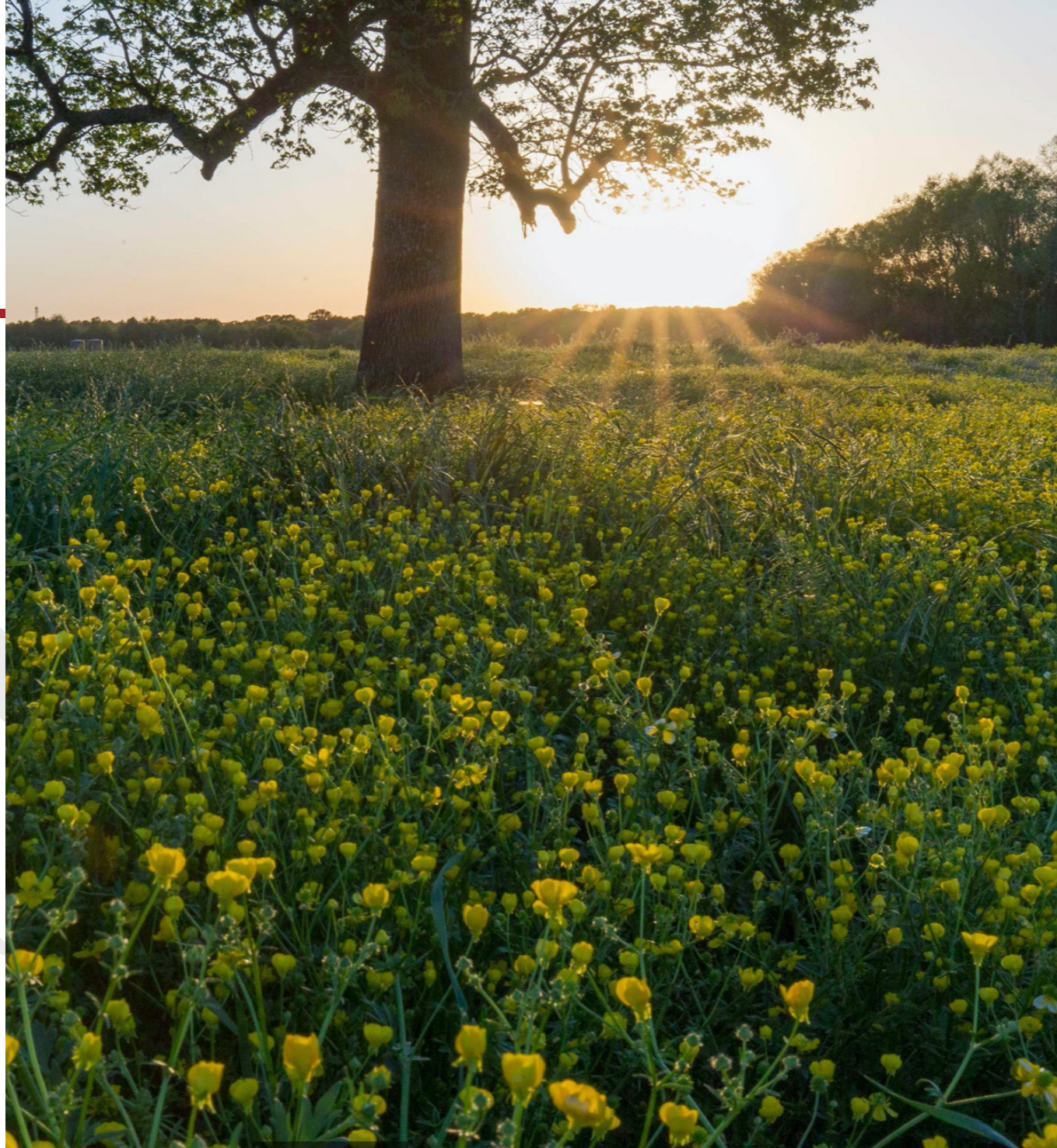
Employees:

144

OUR DEDICATION TO ESG

To accelerate the integration and documentation of ESG practices within our business strategy, Rockcliff formed an ESG Committee in 2021. The committee is comprised of senior leadership and oversees the development of Rockcliff's sustainability strategy, provides direction on key ESG topics, and helps guide our sustainability disclosure and engagement. Furthering the importance of ESG within our corporate culture, ESG considerations are a significant part of our bonus structure.

Additionally, in 2021 we began building out a full ESG team. This includes new field and corporate employees, and a Vice President of ESG and Sustainability who focuses on developing and implementing enterprise wide programs to address ESG opportunities and risks, and acting as the liaison between business units on all ESG topics. The ESG Committee supports the team in developing and implementing our sustainability strategy and programs. These contributors are instrumental in embedding a culture of sustainability throughout our business that will enable us to meet our objectives.



ROCKCLIFF ESG COMMITTEE



ALAN SMITH

Co-founder, President and Chief Executive Officer

Alan Smith is currently Co-Founder, President and Chief Executive Officer of Rockcliff Energy, LLC. Mr. Smith co-founded Rockcliff Energy in January of 2015 after previously serving as the Chief Executive Officer of Quantum Resources, a direct investment private equity fund, and QR Energy, LP, a publicly traded MLP. Mr. Smith is presently the Chairman of the Board and serves on the Executive Committee of the Texas Oil and Gas Association (TXOGA) and is on the board and serves on the Executive Committee of the US Oil and Gas Association (USOGA). Alan earned a B.S. in Petroleum Engineering from Texas Tech University.



BOYD HEATH

Co-founder and Chief Financial Officer

Prior to co-founding Rockcliff Energy, Boyd served as the Chief Financial Officer of Quantum Resources. He has over twenty-five years of experience in energy, finance, operations, and strategic planning. Boyd joined QR in 2011 from Network International (NI), where he served as Chairman & CEO prior to a successful exit by selling the company to Liquidity Services (Nasdaq: LQDT). Before NI, Boyd worked in energy principal investing and capital markets with EnCap Investments and JP Morgan.

He serves on The University of Texas Development Board and The Kinkaid School Board of Trustees. Boyd earned his Bachelor of Business Administration from The University of Texas.



GREG MCCAIN

Chief Operating Officer

Greg most recently served as Senior Manager, Commercial for BHP Billiton Petroleum, where he managed on-shore acquisition and divestiture activities. Prior to that role, Greg was General Manager, Haynesville/Fayetteville for BHP, where he was responsible for the business unit P&L, managing capital budgets of \$500 million to \$750 million and over 400 office and field personnel. Previously, Greg worked with Petrohawk where his two primary roles were Vice President Resource Play Development Haynesville and Vice President Resource Play Development Fayetteville. Prior to Petrohawk, Greg served as Production Engineer for JW Operating Company, Operations Engineer for Marathon Oil Company, and Reservoir Engineer for Enron Oil and Gas (now known as EOG Resources). Greg has a BS in Petroleum Engineering from Texas A&M University.



NICK KOCH

Senior Vice President of Operations

Nick previously served as Senior Vice President-Operations at Halcon Resources from 2012 through 2015 and was responsible for all aspects of development in the East Texas Eagle Ford along with several non-core properties. Mr. Koch served as Operations Manager-Permian PU at BHP Billiton in 2012 and served as Vice President-Resource Development at Petrohawk Energy Corporation from 2010 until its sale to BHP Billiton in 2011. Nick graduated from South Dakota School of Mines and Technology with a Bachelor of Science degree in Mechanical Engineering and is a registered Petroleum Engineer.



TED WURFEL

Vice President of ESG and Sustainability

Ted Wurfel most recently served as the VP of HSE and Sustainability at Indigo Minerals. He also worked on an emissions Quantification, Monitoring, Recordkeeping, and Verification of Methane Emissions project with Cheniere Energy to help show that clean natural gas produced in America competes favorably on the world stage.

Before Indigo, Mr. Wurfel had senior HSE roles at Talisman and Chief, both in the Eagleford and the Marcellus shales. Mr. Wurfel has also worked for KN Energy, El Paso Energy, and Tenneco Energy. Mr. Wurfel is a Professional Engineer, has his MBA from the Quantic School of Business and Technology, and is a graduate of the Colorado School of Mines.

ENVIRONMENTAL STEWARDSHIP

Environmental stewardship is an important part of our project planning and day-to-day business. We are continually working to reduce the impact of our operations on the environment and the communities in which we live and work.

This includes multi-well pad development to minimize our environmental footprint, building a produced water pipeline system to minimize truck traffic by ~90%, real time emissions monitoring with Project Canary, and certifying gas from our new Haynesville wells as Responsibly Sourced Gas (RSG). Our goal is to be a respected leader in environmental stewardship, focusing on clean, safe and efficient operations.

CONTINUOUS GREENHOUSE GAS (GHG) EMISSION MONITORING

In the natural gas exploration and production business, many common practices can lead to the generation of greenhouse gas emissions, including combustion of diesel and natural gas, venting and flaring natural gas, equipment leaks, natural gas-driven pneumatic devices, and electricity usage. Each year Rockcliff tracks and reports these emissions to the United States Environmental Protection Agency (EPA) under the Greenhouse Gas Reporting Program.

We take an innovative, proactive approach to monitoring and reducing our GHG emissions, voluntarily participating in various third-party monitoring and pilot programs. We are proud to report that in 2021, our methane intensity rate was 0.08% - approximately 70% below One Future's 2025 goal and approximately 60% below Oil and Gas Climate Initiative's 2025 goal.



Rockcliff achieved a **0.08%**
methane intensity rate in 2021

ENVIRONMENTAL STEWARDSHIP



EMISSION REDUCTION INITIATIVES

GHG emissions monitoring and reduction go hand in hand.

Rockcliff takes a comprehensive review of its GHG sources and emissions to ensure that its accounting methods are consistent with industry best practices and to identify opportunities for emission reduction.

Our proactive approach to emission reduction includes:

- Emission reducing "green" completion practices, effectively eliminating venting and flaring
- Bi-fuel engines for drilling and completions activities, allowing us to maintain operational efficiencies, reduce costs, and reduce our GHG emissions
- Multi-well pad development, to minimize our environmental footprint
- Fresh and produced water is transported via pipeline, eliminating significant truck traffic
- Participation in a pilot project to evaluate the conversion of pneumatic devices to air actuation, thereby totally eliminating the methane emissions associated with these devices

Rockcliff achieved a **~38.5%**
reduction
in methane intensity in 2021

ENVIRONMENTAL STEWARDSHIP

RESPONSIBLY SOURCED GAS (RSG)

Responsibly Sourced Gas is produced by companies that have undergone third-party assessments to verify that their operations have utilized the highest standards and practices in all phases of their operations and are committed to continuous monitoring.

Rockcliff is committed to undergoing RSG certification for all existing and future Rockcliff completed Haynesville wells.

PROJECT CANARY

Rockcliff has partnered with industry-leader Project Canary to install state of the art emissions monitoring and reporting equipment on wells covering approximately 95% of our total production.

Our investment in this monitoring, reporting and certification process is on-going and will be performed on all new Haynesville wells and production as they come online in the future.

PROJECT
CANARY



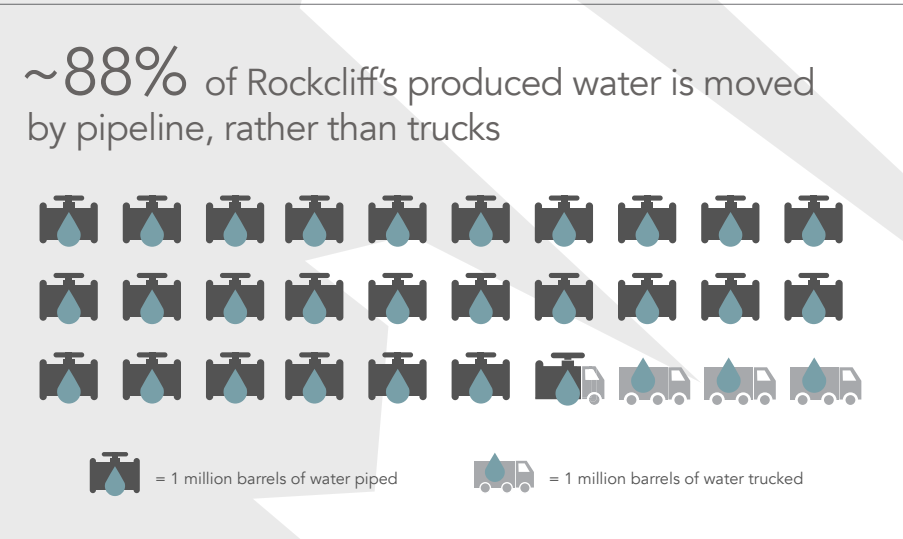
ENVIRONMENTAL STEWARDSHIP

REDUCING TRUCK TRAFFIC

It is standard practice for most oil and gas companies to use trucks to transport produced water from their facilities to a final destination.

Rockcliff built a produced water pipeline, which moves approximately 88% of our produced water, limiting the number of trucks on the road, minimizing the impact to communities, and significantly reducing vehicle emissions.

Utilizing pipelines rather than trucks, Rockcliff has eliminated more than 200,000 annual truckloads and 3.7 million road miles, which lowers our trucking emissions by 5,000 metric tonnes.



LEAK DETECTION AND REPAIR (LDAR) PROGRAM

Rockcliff employs a comprehensive LDAR program to ensure the ongoing integrity of our assets. As part of this effort, we use approved optical gas imaging (OGI) cameras to survey and inspect company-operated facilities. These cameras see what the naked eye cannot and are used to observe and document emissions from E&P equipment. The OGI camera provides clear footage of emissions and assist crews with repairs, ultimately reducing our environmental footprint.



RELEASE PREVENTION

Risk is inherent to our business. Rockcliff is committed to preventing and minimizing all product releases and their impact on the surrounding environment. We comply with, and often exceed environmental rules and regulations. Rockcliff has secondary containment, Spill Prevention Control and Countermeasures (SPCC) plans, and Emergency Response Plans (ERPs) in place. Training on our plans and equipment for employees and contractors is conducted as needed. We proactively conduct comprehensive tank and load line integrity inspections to identify high-risk equipment. These inspections allow us to identify and address potential issues with assets, infrastructure and equipment through improved design and operational procedures.



A COMMITMENT TO SAFETY

Ensuring that we provide a safe and healthy working environment for our employees, the community, and the environment is a top priority at Rockcliff. We have comprehensive programs in place to ensure that we elevate awareness, track our progress, train all personnel, and achieve and maintain safety at all times.

To that end, we have in-house safety professionals co-located in our field offices to help ensure a safe and compliant work environment, along with a prompt and thorough response should an issue arise. Additionally, all Rockcliff employees are provided with a combination of computer-based and in-person safety training to prepare them for potential hazards and challenges they may face as part of their jobs. Training activities are supplemented with quarterly safety meetings that include field employees as well as corporate leadership to ensure a top-down approach to the importance of safety.

All training activity is documented and successful completion for all employees is tracked as part of our corporate key performance indicator (KPI) structure. In 2021, one hundred percent of Rockcliff employees completed health and safety training programs.

~2,750 Hours
of Safety training completed in 2021

CONTRACTOR SAFETY

Not only do we ensure that all Rockcliff employees are well-trained and make safety a top priority, we require the same of all our contractors.

Rockcliff invites representatives from all contractors that work for Rockcliff's construction, operations, drilling, and completions groups to three separate full-day meetings.

They participate in a rigorous training program that addresses important components of working for Rockcliff including our culture, policies and procedures, incident management structure, and expectations. Once completed, each contractor must sign a Rockcliff-specific pledge to ensure that they acknowledge our values and expectations and understand their safety obligations.

100% of Rockcliff contractors
are vetted for safety using Veriforce.





INVESTED IN OUR EMPLOYEES

Our employees bring a deep bench of knowledge, experience and innovative ideas to the forefront. We value an “outside the box” attitude and strive to provide an open, cooperative and dynamic environment where goal-oriented individuals thrive.

Rockcliff senior leadership engages with all company employees each quarter to share important operational and financial information and provide a forum for employees to ask questions and express opinions. We provide opportunities for our employees to expand their knowledge and skills through our training programs and encourage our employees to embrace healthier lifestyles through voluntary wellness programs. At Rockcliff, our employees are the key to our success.



DIVERSITY, EQUITY AND INCLUSION (DEI)

Rockcliff celebrates diversity and embraces and encourages our employees’ differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique. We are committed to fostering and maintaining a culture of DEI. Our employees have a responsibility to treat others with dignity and respect at all times. In fact, all employees are required to attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility. We are doing our part and believe that DEI must extend beyond the walls of our organization. To that end, we endeavor to foster and support good DEI practices through our corporate relationships and in our communities.

ROCKCLIFF DEI POLICY

Rockcliff’s diversity initiatives and values apply, but are not limited to, our practices and policies regarding recruitment and selection, compensation and benefits, professional development and training, promotions, social and recreational programs, and community and charitable engagements. To apply and improve our approach to diversity and inclusion, we seek to:

- Demonstrate leadership commitment and accountability through implementation and messaging of this Policy to advance our DEI goals and objectives
- Cultivate a supportive, welcoming, inclusive, and fair work environment that allows team members to feel connected to the Company’s mission and contribute to their full potential
- Recruit, hire, retain and promote talent that helps advance a diverse working environment

** an excerpt from Rockcliff Energy’s DEI Policy 2022*

A STRONG COMMUNITY PARTNER

Rockcliff is based in Houston and has a regional office in Longview, Texas, as well as operations in six East Texas counties. We take great pride in being a good community neighbor, working closely with local organizations to understand the needs of those that live around our operations and how we can give back to the local communities. Giving back is not just a corporate affair—we host monthly volunteer days for our employees in Longview, providing opportunities for them to give back with their time and talents. To-date we partnered with the Houston and East Texas food banks, preparing nearly 2,500 meals and raising funds to provide approximately 340,000 more. Making a positive difference in the communities where we live and work isn't just part of our ESG strategy—it is the right thing to do. We are committed to continuing our fundraising and volunteer programs as we grow.

340,000 Meals
provided to the Houston
Food Bank through
Rockcliff fundraising



APPENDIX

The GRI Oil and Gas Sector Standard is a global best practice for impact reporting, to help deliver the highest level of transparency for organizational impacts on the economy, the environment, and people. At Rockcliff, we use these standards as a benchmark to measure our ESG programs and results. Below is a list of specific GRI Topics and correlating Rockcliff-specific information.

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