

REFINITIV

DELTA REPORT

10-Q

SBOW - SILVERBOW RESOURCES, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1639

■ CHANGES	333
■ DELETIONS	407
■ ADDITIONS	899

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(X) Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

Commission File Number **1-8754**



SILVERBOW RESOURCES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State of Incorporation)

20-3940661

(I.R.S. Employer Identification No.)

920 Memorial City Way, Suite 850

Houston, Texas 77024

(281) 874-2700

(Address and telephone number of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SBOW	New York Stock Exchange
Preferred Stock Purchase Rights	None	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer <input type="checkbox"/>	Accelerated Filer <input checked="" type="checkbox"/>	Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
Emerging Growth Company <input type="checkbox"/>			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock (\$.01 Par Value) (Class of Stock) **25,429,610** **25,538,487** Shares outstanding at **October 27, 2023** **April 26, 2024**

SILVERBOW RESOURCES, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023 MARCH 31, 2024
INDEX

	Page
Part I FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements	
Condensed Consolidated Balance Sheets	6
Condensed Consolidated Statements of Operations	7
Condensed Consolidated Statements of Stockholders' Equity	98
Condensed Consolidated Statements of Cash Flows	109
Notes to Condensed Consolidated Financial Statements	1110
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	3530
Item 3. Quantitative and Qualitative Disclosures About Market Risk	4536
Item 4. Controls and Procedures	4637
Part II OTHER INFORMATION	
Item 1. Legal Proceedings	4738
Item 1A. Risk Factors	4738
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	4938
Item 3. Defaults Upon Senior Securities	4838
Item 4. Mine Safety Disclosures	4939
Item 5. Other Information	4939
Item 6. Exhibits	4939
SIGNATURES	5140

Forward-Looking Statements

This report includes forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control. All statements, other than statements of historical fact included in this report, including those regarding our strategy, future operations, financial position, well expectations and drilling plans, estimated production levels, expected oil and natural gas pricing, estimated oil and natural gas reserves or the present value thereof, reserve increases, service costs, impact of inflation, capital expenditures, budget, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this report, the words "will," "could," "believe," "anticipate," "intend," "estimate," "budgeted," "guidance," "expect," "may," "continue," "predict," "potential," "plan," "project," "should" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following risks and uncertainties:

- further actions by the members of the Organization of the Petroleum Exporting Countries ("OPEC"), Russia and other allied producing countries (together with OPEC, "OPEC+") with respect to oil production levels and announcements of potential changes in such levels;
- risks related to the recently announced acquisition of oil and gas assets from Chesapeake Exploration, L.L.C., Chesapeake Operating, L.L.C., Chesapeake Energy Marketing, L.L.C. and Chesapeake Royalty, L.L.C. (collectively, the "Chesapeake Sellers"), including the risk that the transaction will not be completed on the timeline or terms currently contemplated, risks related to the ability to obtain any necessary consents or approvals, the risk that the benefits of the transaction may not be fully realized or may take longer to realize than expected, the risk that the costs of the acquisition will be significant and the risk that management attention will be diverted to transaction-related issues;
 - risks related to recently completed acquisitions and integration of these acquisitions; acquisitions, including the acquisition (the "South Texas Acquisition") of oil and gas assets in South Texas;
- volatility in oil, natural gas oil and natural gas liquids prices;
- ability to obtain permits and government approvals;
- our borrowing capacity, future covenant compliance, cash flow and liquidity, including our ability to satisfy our short or long-term liquidity needs;
- asset disposition efforts or the timing or outcome thereof;
- ongoing and prospective joint ventures, their structures and substance, and the likelihood of their finalization or the timing thereof;
- the amount, nature and timing of capital expenditures, including future development costs;
- timing, cost and amount of future production of oil and natural gas;
- availability of drilling and production equipment or availability of oil field labor;
- availability, cost and terms of capital;
- timing and successful drilling and completion of wells;
- availability and cost for transportation and storage capacity of oil and natural gas;
- costs of exploiting and developing our properties and conducting other operations;
- competition in the oil and natural gas industry;
- general economic and political conditions, including inflationary pressures, further increases in interest rates, a general economic slowdown or recession, instability in financial institutions, political tensions and war (including future developments in the ongoing conflicts in Ukraine and the Gaza Strip) Middle East);
- the severity and duration of world health events, including health crises and pandemics, related economic repercussions, including disruptions in the oil and gas industry, supply chain disruptions, and operational challenges including remote work arrangements and protecting the health and well-being of our employees; challenges;
- opportunities to monetize assets;
- our ability to execute on strategic initiatives; initiatives, including acquisitions;
- effectiveness of our risk management activities, including hedging strategy;
- counterparty and credit market risk;
 - pending legal and environmental matters, including potential impacts on our business related to climate change and related regulations;
- the impact of shareholder activism and any changes in composition of our Board of Directors (the "Board");
- actions by third parties, including customers, service providers and shareholders;
- current and future governmental regulation and taxation of the oil and natural gas industry; industry, including changes in connection with U.S. elections in 2024;
- developments in world oil and natural gas markets and in oil and natural gas-producing countries;
- uncertainty regarding our future operating results; and
- other risks and uncertainties described in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and our other filings with the Securities and Exchange Commission ("SEC").

Many of the foregoing risks and uncertainties, as well as risks and uncertainties that are currently unknown to us, are, and may be, exacerbated by geopolitical events and wars, increasing economic uncertainty, recessionary and inflationary pressures and any consequent worsening of the global business and economic environment. New factors emerge from time to time, and it is not possible for us to predict all such factors. Should one or more of the risks or uncertainties described in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023,

subsequent Quarterly Reports on Form 10-Q, or other SEC filings occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements speak only as of the date they are made. You should not place undue reliance on these forward-looking statements. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this report are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved. We disclose important factors that could cause our actual results to differ materially from our expectations under "Risk Factors" and in Item 1A of other disclosures in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and in subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and our other filings with the SEC. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. We undertake no obligation to publicly release the results of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law.

PART I. FINANCIAL INFORMATION

Condensed Consolidated Balance Sheets (Unaudited)

SilverBow Resources, Inc. and Subsidiary (in thousands, except share amounts)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS				
ASSETS				
ASSETS				
Current Assets:	Current Assets:		Current Assets:	
Cash and cash equivalents	Cash and cash equivalents	\$ 1,697	\$ 792	
Accounts receivable, net	Accounts receivable, net	80,202	89,714	
Fair value of commodity derivatives	Fair value of commodity derivatives	50,189	52,549	
Other current assets	Other current assets	3,825	2,671	
Other current assets				
Other current assets				
Total Current Assets	Total Current Assets	135,913	145,726	
Property and Equipment:	Property and Equipment:		Property and Equipment:	
Property and equipment, full cost method, including \$27,821 and \$16,272, respectively, of unproved property costs not being amortized at the end of each period		2,861,267	2,529,223	

Property and equipment, full cost method, including \$30,899 and \$28,375, respectively, of unproved property costs not being amortized at the end of each period			
Less –	Less –		
Accumulated depreciation, depletion, amortization & impairment	Accumulated depreciation, depletion, amortization & impairment	(1,151,141)	(1,004,044)
Property and Equipment, Net	Property and Equipment, Net	1,710,126	1,525,179
Right of use assets	Right of use assets	10,085	12,077
Fair value of long-term commodity derivatives	Fair value of long-term commodity derivatives	14,180	24,172
Deposit and other fees for oil and gas property transaction		52,564	—
Other long-term assets			
Other long-term assets			
Other long-term assets	Other long-term assets	7,581	9,208
Total Assets	Total Assets	\$1,930,449	\$1,716,362
LIABILITIES AND STOCKHOLDERS' EQUITY	LIABILITIES AND STOCKHOLDERS' EQUITY	LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	Current Liabilities:	Current Liabilities:	
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	\$ 74,731	\$ 60,200
Deferred acquisition liability			
Fair value of commodity derivatives	Fair value of commodity derivatives	32,752	40,796
Accrued capital costs	Accrued capital costs	56,424	56,465
Current portion of long-term debt			
Accrued interest	Accrued interest	2,976	2,665
Current lease liability	Current lease liability	5,507	8,553
Undistributed oil and gas revenues	Undistributed oil and gas revenues	22,462	27,160

Total Current Liabilities	Total Current Liabilities	194,852	195,839
Long-term debt, net		645,096	688,531
Long-term debt, net of current portion			
Non-current lease liability	Non-current lease liability	4,604	3,775
Deferred tax liabilities	Deferred tax liabilities	49,033	16,141
Asset retirement obligations	Asset retirement obligations	9,840	9,171
Fair value of long-term commodity derivatives	Fair value of long-term commodity derivatives	21,560	7,738
Other long-term liabilities	Other long-term liabilities	922	3,588
Commitments and Contingencies (Note 11)	Commitments and Contingencies (Note 11)		
Stockholders' Equity:	Stockholders' Equity:		
Stockholders' Equity:			
Stockholders' Equity:			
Preferred stock, \$0.01 par value, 10,000,000 shares authorized, none issued	Preferred stock, \$0.01 par value, 10,000,000 shares authorized, none issued	—	—
Common stock, \$0.01 par value, 40,000,000 shares authorized, 25,914,823 and 22,663,135 shares issued, respectively, and 25,429,517 and 22,309,740 shares outstanding, respectively		259	227
Common stock, \$0.01 par value, 40,000,000 shares authorized, 26,027,103 and 25,914,956 shares issued, respectively, and 25,523,808 and 25,429,610 shares outstanding, respectively			
Additional paid-in capital	Additional paid-in capital	677,473	576,118
Treasury stock, held at cost, 485,306 and 353,395 shares, respectively		(10,616)	(7,534)
Treasury stock, held at cost, 503,295 and 485,346 shares, respectively			

Retained earnings	Retained earnings	337,426	222,768
Total	Total		
Stockholders' Equity	Stockholders' Equity	1,004,542	791,579
Total	Total		
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity	\$1,930,449	\$1,716,362

See accompanying Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Operations (Unaudited)

SilverBow Resources, Inc. and Subsidiary (in thousands, except per-share amounts)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues:				
Oil and gas sales	\$ 173,963	\$ 242,181		
Revenues				
Operating Expenses:				
General and administrative, net				
General and administrative, net				
General and administrative, net	4,438	4,343		
Depreciation, depletion, and amortization	53,186	41,501		
Accretion of asset retirement obligations	254	166		
Lease operating expenses	22,678	17,701		
Workovers	672	284		
Transportation and gas processing	13,710	9,662		
Severance and other taxes	10,407	12,581		

Total	Total			
Operating	Operating			
Expenses	Expenses	105,345	86,238	
	Total Operating Expenses			
	Total Operating Expenses			
Operating Income				
Operating Income				
Operating	Operating			
Income	Income	68,618	155,943	
Non-Operating	Non-Operating			
Income	Income			
(Expense)	(Expense)			
	Non-Operating Income (Expense)			
	Non-Operating Income (Expense)			
	Gain (loss) on commodity			
	derivatives, net			
	Gain (loss) on commodity			
	derivatives, net			
Gain (loss) on	Gain (loss) on			
commodity	commodity			
derivatives,	derivatives,			
net	net	(54,639)	4,832	
Interest	Interest			
expense, net	expense, net	(19,811)	(12,173)	
Other income	Other income			
(expense), net	(expense), net	112	5	
Income (Loss)	Income (Loss)			
Before Income	Before Income			
Taxes	Taxes	(5,720)	148,607	
	Income (Loss) Before Income			
	Taxes			
	Income (Loss) Before Income			
	Taxes			
	Provision (Benefit) for Income			
	Taxes			
	Provision (Benefit) for Income			
	Taxes			
Provision	Provision			
(Benefit) for	(Benefit) for			
Income Taxes	Income Taxes	(949)	6,066	
Net Income	Net Income			
(Loss)	(Loss)	\$ (4,771)	\$ 142,541	
	Net Income (Loss)			
	Net Income (Loss)			
Per Share Amounts:				
Per Share	Per Share			
Amounts:	Amounts:			

Basic Earnings	Basic Earnings		
(Loss) Per Share	(Loss) Per Share \$	(0.21)	\$ 6.39
Basic Earnings (Loss) Per Share			
Basic Earnings (Loss) Per Share			
Diluted Earnings (Loss) Per Share			
Diluted Earnings (Loss) Per Share			
Diluted Earnings	Diluted Earnings		
(Loss) Per Share	(Loss) Per Share \$	(0.21)	\$ 6.29
Weighted-Average Shares			
Outstanding - Basic			
Weighted-Average Shares			
Outstanding - Basic			
Weighted-Average Shares			
Outstanding - Diluted			
Weighted-Average Shares			
Outstanding - Diluted			
Weighted-Average Shares	Weighted-Average Shares		
Outstanding - Diluted	Outstanding - Diluted		
Diluted	Diluted	22,985	22,669
See accompanying Notes to Condensed Consolidated Financial Statements.	See accompanying Notes to Condensed Consolidated Financial Statements.		
See accompanying Notes to Condensed Consolidated Financial Statements.	See accompanying Notes to Condensed Consolidated Financial Statements.		

Condensed Consolidated Statements of Operations (Unaudited)

SilverBow Resources, Inc. and Subsidiary (in thousands, except per-share amounts)

		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:			
Oil and gas sales		\$ 440,317	\$ 554,442
Operating Expenses:			
General and administrative, net		17,421	14,840
Depreciation, depletion, and amortization		147,037	89,096

Accretion of asset retirement obligations	718	366
Lease operating expenses	62,417	37,095
Workovers	2,263	933
Transportation and gas processing	37,001	22,784
Severance and other taxes	28,563	30,183
Total Operating Expenses	295,420	195,297
Operating Income	144,897	359,145
Non-Operating Income (Expense)		
Gain (loss) on commodity derivatives, net	57,604	(157,816)
Interest expense, net	(54,746)	(26,632)
Other income (expense), net	117	57
Income (Loss) Before Income Taxes	147,872	174,754
Provision (Benefit) for Income Taxes	33,214	7,678
Net Income (Loss)	\$ 114,658	\$ 167,076
Per Share Amounts:		
Basic Earnings (Loss) Per Share	\$ 5.06	\$ 8.85
Diluted Earnings (Loss) Per Share	\$ 5.02	\$ 8.69
Weighted-Average Shares Outstanding - Basic	22,677	18,885
Weighted-Average Shares Outstanding - Diluted	22,852	19,237
See accompanying Notes to Condensed Consolidated Financial Statements.		

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

SilverBow Resources, Inc. and Subsidiary (in thousands, except share amounts)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	
				(Accumulated Deficit)	Total
Balance, December 31, 2021	\$ 168	\$ 413,017	\$ (2,984)	\$ (117,669)	\$ 292,532
Purchase of treasury shares (96,012 shares)	—	—	(2,462)	—	(2,462)
Treasury shares pursuant to purchase price adjustment (41,191 shares)	—	—	(1,146)	—	(1,146)
Vesting of share-based compensation (318,390 shares)	3	(3)	—	—	—
Issuance pursuant to acquisition (489 shares)	—	12	—	—	12
Share-based compensation	—	1,101	—	—	1,101
Net Loss	—	—	—	(64,255)	(64,255)
Balance, March 31, 2022	\$ 171	\$ 414,127	\$ (6,592)	\$ (181,924)	\$ 225,782

Stock options exercised (4,497 shares)	—	39	—	—	39
Purchase of treasury shares (16,485 shares)	—	—	(503)	—	(503)
Vesting of share-based compensation (57,355 shares)	1	(1)	—	—	—
Issuance pursuant to acquisition (5,448,472 shares)	55	157,338	—	—	157,393
Share-based compensation	—	1,756	—	—	1,756
Net Income	—	—	—	88,790	88,790
Balance, June 30, 2022	\$ 227	\$ 573,259	\$ (7,095)	\$ (93,134)	\$ 473,257
Stock options exercised (11,087 shares)	—	387	—	—	387
Purchase of treasury shares (7,853 shares)	—	—	(432)	—	(432)
Treasury shares pursuant to purchase price adjustment (184 shares)	—	—	(7)	—	(7)
Share-based compensation	—	1,239	—	—	1,239
Net income	—	—	—	142,541	142,541
Balance, September 30, 2022	\$ 227	\$ 574,885	\$ (7,534)	\$ 49,407	\$ 616,985
Balance, December 31, 2022	\$ 227	\$ 576,118	\$ (7,534)	\$ 222,768	\$ 791,579
Purchase of treasury shares (126,240 shares)	—	—	(2,945)	—	(2,945)
Vesting of share-based compensation (418,518 shares)	4	(4)	—	—	—
Share-based compensation	—	1,179	—	—	1,179
Net Income	—	—	—	94,492	94,492
Balance, March 31, 2023	\$ 231	\$ 577,293	\$ (10,479)	\$ 317,260	\$ 884,305
Purchase of treasury shares (5,310 shares)	—	—	(121)	—	(121)
Vesting of share-based compensation (21,134 shares)	—	—	—	—	—
Share-based compensation	—	1,524	—	—	1,524
Net Income	—	—	—	24,937	24,937
Balance, June 30, 2023	\$ 231	\$ 578,817	\$ (10,600)	\$ 342,197	\$ 910,645
Purchase of treasury shares (361 shares)	—	—	(16)	—	(16)
Vesting of share-based compensation (1,225 shares)	—	—	—	—	—
Issuance of common stock (2,810,811 shares)	28	97,105	—	—	97,133
Share-based compensation	—	1,551	—	—	1,551
Net Loss	—	—	—	(4,771)	(4,771)
Balance, September 30, 2023	\$ 259	\$ 677,473	\$ (10,616)	\$ 337,426	\$ 1,004,542

See accompanying Notes to Condensed Consolidated Financial Statements.

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	
				(Accumulated Deficit)	Total
Balance, December 31, 2022	\$ 227	\$ 576,118	\$ (7,534)	\$ 222,768	\$ 791,579
Purchase of treasury shares (126,240 shares)	—	—	(2,945)	—	(2,945)
Vesting of share-based compensation (418,518 shares)	4	(4)	—	—	—
Share-based compensation	—	1,179	—	—	1,179
Net Income	—	—	—	94,492	94,492
Balance, March 31, 2023	\$ 231	\$ 577,293	\$ (10,479)	\$ 317,260	\$ 884,305
Balance, December 31, 2023	\$ 259	\$ 679,202	\$ (10,617)	\$ 520,484	\$ 1,189,328
Purchase of treasury shares (17,949 shares)	—	—	(534)	—	(534)

Vesting of share-based compensation (112,147 shares)	1	(1)	—	—	—	—
Share-based compensation	—	1,898	—	—	—	1,898
Net Loss	—	—	—	—	(15,528)	(15,528)
Balance, March 31, 2024	\$ 260	\$ 681,099	\$ (11,151)	\$ 504,956	\$ 1,175,164	

See accompanying Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)

SilverBow Resources, Inc. and Subsidiary (in thousands)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash Flows from Operating Activities:				
Net income (loss)				
Net income (loss)				
Net income (loss)	Net income (loss) \$ 114,658	Net income (loss) \$ 167,076		
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation, depletion, and amortization	Depreciation, depletion, and amortization	147,037	89,096	
Depreciation, depletion, and amortization	Depreciation, depletion, and amortization			
Accretion of asset retirement obligations	Accretion of asset retirement obligations			
Accretion of asset retirement obligations	Accretion of asset retirement obligations	718	366	

Deferred income taxes	Deferred income taxes	32,892	7,496
Share-based compensation	Share-based compensation	4,043	3,901
(Gain) Loss on derivatives, net	(Gain) Loss on derivatives, net	(57,604)	157,816
Cash settlement (paid) received on derivatives	Cash settlement (paid) received on derivatives	70,670	(182,058)
Settlements of asset retirement obligations	Settlements of asset retirement obligations	(481)	(47)
Write down of debt issuance cost		—	350
Other, net			
Other, net			
Other, net	Other, net	2,028	(6,425)
Change in operating assets and liabilities:	Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable and other current assets			
(Increase) decrease in accounts receivable and other current assets			
(Increase) decrease in accounts receivable and other current assets	(Increase) decrease in accounts receivable and other current assets	9,129	(47,320)
Increase (decrease) in accounts payable and accrued liabilities	Increase (decrease) in accounts payable and accrued liabilities	(5,320)	20,260
Increase (decrease) in income taxes payable	Increase (decrease) in income taxes payable	321	(21)

Interest	Interest	311	1,688
Net Cash	Net Cash		
Provided	Provided		
by (Used	by (Used		
in)	in)		
Operating	Operating		
Activities	Activities	318,402	212,178
Cash Flows	Cash Flows		
from Investing	from Investing		
Activities:	Activities:		
Additions to property and equipment	Additions to property and equipment	(316,003)	(163,567)
Additions to property and equipment	Additions to property and equipment		
Acquisition of oil and gas properties, net of purchase price adjustments	Acquisition of oil and gas properties, net of purchase price adjustments	(382)	(293,880)
Deposit and other fees for oil and gas property transaction	Deposit and other fees for oil and gas property transaction	(51,163)	—
Proceeds from the sale of property and equipment	Proceeds from the sale of property and equipment	—	4,415
Payments on property sale obligations	Payments on property sale obligations	—	(750)
Proceeds from the sale of property and equipment	Proceeds from the sale of property and equipment		
Proceeds from the sale of property and equipment	Proceeds from the sale of property and equipment		
Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Investing Activities		
Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Investing Activities		

Net Cash	Net Cash		
Provided	Provided		
by (Used	by (Used		
in)	in)		
Investing	Investing		
Activities	Activities	(367,548)	(453,782)
Cash Flows	Cash Flows		
from Financing	from Financing		
Activities:	Activities:		
Proceeds	Proceeds		
from bank	from bank		
borrowings	borrowings	334,000	679,000
Proceeds from bank			
borrowings			
Proceeds from bank			
borrowings			
Payments of	Payments of		
bank	bank		
borrowings	borrowings	(378,000)	(426,000)
Net proceeds from issuances			
of common stock		97,133	—
Net proceeds from stock			
options exercised		—	39
Purchase of	Purchase of		
treasury	treasury		
shares	shares	(3,082)	(3,404)
Payments of debt issuance			
costs		—	(7,228)
Purchase of treasury shares			
Purchase of treasury shares			
Net Cash	Net Cash		
Provided	Provided		
by (Used	by (Used		
in)	in)		
Financing	Financing		
Activities	Activities	50,051	242,407
Net Increase (Decrease) in			
Cash and Cash Equivalents		905	803
Cash and Cash Equivalents at			
Beginning of Period		792	1,121
Cash and Cash Equivalents at			
End of Period		\$ 1,697	\$ 1,924
Net Cash Provided by			
(Used in) Financing			
Activities			
Net Cash Provided by			
(Used in) Financing			
Activities			

Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	
Cash, Cash Equivalents and Restricted	
Cash at Beginning of Period	
Cash, Cash Equivalents and Restricted	
Cash at End of Period	
Supplemental Disclosures of Cash Flow Information:	Supplemental Disclosures of Cash Flow Information:
Cash paid during period for interest, net of amounts capitalized	\$ 52,170 \$ 22,701
Cash paid during period for interest	
Cash paid during period for interest	
Cash paid during period for interest	
Non-cash Investing and Financing Activities:	Non-cash Investing and Financing Activities:
Non-cash Investing and Financing Activities:	
Changes in capital accounts payable and capital accruals	Changes in capital accounts payable and capital accruals
Accrued other fees for oil and gas property transaction	\$ (1,401) \$ —
Non-cash equity consideration for acquisitions	\$ — \$ (156,259)
Changes in capital accounts payable and capital accruals	
Changes in capital accounts payable and capital accruals	

See accompanying Notes to Condensed Consolidated Financial Statements.	See accompanying Notes to Condensed Consolidated Financial Statements.
See accompanying Notes to Condensed Consolidated Financial Statements.	See accompanying Notes to Condensed Consolidated Financial Statements.

Notes to Condensed Consolidated Financial Statements (Unaudited)

SilverBow Resources, Inc. and Subsidiary

(1) General Information

SilverBow Resources, Inc. ("SilverBow," the "Company," or "we") is an independent oil and gas company headquartered in Houston, Texas. The Company's strategy is focused on acquiring and developing assets in the Eagle Ford and Austin Chalk located in South Texas.

Being a committed and long-term operator in South Texas, SilverBow possesses a significant understanding of the reservoir characteristics, geology, landowners and competitive landscape in the region. The Company leverages this in-depth knowledge to continue to assemble high quality drilling inventory while continuously enhancing its operations **in the effort** to maximize returns on capital invested.

The condensed consolidated financial statements **included herein** are unaudited and certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission. We believe that the disclosures presented are adequate to allow the information presented not to be misleading. The **unaudited** condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**.

(2) Summary of Significant Accounting Policies

Basis of Presentation. The condensed consolidated financial statements included herein reflect necessary adjustments, all of which were of a recurring nature unless otherwise disclosed herein, and are in the opinion of our management necessary for a fair presentation.

Principles of Consolidation. The accompanying condensed consolidated financial statements include the accounts of SilverBow and its wholly owned subsidiary, SilverBow Resources Operating LLC, which are engaged in the exploration, development, acquisition, and operation of oil and gas properties, with a focus on oil and natural gas reserves in the Eagle Ford and Austin Chalk trend in Texas. Our undivided interests in oil and gas properties are accounted for using the proportionate consolidation method, whereby our proportionate share of the assets, liabilities, revenues, and expenses are included in the appropriate classifications in the accompanying condensed consolidated financial statements. Intercompany balances and transactions have been eliminated in preparing the accompanying condensed consolidated financial statements.

Stockholder Rights Agreement. On September 20, 2022, the Board adopted a stockholder rights agreement (the "Rights Agreement") and declared a dividend distribution of one right (each, a "Right" and together with all such rights distributed or issued pursuant to the Rights Agreement, dated as of September 20, 2022, by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent, the "Rights") for each outstanding share of Company common stock to holders of record on October 5, 2022. In the event that a person or group acquires beneficial ownership of 15% or more of the Company's then-outstanding common stock, subject to certain exceptions, each Right would entitle its holder (other than such person or members of such group) to purchase additional shares of Company common stock at a substantial discount to the public market price. In addition, at any time after a person or group acquires beneficial ownership of 15% or more of the outstanding common stock, subject to certain exceptions, the Board may direct the Company to exchange the Rights (other than Rights owned by such person or certain related parties, which will have become null and void), in whole or in part, at an exchange ratio of one share of common stock per Right (subject to adjustment). While in effect, the Rights Agreement could make it more difficult for a third

party to acquire control of the Company or a large block of the common stock of the Company without the approval of the Board. On May 16, 2023, the Company and the rights agent entered into an Amendment to the Rights Agreement (the "Amendment") that amended the Rights Agreement to extend the expiration date until the close of business on the first day following the date of the Company's first annual meeting of its stockholders that occurs after (but not on) the date of the Amendment. The Rights Agreement, as amended, will expire on the earliest of (a) 5:00 p.m., New York City time, on the first business day after the 2024 annual stockholders' meeting, (b) the time at which the Rights are redeemed and (c) the time at which the Rights are exchanged in full.

Subsequent Events. We have evaluated subsequent events requiring potential accrual or disclosure in our condensed consolidated financial statements.

In April 2024, the Company entered into a non-cash exchange agreement with a third party to receive approximately 7,700 net acres and working interest in multiple wells in La Salle and McMullen counties. The Company will transfer approximately 5,100 net acres and working interest in 13 wells in DeWitt, Lavaca and McMullen counties. The exchange is subject to customary purchase price adjustments.

Through **October 31, 2023** **April 30, 2024**, the Company entered into additional derivative contracts. The following tables summarize the weighted-average prices as well as future production volumes for our future derivative contracts entered into after **September 30, 2023** **March 31, 2024**:

Oil Derivative Contracts	Oil Derivative Contracts	Total Volumes (NYMEX WTI Settlements)	Weighted-Average Price
Swap Contracts	Swap Contracts		
2024 Contracts	2024 Contracts		
1Q24		91,000	\$ 83.40
2Q24		91,000	\$ 81.31
2024 Contracts			
2024 Contracts			
3Q24			
3Q24	3Q24	92,000	\$ 79.63
4Q24	4Q24	92,000	\$ 78.21
2025 Contracts	2025 Contracts		
1Q25	1Q25	90,000	\$ 76.52
1Q25			
1Q25			
2Q25	2Q25	91,000	\$ 75.38
3Q25	3Q25	92,000	\$ 74.56
4Q25	4Q25	92,000	\$ 73.58
2026 Contracts			
1Q26		157,500	\$ 68.01
2Q26		136,500	\$ 67.98
3Q26		110,400	\$ 67.94
4Q26		156,150	\$ 68.60

Oil Basis	Oil Basis	Oil Basis Swaps (Argus Cushing (WTI) and Magellan East Houston)				Total Volumes (MMBtu)	Weighted-Average Price
Swaps	Swaps						
2023 Contracts							
4Q23		61,000	\$	0.90			
2025 Contracts							
1Q25							
1Q25	1Q25	90,000	\$	1.75			
2Q25	2Q25	91,000	\$	1.75			
3Q25	3Q25	92,000	\$	1.75			
4Q25	4Q25	92,000	\$	1.75			
Calendar	Calendar						
Monthly	Monthly						
Roll	Roll						
Differential	Differential						
Swaps	Swaps						
2023 Contracts							
4Q23		61,000	\$	2.40			
2025 Contracts							
1Q25							
1Q25	1Q25	90,000	\$	0.50			
2Q25	2Q25	91,000	\$	0.50			
3Q25	3Q25	92,000	\$	0.50			
4Q25	4Q25	92,000	\$	0.50			
Natural Gas Derivative Contracts (NYMEX Henry Hub Settlements)					Total Volumes (MMBtu)	Weighted-Average Collar Floor Price	Weighted-Average Collar Call Price
Collar Contracts							
2025 Contracts							
4Q25					920,000	\$ 3.50	\$ 4.38
Natural Gas Derivative Contracts (NYMEX Henry Hub Settlements)					Total Volumes (MMBtu)	Weighted-Average Price	
Swap Contracts							

2024 Contracts			
1Q24	1,820,000	\$	3.66
2Q24	2,430,000	\$	3.31
3Q24	2,760,000	\$	3.46
4Q24	2,760,000	\$	3.75
2025 Contracts			
1Q25	2,700,000	\$	4.20
2Q25	2,730,000	\$	3.75
3Q25	2,760,000	\$	3.89
4Q25	1,540,000	\$	4.11
2026 Contracts			
1Q26	900,000	\$	4.56
2Q26	910,000	\$	3.53
3Q26	920,000	\$	3.73
4Q26	920,000	\$	4.19

Natural Gas Basis Derivative Swaps (East Texas Houston Ship Channel vs. NYMEX Settlements)		Total Volumes (MMBtu)	Weighted-Average Price
2024 Contracts			
1Q24	910,000	\$	(0.21)
2Q24	910,000	\$	(0.21)
3Q24	920,000	\$	(0.21)
4Q24	920,000	\$	(0.21)
2025 Contracts			
1Q25	900,000	\$	(0.23)
2Q25	910,000	\$	(0.23)
3Q25	920,000	\$	(0.23)
4Q25	920,000	\$	(0.23)
NGL Swaps (Mont Belvieu)		Total Volumes (Bbls)	Weighted-Average Price
2024 Contracts			
1Q24	91,000	\$	24.25
2Q24	91,000	\$	24.25
3Q24	92,000	\$	24.25
4Q24	92,000	\$	24.25

Natural Gas Basis Derivative Swaps (East Texas Houston Ship Channel vs. NYMEX Settlements)		Total Volumes (MMBtu)	Weighted-Average Price
2024 Contracts			
4Q24	920,000	\$	(0.49)
2025 Contracts			
1Q25	3,600,000	\$	(0.30)
2Q25	3,640,000	\$	(0.30)
3Q25	3,680,000	\$	(0.30)
4Q25	3,680,000	\$	(0.30)

There were no other material subsequent events requiring additional disclosure in these condensed consolidated financial statements.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the reported amounts of certain revenues and expenses during each reporting period. Such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Significant estimates and assumptions underlying these financial statements include:

- the estimated quantities of proved oil and natural gas reserves used to compute depletion of oil and natural gas properties, the related present value of estimated future net cash flows therefrom, and the Ceiling Test (as defined below) impairment calculation,
- estimates related to the collectability of accounts receivable and the creditworthiness of our customers,
- estimates of the counterparty bank risk related to letters of credit that our customers may have issued on our behalf,
- estimates of future costs to develop and produce reserves,
- accruals related to oil and gas sales, capital expenditures and lease operating expenses, ("LOE"),
- estimates in the calculation of share-based compensation expense,
- estimates of our ownership in properties prior to final division of interest determination,
- the estimated future cost and timing of asset retirement obligations,
- estimates made in our income tax calculations, including the valuation of our deferred tax assets,
- estimates in the calculation of the fair value of commodity derivative assets and liabilities,
- estimates in the assessment of current litigation claims against the Company,
- estimates used in the assessment of business combinations and asset purchases,
- estimates in amounts due with respect to open state regulatory audits, and
- estimates on future lease obligations.

While we are not currently aware of any material revisions to any of our estimates, there will likely be future revisions to our estimates resulting from matters such as new accounting pronouncements, changes in ownership interests, payouts, joint venture audits, reallocations by purchasers or pipelines, or other corrections and adjustments common in the oil and gas industry, many of which relate to prior periods. These types of adjustments cannot be currently estimated and are expected to be recorded in the period during which the adjustments are known.

We are subject to legal proceedings, claims, liabilities and environmental matters that arise in the ordinary course of business. We accrue for losses when such losses are considered probable and the amounts can be reasonably estimated.

Property and Equipment. We follow the "full-cost" method of accounting for oil and natural gas property and equipment costs. Under this method of accounting, all productive and nonproductive costs incurred in the exploration, development, and acquisition of oil and natural gas reserves are capitalized. Such costs may be incurred both prior to and after the acquisition of a property and include lease acquisitions, geological and geophysical services, drilling, completion, and equipment. Internal costs incurred that are directly identified with exploration, development, and acquisition activities undertaken by us for our own account, and which are not related to production, general corporate overhead, or similar activities, are also capitalized. For the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, such internal costs capitalized totaled **\$1.4 million** **\$1.1 million**

and **\$1.1 million**, respectively. For the nine months ended **September 30, 2023** and **2022**, such internal costs capitalized totaled **\$4.1 million** and **\$3.3 million** **\$1.4 million**, respectively. Interest costs are also capitalized to unproved oil and natural gas properties. There was no capitalized interest on our unproved properties for both the three months ended **September 30, 2023** **March 31, 2024** and **2022** and the nine months ended **September 30, 2023** and **2022, 2023**.

The "Property and Equipment" balances on the accompanying condensed consolidated balance sheets are summarized for presentation purposes. The following is a detailed breakout of our "Property and Equipment" balances (in thousands):

		September 30, 2023	December 31, 2022		
		March 31, 2024		March 31, 2024	December 31, 2023
Property and Equipment	Property and Equipment		Property and Equipment		
Proved oil and gas properties	Proved oil and gas properties				
Unproved oil and gas properties	Unproved oil and gas properties	27,821	16,272		
Furniture, fixtures and other equipment	Furniture, fixtures and other equipment	6,301	6,098		
Less – Accumulated depreciation, depletion, amortization & impairment	Less – Accumulated depreciation, depletion, amortization & impairment	(1,151,141)	(1,004,044)		
Property and Equipment, Net	Property and Equipment, Net	\$1,710,126	\$1,525,179		

No gains or losses are recognized upon the sale or disposition of oil and natural gas properties, except in transactions involving a significant amount of reserves or where the proceeds from the sale of oil and natural gas properties would significantly alter the relationship between capitalized costs and proved reserves of oil and natural gas attributable to a cost center. Internal costs associated with selling properties are expensed as incurred.

We compute the provision for depreciation, depletion and amortization ("DD&A") of oil and natural gas properties using the unit-of-production method. Under this method, we compute the provision by multiplying the total unamortized costs of oil and natural gas properties, including future development costs, gas processing facilities, and both capitalized asset retirement obligations and undiscounted abandonment costs of wells to be drilled, net of salvage values, but excluding costs of unproved properties, by an overall rate determined by dividing the physical units of oil and natural gas produced (which excludes natural gas consumed in operations) during the period by the total estimated units of proved oil and natural gas reserves (which excludes natural gas consumed in operations) at the beginning of the period. Future development costs are estimated on a property-by-property basis based on current economic conditions. The period over which we will amortize these properties is dependent on our production from these properties in future years. Furniture, fixtures and other equipment are recorded at cost and are depreciated by the straight-line method at rates based on the estimated useful lives of the property, which range between two and 20 years. Repairs and maintenance are charged to expense as incurred.

Geological and geophysical ("G&G") costs incurred on developed properties are recorded in "Proved oil and gas properties" and therefore subject to amortization. G&G costs incurred that are associated with unproved properties are capitalized in "Unproved oil and gas properties" and evaluated as part of the total capitalized costs associated with a prospect. The cost of unproved properties not being amortized is assessed quarterly, on a property-by-property basis, to determine whether such properties have been impaired. In determining whether such costs should be impaired, we evaluate current drilling results, lease expiration dates, current oil and gas industry conditions, economic conditions, capital availability and available geological and geophysical information. Any impairment assessed is added to the cost of proved properties being amortized.

Full-Cost Ceiling Test. At the end of each quarterly reporting period, the unamortized cost of oil and natural gas properties (including natural gas processing facilities, capitalized asset retirement obligations, net of related salvage values and deferred income taxes) is limited to the sum of the estimated future net revenues from proved properties (excluding cash outflows from recognized asset retirement obligations, including future development and

abandonment costs of wells to be drilled, using the preceding 12-months' average price based on closing prices on the first day of each month, adjusted for price differentials, discounted at 10% and the lower of cost or fair value of unproved properties) adjusted for related income tax effects ("Ceiling Test").

The quarterly calculations of the Ceiling Test and provision for DD&A are based on estimates of proved reserves. There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting the future rates of production, timing and plan of development. The accuracy of any reserves estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing, and production subsequent to the date of the estimate may justify revision of such estimates. Accordingly, reserves estimates are often different from the quantities of oil and natural gas that are ultimately recovered. There was no ceiling test write-down for either of the three months ended **September 30, 2023** **March 31, 2024** and **2022** or the nine months ended **September 30, 2023** and **2022**.

If future capital expenditures outpace future discounted net cash flows in our reserve calculations, if we have significant declines in our oil and natural gas reserves volumes (which also reduces our estimate of discounted future net cash flows from proved oil and natural gas reserves) or if oil or natural gas prices decline, it is possible that non-cash write-downs of our oil and natural gas properties will occur **again** in the future. We cannot control and cannot predict what future prices for oil and natural gas will be; therefore, we cannot estimate the amount of any potential future non-cash write-down of our oil and natural gas properties due to decreases in oil or natural gas prices. However, it is reasonably possible that we will record **additional** Ceiling Test write-downs in future periods.

Accounts Receivable, Net. We assess the collectability of accounts receivable based on a broad range of reasonable and forward-looking information including historical losses, current economic conditions, future forecasts and contractual terms. The Company's credit losses based on these assessments are considered immaterial. At **September 30, 2023** **March 31, 2024**, **December 31, 2022** **December 31, 2023** and **December 31, 2021** **December 31, 2022**, we had an allowance for credit losses of less than \$0.1 million. The allowance for credit losses has been deducted from the total "Accounts receivable, net" balance on the accompanying condensed consolidated balance sheets.

At **September 30, 2023** **March 31, 2024**, our "Accounts receivable, net" balance included **\$60.4 million** **\$92.2 million** for oil and gas sales, **\$1.9 million** **\$14.7 million** due from joint interest owners, **\$9.1 million** **\$2.8 million** for severance tax credit receivables and **\$8.8 million** **\$15.8 million** for other receivables. At December 31, 2023, our "Accounts receivable, net" balance included \$91.9 million for oil and gas sales, \$7.0 million due from joint interest owners, \$7.2 million for severance tax credit receivables, \$18.1 million for accrued purchase price adjustments related to the South Texas Acquisition and \$14.1 million for other receivables. At December 31, 2022, our "Accounts receivable, net" balance included \$70.9 million for oil and gas sales, \$5.6 million due from joint interest owners, \$4.3 million for severance tax credit receivables and \$8.9 million for other receivables. At December 31, 2021, our "Accounts receivable, net" balance included \$45.3 million for oil and gas sales, **\$1.9 million** due from joint interest owners, **\$1.0 million** for severance tax credit receivables and **\$1.5 million** for other receivables.

Supervision Fees. Consistent with industry practice, we charge a supervision fee to the wells we operate, including our wells, in which we own up to a 100% working interest. Supervision fees are recorded as a reduction to "General and

administrative, net," on the accompanying condensed consolidated statements of operations. The amount of supervision fees charged for each of the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** did not exceed our actual costs incurred. The total amount of supervision fees charged to the wells we operated was \$3.0 million **\$5.4 million** and \$2.8 million **\$2.7 million** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and \$8.6 million and \$6.1 million for the nine months ended **September 30, 2023** and **2022**, **2023**, respectively.

Income Taxes. Deferred taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities, given the provisions of the enacted tax laws. The Company's effective tax rate was approximately **17%** **24%** and **4%** **22%** for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively, and 22% and 4% for the nine months ended **September 30, 2023** and **2022**, **2023**, respectively. The Company recorded an income tax benefit of \$0.9 million and income tax provision of \$33.2 million **\$4.8 million** for the three and nine months ended **September 30, 2023**, respectively, **March 31, 2024** and an income tax provision of \$6.1 million and \$7.7 million **\$26.8 million** for the three and nine months ended **September 30, 2022** **March 31, 2023**, respectively. The tax impact for both periods was a product of the overall forecasted annual effective tax rate applied to the **year to date** **year-to-date** income.

Section 382 of the Internal Revenue Code ("Section 382") imposes limitations on a corporation's ability to utilize its net operating losses ("NOLs") if it experiences an ownership change. Generally, an "ownership change" occurs if one or more shareholders, each of whom is deemed to own five percent or more in value of a corporation's stock, increase their aggregate percentage ownership by more than 50 percent over the lowest percentage of stock owned by those shareholders at any time during the preceding three-year period. In the event of an ownership change, utilization of the NOLs would be subject to an annual limitation under Section 382. We believe we had an ownership change in August 2022 and, therefore, are subject to an annual limitation on the usage

of our NOLs generated prior to the ownership change. However, we do not expect to have any of our NOLs expire before becoming available to be utilized by the Company. Management will continue to monitor the potential impact of Section 382 with respect to our NOLs.

Our policy is to record interest and penalties relating to uncertain tax positions in income tax expense. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, we did not have any accrued liability for uncertain tax positions and do not anticipate recognition of any significant liabilities for uncertain tax positions during the next 12 months.

Revenue Recognition. Our reported oil and gas Substantially all of our revenues are derived from sales are comprised of revenues from oil, natural gas and natural gas liquids ("NGLs") sales. Revenues from each product stream are recognized at the point when control of the product is transferred to the customer and collectability is reasonably assured. Prices for our products are either negotiated on a monthly basis or tied to market indices. The Company has determined that these contracts represent performance obligations which are satisfied when control of the commodity transfers to the customer, typically through the delivery of the specified commodity to a designated delivery point. Natural gas revenues are recognized based on the actual volume of natural gas sold to the purchasers.

The following table provides information regarding our revenues, including oil and gas sales, by product, reported on the **Condensed Consolidated Statements** **condensed consolidated statements of Operations** **operations** for the three months ended **September 30, 2023** **March 31, 2024** and **2022** and the nine months ended **September 30, 2023** and **2022** **2023** (in thousands):

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Oil, natural gas and NGLs sales:				
	Three Months Ended March 31, 2024			
	Three Months Ended March 31, 2024			
	Three Months Ended March 31, 2024			
Revenues:				
Revenues:				
Revenues:				
Oil				
Oil	Oil	\$ 112,456	\$ 71,811	\$ 267,263
Natural gas	Natural gas	46,075	150,958	132,802
Natural gas				
NGLs	NGLs	15,432	19,412	40,252
NGLs				
Marketing				
Marketing				
Marketing				
	Total	\$ 173,963	\$ 242,181	\$ 440,317
	Total			
	Total			

Accounts Payable and Accrued Liabilities. The “Accounts payable and accrued liabilities” balances on the accompanying condensed consolidated balance sheets are summarized below (in thousands):

	September December		March 31, 2024	December 31, 2023
	30, 2023	31, 2022		
Trade accounts payable	Trade accounts payable	\$ 30,708	\$ 23,660	
Accrued operating expenses	Accrued operating expenses	11,266	10,572	
Accrued compensation costs	Accrued compensation costs	3,267	4,814	
Asset retirement obligations – current portion	Asset retirement obligations – current portion	1,578	1,284	
Accrued non-income based taxes	Accrued non-income based taxes	13,303	4,849	
Accrued corporate and legal fees	Accrued corporate and legal fees	181	388	
WTI contingency payouts	WTI contingency payouts	-	-	
current portion	current portion	1,537	1,600	
Payable for settled derivatives	Payable for settled derivatives	3,549	6,026	
Other payables		9,342	7,007	
Other payables ⁽¹⁾				
Total accounts payable and accrued liabilities	Total accounts payable and accrued liabilities	\$ 74,731	\$ 60,200	

(1) At March 31, 2024 and December 31, 2023 included in Other Payables is \$7.8 million in payables related to advances from joint interest owners in connection with our South Texas Acquisition.

Cash and Cash Equivalents. We consider all highly liquid instruments with an initial maturity of three months or less to be cash equivalents. These amounts do not include cash balances that are contractually restricted. The Company maintains cash and cash equivalent balances with major financial institutions, which at times exceed federally insured limits. The Company monitors the financial condition of the financial institutions and has experienced no losses associated with these accounts. **The Company did not have any cash equivalents at March 31, 2024 and December 31, 2023.**

Restricted Cash. Restricted cash includes amounts held in escrow accounts to satisfy plugging and abandonment obligations and operational maintenance projects.

The following table is a reconciliation of the total cash and cash equivalents and restricted cash in the accompanying consolidated statements of cash flows and their corresponding balance sheet presentation (in thousands):

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 1,446	\$ 969
Current restricted cash ⁽¹⁾	2,200	2,200
Long-term restricted cash ⁽²⁾	5,560	5,560
Total cash, cash equivalents and restricted cash	\$ 9,206	\$ 8,729

(1) Current restricted cash is included in "Other Current Assets" on the accompanying condensed consolidated balance sheets.

(2) Long-term restricted cash is included in "Other Long-Term Assets" on the accompanying condensed consolidated balance sheets.

Treasury Stock. Our treasury stock repurchases are reported at cost and are included in "Treasury stock, held at cost" on the accompanying condensed consolidated balance sheets. For the **nine** three months ended **September 30, 2023** **March 31, 2024**, we purchased **131,911** **17,949** treasury shares to satisfy withholding tax obligations arising upon the vesting of restricted shares. For the **nine** three months ended **September 30, 2022** **March 31, 2023**, we purchased **120,350** **126,240** treasury shares to satisfy withholding tax obligations arising upon the vesting of restricted **shares** and received **41,375** **shares** in conjunction with our post-closing settlement for a previously disclosed **acquisition** **shares**.

New Accounting Pronouncements. In **June 2016**, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments. The standard changes how entities will measure credit losses for most financial assets, including accounts and notes receivables. The new standard replaces the existing incurred loss impairment methodology with a methodology that requires consideration of a broader range of reasonable and supportable forward-looking information to estimate all expected credit losses. The updated guidance is effective for the Company for annual and quarterly reporting periods beginning after December 15, 2022, and the Company adopted the guidance on January 1, 2023. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements or disclosures.

In March 2020, December 2023, the FASB issued ASU No. 2020-04, Reference Rate Reform 2023-09, Income Taxes (Topic 848) 740: Facilitation of the Effects of Reference Rate Reform on Financial Reporting followed by ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope ("ASU 2021-01"), issued in January 2021, and ASU 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, issued in December 2022. **Improvements to Income Tax Disclosures.** The guidance provides and clarifies optional expedients and exceptions for applying generally accepted accounting principles aims to contract modifications, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. The amendments within these ASUs were in effect beginning March 12, 2020, and an entity may elect to apply improve the amendments prospectively effectiveness of income tax disclosures primarily through December 31, 2024. This guidance provides an optional practical expedient that allows qualifying modifications to be accounted for as a debt modification rather than be analyzed under existing guidance to determine if the modification should be accounted for as a debt extinguishment. The Company adopted this accounting pronouncement in conjunction with the execution of the Third Amendment improvements to the Note Purchase Agreement in June 2023 and elected to apply this optional expedient. See Note 6 – Long-Term Debt for further discussion of the Company's accounting for its existing debt and related issuance costs. The adoption of this accounting standard did not have a material impact income tax rate reconciliation disclosure along with information on the Company's condensed consolidated financial statements and related disclosures.

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The guidance simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Additionally, the amendment requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS). income taxes paid. The guidance is effective for the Company for fiscal years beginning after December 15, 2022, and December 15, 2024 with early adoption permitted. We are currently evaluating the Company adopted the impact of this standard.

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. The guidance requires disclosures of certain general information related to the Company's segment. This includes information on January 1, 2023 the factors used to identify reportable segments, the types of products and services from which reportable segments generate revenues and whether operating segments have been aggregated. The new requirements will result in incremental disclosures in annual and interim reports. This guidance will apply to fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The new guidance must be applied retrospectively to all prior periods presented in the financial statements unless impracticable with early adoption permitted. We are currently evaluating the impact of this guidance did not have a material impact on the Company's consolidated financial statements or disclosures. standard.

(3) Leases

The Company follows the FASB's Accounting Standards Codification Topic No. 842 and elected the package of practical expedients that allows an entity to carry forward historical accounting treatment relating to lease identification and classification for existing leases upon adoption and the practical expedient related to land easements that allows an entity to carry forward historical accounting treatment for land easements on existing agreements. The Company has made an accounting policy election to keep leases with an initial term of 12 months or less off the condensed consolidated balance sheets. We have elected to not account for lease and non-lease components separately.

The Company has contractual agreements for its corporate office lease, vehicle fleet, compressors, treating equipment, and for surface use rights. For leases with a primary term of more than 12 months, a right-of-use ("ROU") asset and the corresponding lease liability is recorded. The Company determines at inception if an arrangement is an operating or financing lease. As of **September 30, 2023** **March 31, 2024**, all of the Company's leases were operating leases.

The initial asset and liability balances are recorded at the present value of the payment obligations over the lease term. If lease terms include options to extend the lease and it is reasonably certain that the Company will exercise that option, the lease term used for capitalization includes the expected renewal periods. Most leases do not provide an implicit interest rate. Unless the lease contract contains an implicit interest rate, the Company uses its incremental borrowing rate at the time of lease inception to compute the fair value of the lease payments. The ROU asset balance and current and non-current lease liabilities are reported separately on the accompanying condensed consolidated balance sheets. Certain leases have payment terms that vary based on the usage of the underlying assets. Variable lease payments are not included in ROU assets and lease liabilities. The Company recognizes lease expense on a straight-line basis over the lease term.

As of **September 30, 2023** **March 31, 2024**, the Company's future cash payment obligation for its operating lease liabilities are as follows (in thousands):

As of September 30, 2023			As of March 31, 2024
2023 (Remaining)	\$ 2,667		
2024	4,166		
As of March 31, 2024			As of March 31, 2024
2024 (Remaining)			
2025	2025	2,427	
2026	2026	1,194	
2027	2027	61	
2028			
Thereafter	Thereafter	475	
Total	Total		
undiscounted	undiscounted		
lease	lease		
payments	payments	10,990	
Present	Present		
value	value		
adjustment	adjustment	(879)	
Net	Net		
operating	operating		
lease	lease		
liabilities	liabilities	\$ 10,111	

(4) Share-Based Compensation

Share-Based Compensation Plans

In 2016, the Company adopted the 2016 Equity Incentive Plan (as amended from time to time, the "2016 Plan"). The Company also adopted the Inducement Plan (as amended from time to time, the "Inducement Plan," and, together with the 2016 Plan, the "Plans") on December 15, 2016.

The Company computes a deferred tax benefit for restricted stock units ("RSUs"), performance-based stock units ("PSUs") and stock options expected to generate future tax deductions by applying its effective tax rate to the expense recorded. For RSUs, the Company's actual tax deduction is based on the value of the units at the time of vesting.

The expense for awards issued to both employees and non-employees, which was recorded in "General and administrative, net" in the accompanying condensed consolidated statements of operations was ~~\$1.5 million~~ \$1.8 million and ~~\$1.2 million~~ \$1.1 million for the three months ended ~~September 30, 2023~~ March 31, 2024 and ~~2022~~, respectively, and \$4.0 million and \$3.9 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. Capitalized share-based compensation was less than \$0.1 million for both the three months ended ~~September 30, 2023~~ March 31, 2024 and ~~2022~~, and ~~\$0.2 million~~ for both the nine months ended ~~September 30, 2023~~ and ~~2022~~ 2023.

We view stock option awards and RSUs with graded vesting as single awards with an expected life equal to the average expected life of component awards, and we amortize the awards on a straight-line basis over the life of the awards. The Company accounts for forfeitures in compensation cost when they occur.

Stock Option Awards

The compensation cost related to stock option awards is based on the grant date fair value and is typically expensed over the vesting period (generally one to five years). We use the Black-Scholes option pricing model to estimate the fair value of stock option awards.

At ~~September 30, 2023~~ March 31, 2024, we had no unrecognized compensation cost related to stock option awards. The following table provides information regarding stock option award activity for the ~~nine~~ three months ended ~~September 30, 2023~~ March 31, 2024:

	Shares	Wtd. Avg. Exer. Price
Options outstanding, beginning of period	196,162	\$ 26.46
Options granted	—	—
Options exercised	—	—
Options outstanding, end of period	196,162	\$ 26.46
Options exercisable, end of period	196,162	\$ 26.46

Our outstanding stock option awards had \$1.8 million aggregate intrinsic value at September 30, 2023. At September 30, 2023, the weighted-average remaining contract life of stock option awards outstanding was 3.6 years and exercisable was 3.6 years. The total intrinsic value of stock option awards exercisable was \$1.8 million as of September 30, 2023.

	Shares	Wtd. Avg. Exer. Price	Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, beginning of period	196,162	\$ 26.46	3.4	\$ 525
Options granted	—	—		
Options exercised	—	—		
Options outstanding, end of period	196,162	\$ 26.46	3.1	\$ 1,506
Options exercisable, end of period	196,162	\$ 26.46	3.1	\$ 1,506

Restricted Stock Units

The Plans allow for the issuance of restricted stock unit awards that generally may not be sold or otherwise transferred until certain restrictions have lapsed. The compensation cost related to restricted stock awards is based on the grant date fair value and is typically expensed over the requisite service period (generally one to five years).

As of ~~September 30, 2023~~ March 31, 2024, we had ~~\$5.1 million~~ \$10.4 million unrecognized compensation expense related to our RSUs which is expected to be recognized over a weighted-average period of ~~2.0~~ 2.2 years.

The following table provides information regarding RSU activity for the **nine****three** months ended **September 30, 2023****March 31, 2024**:

		Wtd.		RSUs	Wtd. Avg. Grant Price
		RSUs	Avg. Grant Price		
RSUs	RSUs outstanding, outstanding, beginning of period	227,114	\$21.18		
RSUs	RSUs granted	195,791	\$23.75		
RSUs	RSUs forfeited	(1,424)	\$25.44		
RSUs forfeited					
RSUs forfeited					
RSUs	RSUs vested	(137,467)	\$17.78		
RSUs	RSUs outstanding, outstanding, end of period	284,014	\$24.58		

Performance-Based Stock Units

On May 21, 2019, the Company granted 99,500 PSUs for which the number of shares earned was based on the total shareholder return ("TSR") of the Company's common stock relative to the TSR of its selected peers during the performance period from January 1, 2019 to December 31, 2021. The awards contained market conditions which allowed a payout ranging between 0% payout and 200% of the target payout. The fair value as of the grant date was \$18.86 per unit or 112.9% of stock price. The awards had a cliff-vesting period of three years. In the first quarter of 2022, the Board and its Compensation Committee approved payout of these awards at 117% of target. Accordingly, 97,812 shares were issued on February 23, 2022.

On February 24, 2021, the Company granted 161,389 PSUs for which the number of shares earned is based on the **TSR total shareholder return ("TSR")** of the Company's common stock relative to the TSR of its selected peers during the performance period from January 1, 2021 to December 31, 2022. The awards contain market conditions which allow a payout ranging between 0% and 200% of the target payout. The fair value as of the grant date was \$13.13 per unit or 157.6% of the stock price. The compensation expense for these awards is based on the per unit grant date valuation using a Monte Carlo simulation multiplied by the target payout level. The payout level is calculated based on actual stock price performance achieved during the performance period. The awards have a cliff-vesting period of two years. In the first quarter of 2023, the Board and its Compensation Committee approved payout of these awards at 188% of target. Accordingly, 303,410 shares were issued on February 22, 2023.

On February 23, 2022, the Company granted 122,111 PSUs for which the number of shares earned is based on the TSR of the Company's common stock **on an absolute and relative basis compared** to the TSR of its selected peers during the performance period from January 1, 2022 to December 31, 2024. The awards contain market conditions which allow a payout ranging between 0% and 200% of the target payout. The fair value as of the grant date was \$36.47 per unit or 150.93% of the stock price. The compensation expense for these awards is based on the per unit grant date valuation using a Monte Carlo simulation multiplied by the target payout level. The payout level is calculated based on actual stock price performance achieved during the performance period. The awards have a cliff-vesting period of three years. All PSUs granted remain outstanding related to this award as of **September 30, 2023****March 31, 2024**.

On February 23, 2023, the Company granted 120,749 PSUs for which the number of shares earned is based on the TSR of the Company's common stock **on an absolute and relative basis compared** to the TSR of its selected peers during the performance period from January 1, 2023 to December 31, 2025. The awards contain market conditions which allow a payout ranging between 0% and 200% of the target payout. The fair value as of the grant date was \$31.18 per unit or 136.28% of the stock price. The compensation expense for these awards is based on the per unit grant date valuation using a Monte Carlo simulation multiplied by the target payout level. The payout level is calculated based on actual stock price performance achieved during the performance period. The awards have a cliff-vesting period of three years. All PSUs granted remain outstanding related to this award as of **September 30, 2023** **March 31, 2024**.

On February 21, 2024, the Company granted 132,930 PSUs for which the number of shares earned is based on the TSR of the Company's common stock on an absolute and relative basis compared to the TSR of its selected peers during the performance period from January 1, 2024 to December 31, 2026. The awards contain market conditions which allow a payout ranging between 0% and 200% of the target payout. The fair value as of the grant date was \$34.99 per unit or 124.74% of the stock price. The compensation expense for these awards is based on the per unit grant date valuation using a Monte Carlo simulation multiplied by the target payout level. The payout level is calculated based on actual stock price performance achieved during the performance period. The awards have a cliff-vesting period of three years. All PSUs granted remain outstanding related to this award as of March 31, 2024.

On March 27, 2024, the Company granted 23,103 PSUs for which the number of shares earned is based on the TSR of the Company's common stock relative to the TSR of its selected peers during the performance period from January 1, 2024 to December 31, 2026. The awards contain market conditions which allow a payout ranging between 0% and 200% of the target payout. The fair value as of the grant date was \$46.18 per unit or 133.11% of the stock price. The compensation expense for these awards is based on the per unit grant date valuation using a Monte Carlo simulation multiplied by the target payout level. The payout level is calculated based on actual stock price performance achieved during the performance period. The awards have a cliff-vesting period of three years. All PSUs granted remain outstanding related to this award as of March 31, 2024.

As of **September 30, 2023** **March 31, 2024**, we had **\$4.9 million** **\$9.0 million** unrecognized compensation expense related to our PSUs based on the assumption of 100% target payout. The remaining weighted-average performance period is **1.9** **2.2** years.

The following table provides information regarding performance-based stock unit activity for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**:

PSUs	PSUs		Wtd. Avg. Grant Price
	Wtd.	Avg.	
based stock	Grant	Price	
units			
outstanding,			
beginning of			
period			
Performance			
based stock			
units			
granted			
Performance based stock units outstanding, beginning of period	283,500	\$23.18	
Performance based stock units granted	120,749	\$31.18	

Performance based stock units incremental shares granted	142,021	\$13.13
Performance based stock units vested	(303,410)	\$13.13
Performance based stock units outstanding, end of period	242,860	\$33.84
Performance based stock units outstanding, end of period		
Performance based stock units outstanding, end of period		

(5) Earnings Per Share

Basic earnings per share ("Basic EPS") has been computed using the weighted-average number of common shares outstanding during each period. Diluted earnings per share ("Diluted EPS") assumes, as of the beginning of the period, exercise of stock options and RSU grants using the treasury stock method. Diluted EPS also assumes conversion of PSUs to common shares based on the number of shares (if any) that would be issuable, according to predetermined performance and market goals, if the end of the reporting period was the end of the performance period. Certain of our stock options and RSU grants that would potentially dilute Basic EPS in the future were also antidilutive for the three and nine months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** are discussed below.

The following is a reconciliation of the numerators and denominators used in the calculation of Basic EPS and Diluted EPS for the periods indicated below (in thousands, except per share amounts):

		Three Months Ended September 30, 2023		Three Months Ended September 30, 2022		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Net Income	Per Share	Net Income	Per Share	Net Income	Per Share	Net Income	Per Share
		(Loss)	Shares	Amount	(Loss)	Shares	Amount	(Loss)	Shares
Basic EPS:	Basic EPS:								
Net Income (Loss) and Share Amounts	Net Income (Loss) and Share Amounts	\$ (4,771)	22,985	\$ (0.21)	\$ 142,541	22,308	\$ 6.39		
Net Income (Loss) and Share Amounts	Net Income (Loss) and Share Amounts								
Dilutive Securities:	Dilutive Securities:								
Performance Based Stock Unit Awards	Performance Based Stock Unit Awards	—			169				

Performance Based Stock		
Unit Awards		
Performance Based Stock		
Unit Awards		
RSU Awards		
RSU Awards		
RSU Awards	RSU Awards	— 137
Stock Option Awards	Stock Option Awards	— 55
Stock Option Awards		
Stock Option Awards		
Diluted EPS:		
Diluted EPS:		
Diluted EPS:	Diluted EPS:	
Net Income (Loss) and Assumed Share Conversions	Net Income (Loss) and Assumed Share Conversions	\$ (4,771) 22,985 \$ (0.21) \$142,541 22,669 \$ 6.29
Net Income (Loss) and Assumed Share Conversions		
Net Income (Loss) and Assumed Share Conversions		

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Net Income (Loss)	Shares	Per Share Amount	Net Income (Loss)	Shares	Per Share Amount
Basic EPS:						
Net Income (Loss) and Share Amounts	\$ 114,658	22,677	\$ 5.06	\$ 167,076	18,885	\$ 8.85
Dilutive Securities:						
Performance Based Stock Unit Awards		67			141	
RSU Awards		91			171	
Stock Option Awards		17			40	
Diluted EPS:						
Net Income (Loss) and Assumed Share Conversions	\$ 114,658	22,852	\$ 5.02	\$ 167,076	19,237	\$ 8.69

On September 18, 2023, the Company issued 2,810,811 shares of its common stock in a registered underwritten offering, for aggregate net proceeds, after offering expenses and fees, of approximately \$97.1 million.

There were 0.2 million stock options that were not included in the computation of Diluted EPS for the three months ended September 30, 2023 because they were antidilutive due to the net loss, while there were no antidilutive stock options for the three months ended September 30, 2022. Additionally, there were less than 0.1 million stock options to purchase shares which were not included in the computation of Diluted EPS for both the nine months ended September 30, 2023 and 2022, because they were antidilutive periods indicated below (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Antidilutive Securities:		
Stock Option Awards	87	137

Restricted Stock Unit Awards	10	9
Performance Based Stock Unit Awards	60	51

There were 0.2 million shares of RSUs that were not included in the computation of Diluted EPS for the three months ended September 30, 2023 because they were antidilutive due to the net loss and less than 0.1 million shares of RSUs that were not included in the computation of Diluted EPS for the three months ended September 30, 2022 because they were antidilutive. Additionally, there were less than 0.1 million shares of RSUs which were not included in the computation of Diluted EPS for both the nine months ended September 30, 2023 and 2022 because they were antidilutive.

There were 0.1 million shares of PSUs that were not included in the computation of Diluted EPS for the three months ended September 30, 2023 because they were antidilutive due to the net loss and no antidilutive shares of PSUs for the three months ended September 30, 2022. Additionally, there were no antidilutive shares of PSUs for both the nine months ended September 30, 2023 and 2022.

(6) Long-Term Debt

The Company's long-term debt consisted of the following (in thousands):

	September 30, 2023	December 31, 2022
Credit Facility Borrowings due 2026 ⁽¹⁾	\$ 498,000	\$ 542,000
Second Lien Notes due 2026	150,000	150,000
	648,000	692,000
Unamortized discount on Second Lien Notes due 2026	(738)	(882)
Unamortized debt issuance cost on Second Lien Notes due 2026	(2,166)	(2,587)
Long-Term Debt, net	<u>\$ 645,096</u>	<u>\$ 688,531</u>

	March 31, 2024	December 31, 2023
Credit Facility Borrowings due 2026 ⁽¹⁾	\$ 596,000	\$ 722,000
Second Lien Notes due 2028	500,000	500,000
	1,096,000	1,222,000
Unamortized discount on Second Lien Notes due 2028	(7,401)	(7,820)
Unamortized debt issuance cost on Second Lien Notes due 2028	(11,630)	(12,289)
Total Debt	<u>\$ 1,076,969</u>	<u>\$ 1,201,891</u>
Less: Current portion of Second Lien Notes due 2028	37,500	28,125
Long-term debt, net	<u>\$ 1,039,469</u>	<u>\$ 1,173,766</u>

(1) Unamortized debt issuance costs on our Credit Facility borrowings are included in "Other Long-Term Assets" in our condensed consolidated balance sheet. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, we had **\$7.0 million** **\$22.7 million** and **\$8.7 million** **\$24.9 million**, respectively, in unamortized debt issuance costs on our Credit Facility borrowings.

Revolving Credit Facility. Amounts outstanding under our Credit Facility (defined below) were **\$498.0 million** **\$596.0 million** and **\$542.0 million** **\$722.0 million** as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. The Company is a party to a First Amended and Restated Senior Secured Revolving Credit Agreement with JPMorgan Chase Bank, National Association, as administrative agent, and certain lenders party thereto, as amended (such agreement, the "Credit Agreement" and the borrowing facility provided thereby, the "Credit Facility").

The In conjunction with the closing of the South Texas Acquisition described further in Note 7, the Company executed the Eleventh Amendment to the Credit Agreement on November 30, 2023 (the "Eleventh Amendment") which secured \$425.0 million of incremental commitments under its Credit Facility matures October 19, 2026 (or from existing and new lenders, thereby increasing lender commitments and the borrowing base under the Credit Facility to \$1.2 billion from \$775.0 million. The Eleventh Amendment also permitted the extent earlier, the date that is 91 days prior issuance of up to the scheduled

maturity \$350.0 million principal amount of additional Second Lien Notes (as defined below), resulting in an aggregate principal amount of outstanding Second Lien Notes not to exceed \$500.0 million and modified certain other terms of the Company's Second Lien notes), Credit Agreement. Additionally, the Company incurred approximately \$20.0 million in third party and provides for a maximum credit amount of \$2.0 billion, subject to legal fees in connection with the current borrowing base of \$775.0 million. amendment.

The borrowing base is regularly redetermined in on or about May and November of each calendar year and is subject to additional adjustments from time to time, including for asset sales, elimination or reduction of hedge positions and incurrence of other debt. Additionally, the Company and the administrative agent may request an unscheduled redetermination of the borrowing base between scheduled redeterminations. The amount of the borrowing base is determined by the lenders, in their discretion, in accordance with their oil and gas lending criteria at the time of the relevant redetermination. In conjunction with its regularly scheduled semi-annual redeterminations, the Company reaffirmed the borrowing base and elected commitment amount under the Credit Facility at \$775.0 million, effective November 22, 2022, and again on March 20, 2023. The Company may also request the issuance of letters of credit under the Credit Agreement in an aggregate amount up to \$25.0 million, \$25.0 million, which reduces the amount of available borrowings under the borrowing base in the amount of such issued and outstanding letters of credit. There were no outstanding letters of credit as of September 30, 2023, March 31, 2024 and no outstanding letters of credit as of December 31, 2022 December 31, 2023. Maintaining or increasing our borrowing base under our Credit Facility is dependent on many factors, including commodity prices, our hedge positions, changes in our lenders' lending criteria and our ability to raise capital to drill wells to replace produced reserves. The Credit Facility matures October 19, 2026, and provides for a maximum credit amount of \$2.0 billion, subject to the current borrowing base of \$1.2 billion.

Interest under the Credit Facility is payable quarterly and accrues at the Company's option either at an Alternate Alternative Base Rate plus the applicable margin ("ABR Loans"), the Adjusted Term Secured Overnight Financing Rate ("SOFR") plus the applicable margin ("Term Benchmark Loans") or Adjusted Daily Simple SOFR plus the applicable margin ("RFR Loans"). The applicable margin ranges from 1.75% to 2.75% based on borrowing base utilization for ABR Loans and 2.75% to 3.75% based on borrowing base utilization for Term Benchmark Loans and RFR Loans. The Alternate Base Rate and SOFR are defined, and the applicable margins are set forth, in the Credit Agreement. Undrawn amounts under the Credit Facility are subject to a 0.5% commitment fee. To the extent that a payment default exists and is continuing, all amounts outstanding under the Credit Facility will bear interest at 2.0% per annum above the rate and margin otherwise applicable thereto. As of September 30, 2023 March 31, 2024, the Company's weighted average interest rate on Credit Facility borrowings was 8.67% 8.42%.

The obligations under the Credit Agreement are secured, subject to certain exceptions, by a first priority lien on substantially all assets of the Company and its subsidiary, including a first priority lien on properties attributed with at least 85% of estimated proved reserves of the Company and its subsidiary.

The Credit Agreement contains the following financial covenants:

- a ratio of total debt to earnings before interest, tax, depreciation and amortization ("EBITDA"), as defined in the Credit Agreement, for the most recently completed four fiscal quarters, not to exceed 3.00 to 1.00 as of the last day of each fiscal quarter; and
- a current ratio, as defined in the Credit Agreement, which includes in the numerator available borrowings undrawn under the borrowing base, of not less than 1.00 to 1.00 as of the last day of each fiscal quarter.

As of September 30, 2023 March 31, 2024, the Company was in compliance with all financial covenants under the Credit Agreement.

Additionally, the Credit Agreement contains certain representations, warranties and covenants, including but not limited to, limitations on incurring debt and liens, limitations on making certain restricted payments, limitations on investments, limitations on asset sales and hedge unwinds, limitations on transactions with affiliates and limitations on modifying organizational documents and material contracts. The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the lenders may declare all amounts outstanding under the Credit Facility to be immediately due and payable.

Total interest expense on the Credit Facility, which includes commitment fees and amortization of debt issuance costs, was \$14.6 million \$18.3 million and \$8.3 million \$11.9 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$39.8 million and \$15.9 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. The amount of commitment fee amortization included in interest expense, net was \$0.2 million \$0.6 million and \$0.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$0.7 million and \$0.9 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Senior Secured Second Lien Notes. On December 15, 2017, the Company entered into a Note Purchase Agreement for Senior Secured Second Lien Notes (as amended, the "Note Purchase Agreement," and such second lien facility the "Second Lien Notes") among the Company as issuer, U.S. Bank National Association as agent and collateral agent, and certain holders that are a party thereto, and issued notes in an initial principal amount of \$200.0 million, with a \$2.0 million discount, for net proceeds of \$198.0 million.

Effective November 12, 2021, the Company entered into the Second Amendment to the Note Purchase Agreement, which extended the maturity date from December 15, 2024 to December 15, 2026 subject to paying down the principal amount of the Second Lien Notes from \$200.0 million to \$150.0 million. The Company made the \$50.0 million redemption of the Second Lien Notes on November 29, 2021.

On June 14, 2023, the Company entered into the Third Amendment to the Note Purchase Agreement to effectuate the replacement of LIBOR with an adjusted term secured overnight financing rate plus a margin of 0.25% ("Term SOFR"). After the Third Amendment, interest under the Second Lien Notes is payable quarterly and accrues, based on the Company's election at the time of the borrowing, either at Term SOFR plus a margin of 7.5% ("Second Lien Term SOFR Loans") or at an Alternate Base Rate which is based on the greater of (i) the prime rate; (ii) the greater of the federal funds effective rate or overnight bank funding rate, plus 0.5%; or (iii) Term SOFR plus 1% ("Second Lien ABR Loans") plus a margin of 6.5%. Additionally, to the extent the Company were to default on the Second Lien Notes, this would potentially trigger a cross-default under our Credit Facility. As of September 30, 2023

Effective November 30, 2023, the Company's interest rate on Company entered into the Fourth Amendment to the Note Purchase Agreement (the "Fourth Amendment"), which extended the maturity date from December 15, 2026 to December 15, 2028, and upsized the outstanding Second Lien borrowings Notes by \$350.0 million, with a \$7.0 million discount, for net proceeds of \$343.0 million, in connection with the closing of the South Texas Acquisition described further in Note 7. The Company evaluated the amendment on a lender-by-lender basis as to whether it represented a debt extinguishment or modification and wrote off approximately \$0.2 million in previously unamortized debt issuance costs and \$0.1 million in previously unamortized debt discount during the year ended December 31, 2023 which was 13.16% included within "Interest expense, net" on the condensed consolidated statements of operations. Additionally, the Company incurred approximately \$10.6 million in third party fees in connection with the amendment. The new debt issuance cost and discount on the Second Lien Notes will be amortized through the new maturity date of December 15, 2028. The Fourth Amendment also (i) caused the maximum permitted ratio of Total Net Indebtedness to EBITDA (each as defined in the Note Purchase Agreement) for any fiscal quarter in which the maximum ratio of Total Debt to EBITDA (each as defined in the Credit Agreement) under the Credit Agreement is less than 3.00 to 1.00, to be reduced to a ratio that is 0.25 to 1.00 higher than that set forth in the Credit Agreement; (ii) amended the Minimum Asset

Coverage Ratio (as defined in the Note Purchase Agreement) to be no less than (A) 1.10 to 1.00 through the fiscal quarter ending March 31, 2024 and (B) 1.25 to 1.00 thereafter, in each case of clause (A) and clause (B), tested on a quarterly basis; (iii) added a financial covenant whereby the Current Ratio (as defined in the Note Purchase Agreement) shall not be less than 1.00 to 1.00; (iv) decreased the mortgage coverage and title requirements from 90% to 85%; and (v) modified certain other terms of the Note Purchase Agreement. Additionally, the Second Lien Notes implemented a quarterly requirement for repayment of Notes, beginning on June 15, 2024, requiring the Company to redeem the Notes in quarterly payments of \$9.4 million provided the ratio of Total Indebtedness to EBITDA not exceed 2.25 to 1.00, subject to certain exceptions.

The Company has the right, to the extent permitted under the Credit Facility and subject to the terms and conditions of the Second Lien to optionally prepay the notes at no premium. Additionally, the Second Lien Notes contains customary mandatory prepayment obligations upon asset sales (including hedge terminations), casualty events and incurrences of certain debt, subject to, in certain circumstances, reinvestment periods. Management believes the probability of mandatory prepayment due to default is remote. As of March 31, 2024, the Company's interest rate on the Second Lien Notes was 13.08%. As of March 31, 2024, the Company was in compliance with all financial covenants under the Second Lien Notes.

The obligations under the Second Lien Notes are secured, subject to certain exceptions and other permitted liens (including the liens created under the Credit Facility), by a perfected security interest, second in priority to the liens securing our Credit Facility, and mortgage lien on substantially all assets of the Company and its subsidiary, including a mortgage lien on oil and gas properties attributed with at least 90% 85% of estimated PV-9 (defined below), of proved reserves of the Company and its subsidiary and 90% 85% of the book value attributed to the PV-9 of the non-proved oil and gas properties of the Company. PV-9 is determined using commodity price assumptions by the administrative agent of the Credit Facility. PV-9 value is the estimated future net revenues to be generated from the production of proved reserves discounted to present value using an annual discount rate of 9%.

The Second Lien contains an Asset Coverage Ratio, which is only tested (i) as a condition to issuance of additional notes and (ii) in connection with certain asset sales in order to determine whether the proceeds of such asset sale must be applied as a prepayment of the notes and includes in the numerator of the PV-10 (defined below), based on forward strip pricing, plus the swap mark-to-market value of the commodity derivative contracts of the Company and its restricted subsidiary and in the denominator the total net indebtedness of the Company and its restricted subsidiary, of not less than 1.25 to 1.0 as of each date of determination (the "Asset Coverage Ratio"). PV-10 value is the estimated future net revenues to be generated from the production of proved reserves discounted to present value using an annual discount rate of 10%.

The Second Lien also contains a financial covenant measuring the ratio of total net debt-to-EBITDA, as defined in the Note Purchase Agreement, for the most recently completed four fiscal quarters, not to exceed 3.25 to 1.0 as of the last day of each fiscal quarter. As of September 30, 2023, the Company was in compliance with all financial covenants under the Second Lien.

The Second Lien contains certain customary representations, warranties and covenants, including but not limited to, limitations on incurring debt and liens, limitations on making certain restricted payments, limitations on investments, limitations on asset sales and hedge unwinds, limitations on transactions with affiliates and limitations on modifying organizational documents and material contracts. The Second Lien contains customary events of default. If an event of default occurs and is continuing, the lenders may declare all amounts outstanding under the Second Lien to be immediately due and payable.

As of September 30, 2023 March 31, 2024, total net amounts recorded for the Second Lien Notes were \$147.1 million \$481.0 million, net of unamortized debt discount and debt issuance costs. Interest expense on the Second Lien Notes totaled \$5.2 million \$17.7 million and \$3.8 million \$4.8 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$14.9 million and \$10.7 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Debt Issuance Costs. Our policy is to capitalize upfront commitment fees and other direct expenses associated with our line of credit arrangement and then amortize such costs ratably over the term of the arrangement, regardless of whether there are any outstanding borrowings. During the nine three months ended September 30, 2022, the Company capitalized \$7.2 million for debt issuance costs incurred in connection with the amendments to our Credit Facility. There March 31, 2024 and 2023 there were no capitalized costs incurred during the nine months ended September 30, 2023. incurred.

(7) Acquisitions and Dispositions

November 2021 2023 South Texas Acquisition

On November 19, 2021 November 30, 2023, the Company SilverBow closed on an the acquisition of oil-weighted assets certain oil and gas properties from entities affiliated with Chesapeake Energy Corporation, with consideration comprised of (i) cash paid at the closing of the South Texas Acquisition, (ii) accrued purchase price adjustments receivable which were substantially collected in the Eagle Ford. The acquired assets included wells and acreage in La Salle, McMullen, DeWitt and Lavaca counties. After consideration of closing adjustments, total aggregate consideration was approximately \$77.4 million, consisting of \$37.6 million in cash, 1,351,961 shares of our common stock valued at approximately \$37.9 million based January 2024, (iii) a deferred acquisition liability due on the Company's share price on first anniversary of the closing date, of the South Texas Acquisition and contingent consideration with (iv) an estimated fair value of \$1.9 million. The contingent consideration consists of up to three earn-out payments of \$1.6 million per year for each of 2022, 2023 and 2024, payment contingent upon the average monthly settlement price of WTI exceeding \$70 per barrel NYMEX West Texas Intermediate crude oil for such year the 12 month period beginning December 2023 (the "2021 2023 WTI Contingency Payout"). If the average monthly settlement price of WTI during the 12 month period (a) exceeds \$80 per barrel, SilverBow shall pay Chesapeake an amount equal to \$50 million or (b) is between \$75 per barrel and \$80 per barrel, SilverBow shall pay Chesapeake an amount equal to \$25 million. If the average monthly settlement price of WTI during the 12 month period is below \$75 per barrel, SilverBow shall not owe Chesapeake a contingent earn-out payment. During the three months ended September 30, 2023 and 2022, March 31, 2024, the Company recorded losses of \$0.9 \$12.8 million and gains of \$0.7 million, respectively, and losses of \$1.0 million and \$0.8 million, respectively, for the nine months ended September 30, 2023 and 2022 related to valuation changes in the 2021 2023 WTI Contingency Payout which are recorded in "Gain Net gain (loss) on commodity derivatives, net" derivatives on the accompanying condensed consolidated statements of operations. We also recorded \$1.6 million in earn-out consideration payable to the seller related to the 2022 calendar year in "Accounts payable and accrued liabilities" on the condensed consolidated balance sheet as of December 31, 2022. For further discussion of the fair value related to the Company's contingent consideration, refer to Note 9 of these Notes to Consolidated Financial Statements. Management determined that substantially all the fair value of the gross assets acquired were concentrated in the proved oil and gas properties and have therefore accounted for this transaction the South Texas Acquisition as an asset acquisition and allocated the purchase price based on the relative fair value of the assets acquired and liabilities assumed.

May 2022 The South Texas Acquisition

On May 10, 2022, the Company closed the acquisition of certain oil and gas assets located in La Salle and McMullen Counties, Texas, as well as assumed the seller's commodity derivative contracts in place at the closing date, from SandPoint Operating, LLC, a subsidiary of SandPoint Resources, LLC (collectively, "SandPoint"). After consideration of closing adjustments, total aggregate consideration was approximately \$67.5 million, consisting of \$27.7 million in cash and 1,300,000 shares of our common stock valued at approximately \$39.8 million based on funded with borrowings under the Company's share price Credit Facility, proceeds from the issuance of additional Second Lien Notes and cash on the closing date. We incurred approximately \$0.5 million in transaction costs during the year ended December 31, 2022 related to the acquisition. Management determined that substantially all the fair value of the gross assets acquired were concentrated in the proved oil and gas properties and have therefore accounted for this transaction as an asset acquisition and allocated the purchase price based on the relative fair value of the assets acquired and liabilities assumed.

The following table represents the allocation of the total cost of the acquisition to the assets acquired and liabilities assumed (in thousands):

Total Cost		
Cash consideration	\$	27,709
Equity consideration		39,767
Total Consideration		67,476
Transaction costs		466
Total Cost of Transaction	\$	67,942
Allocation of Total Cost		
Assets		
Oil and gas properties	\$	84,810
Total assets		84,810
Liabilities		
Accounts payable and accrued liabilities		199
Fair value of commodity derivatives		16,511
Asset retirement obligations		158
Total Liabilities	\$	16,868
Net Assets Acquired	\$	67,942

June 2022 Acquisition

On June 30, 2022, the Company closed the acquisition of certain oil and gas assets located in Atascosa, La Salle, Live Oak and McMullen Counties, Texas, as well as assumed the seller's commodity derivative contracts in place at the closing date, from Sundance Energy, Inc., and its affiliated entities Armadillo E&P, Inc. and SEA Eagle Ford, LLC (collectively, "Sundance"). After consideration of closing adjustments, total aggregate consideration was approximately \$344.9 million, consisting of \$220.9 million in cash, 4,148,472 shares of our common stock valued at approximately \$117.7 million based on the Company's share price on the closing date, accrued purchase price adjustments receivable of \$1.0 million and contingent consideration with an estimated fair value of \$7.4 million. The contingent consideration consists of up to two earn-out payments of \$7.5 million each, contingent upon the average monthly settlement price of NYMEX West Texas Intermediate crude oil exceeding \$95 per barrel for the period from April 13, 2022 through December 31, 2022 which would trigger a payment of \$7.5 million in 2023 and \$85 per barrel for 2023 which would trigger a payment of \$7.5 million in 2024 (the "2022 WTI Contingency Payout"). The contingent payout for the period of April 13, 2022 through December 31, 2022 did not materialize. During the nine months ended September 30, 2023, the Company recorded gains of \$1.0 million related to valuation changes in the 2022 WTI Contingency Payout recorded in "Gain (loss) on commodity derivatives, net" on the accompanying condensed consolidated statements of operations. Additionally, as part of our post-close settlement we settled the 2022 WTI Contingency during the second quarter of 2023. As such, we recorded a non-cash gain of \$1.1 million during the nine months ended September 30, 2023, and we are no longer required to make a contingency payment related to the 2022 WTI Contingency Payout. We incurred approximately \$6.8 million in transaction costs during the year ended December 31, 2022 related to the acquisition. Management determined that substantially all the fair value of the gross assets acquired were concentrated in the proved oil and gas properties and have therefore accounted for this transaction as an asset acquisition and allocated the purchase price based on the relative fair value of the assets acquired and liabilities assumed.

The following table represents the allocation of the total cost of the **acquisition transaction** to the assets acquired and liabilities assumed (in thousands):

Total Cost		
Cash consideration	\$ 220,866 583,373	
Fair value of contingent consideration	7,422 16,933	
Accrued purchase price adjustments receivable	(1,000) 50,000	
Total Consideration	344,939 650,306	
Transaction costs	6,766 10,916	
Total Cost of Transaction	\$ 351,705 661,222	
Allocation of Total Cost		
Assets		
Other current assets	Accounts receivable, net	\$ 4,202 1,594
Oil and gas properties		397,401 666,360
Right of use assets		890 187
Total assets		402,493 668,141
Liabilities		
Accounts payable and accrued liabilities		13,687 5,275
Fair value of commodity derivatives		33,767
Non-current lease	Lease liability	890 187
Asset retirement obligations		2,444 1,457
Total Liabilities		\$ 6,919 50,788
Net Assets Acquired		\$ 351,705 661,222

August 2022 Acquisition

On August 15, 2022, the Company closed the acquisition of certain oil and gas assets in Webb County, Texas. After consideration of closing adjustments, total consideration was approximately \$31.2 million. We did not incur any significant transaction costs during the year ended December 31, 2022 related to the acquisition. Management determined that substantially all the fair value of the gross assets acquired were concentrated in the proved oil and gas properties and have therefore accounted for this transaction as an asset acquisition and allocated the purchase price based on the relative fair value of the assets acquired and liabilities assumed.

October 2022 Acquisition

On October 31, 2022, the Company closed the acquisition of certain oil and gas assets in Dewitt and Gonzales Counties, Texas. After consideration of closing adjustments, total consideration was approximately \$80.1 million. The acquisition is subject to further customary post-closing adjustments. We did not incur any significant transaction costs during the year ended December 31, 2022 related to the acquisition. Management determined that substantially all the fair value of the gross assets acquired were concentrated in the proved oil and gas properties and have therefore accounted for this transaction as an asset acquisition and allocated the purchase price based on the relative fair value of the assets acquired and liabilities assumed.

2022 Non-strategic Dispositions

During 2022, the Company closed on multiple dispositions of non-strategic oil and gas assets. After consideration of closing adjustments, total proceeds from the dispositions were approximately \$4.4 million. The transactions are subject to further customary post-closing adjustments. There was no gain or loss recognized in connection with the dispositions.

2023 Chesapeake Acquisition

During the third quarter of 2023, SilverBow executed a purchase and sale agreement for the acquisition of certain oil and gas assets in South Texas from Chesapeake Energy Corporation (the "Chesapeake South Texas Rich Properties") for a purchase price of \$700 million, comprised of a \$650 million cash payment at the closing date and a \$50 million deferred cash payment due 12 months post-close, subject to customary purchase price adjustments (the "Chesapeake Transaction") pursuant to the purchase and sale agreement, dated as of August 11, 2023, between SilverBow, SilverBow Resources Operating,

LLC and the Chesapeake Sellers (the "Purchase Agreement"). Chesapeake may also receive up to \$50 million in contingent cash consideration based on future commodity prices. SilverBow paid a \$50 million cash deposit into escrow in conjunction with the Purchase Agreement recorded in "Deposit and other fees for oil and gas property transaction" on the accompanying condensed consolidated balance sheet.

The Purchase Agreement contains certain termination rights, including, but not limited to, each party's right to terminate the Purchase Agreement in the event a material breach by the other party has occurred and is not waived on or before September 25, 2023, which date has passed, and in any event if the Chesapeake Transaction has not been consummated on or before November 24, 2023; provided that such date may be automatically extended for an additional 15 days to December 9, 2023, in the event certain approvals and consents have not been obtained by such date. The Chesapeake Transaction has an effective date of February 1, 2023, and is expected to close by year-end 2023, subject to satisfaction or waiver of certain customary closing conditions, including the accuracy of the representations and warranties of each party, compliance by each party in all material respects with its covenants and the satisfaction of certain consent requirements.

(8) Price-Risk Management Activities

Derivatives are recorded on the condensed consolidated balance sheet at fair value with changes in fair value recognized in earnings. The changes in the fair value of our derivatives are recognized in "Gain (loss) on commodity derivatives, net" on the accompanying condensed consolidated statements of operations. The Company's price-risk management policy is to use derivative instruments to protect against declines in oil and natural gas prices, primarily through the purchase of commodity price swaps and collars as well as basis swaps.

During the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company recorded losses of **\$53.7 million** **\$42.7 million** and losses of **\$1.3 million**, respectively, on its commodity derivatives. During the nine months ended **September 30, 2023** and **2022**, the Company recorded gains of **\$56.5 million** and losses of **\$162.5 million** **\$91.2 million**, respectively, on its commodity derivatives. During the three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company recorded losses of **\$0.9 million** **\$13.4 million** and gains of **\$6.1 million** **\$1.0 million**, respectively, related to valuation changes on the **2021** our WTI Contingency Payout and **2022** WTI Contingency Payout. During the nine months ended **September 30, 2023** and **2022**, the Company recorded gains of **\$1.1 million** and gains of **\$4.7 million**, respectively, related to valuation changes on the **2021** WTI Contingency Payout and **2022** WTI Contingency Payout. **Payouts**. The Company collected cash payments of **\$70.7 million** **\$38.4 million** and made cash payments of **\$182.1 million** **\$18.7 million** for settled derivative contracts during the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively.

At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, there was **\$8.4 million** **\$13.4 million** and **\$6.9 million** **\$13.5 million**, respectively, in receivables for settled derivatives which were included on the accompanying condensed consolidated balance sheet in "Accounts receivable, net" and were subsequently collected in **October 2023** **April 2024** and **January 2023, 2024**, respectively. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, we also had **\$3.5 million** **\$2.8 million** and **\$6.0 million** **\$1.0 million**, respectively, in payables for settled derivatives which were included on the accompanying condensed consolidated balance sheet in "Accounts payable and accrued liabilities" and were subsequently paid in **October 2023** **April 2024** and **January 2023, 2024**, respectively.

The fair values of our swap contracts are computed using observable market data whereas our collar contracts are valued using a Black-Scholes pricing model. At **September 30, 2023** **March 31, 2024**, there was **\$50.2 million** **\$89.5 million** and **\$14.2 million** **\$29.4 million** in current unsettled derivative assets and long-term unsettled derivative assets, respectively, and **\$32.8 million** **\$26.3 million** and **\$21.6 million** **\$8.1 million** in current and long-term unsettled derivative liabilities, respectively. At **December 31, 2022** **December 31, 2023**, there was **\$52.5 million** **\$116.5 million** and **\$24.2 million** **\$55.1 million** in current and long-term unsettled derivative assets, respectively, and **\$40.8 million** **\$5.5 million** and **\$7.7 million** **\$2.5 million** in current and long-term unsettled derivative liabilities, respectively.

The Company uses an International Swap and Derivatives Association master agreement for our derivative contracts. This is an industry-standardized contract containing the general conditions of our derivative transactions including provisions relating to netting derivative settlement payments under certain circumstances (such as default). For reporting purposes, the Company has elected to not offset the asset and liability fair value amounts of its derivatives on the accompanying condensed consolidated balance sheet. Under the right of set-off, there was a **\$10.1 million** **\$84.5 million** net fair value asset at **September 30, 2023** **March 31, 2024**, and a **\$28.2 million** **\$163.6 million** net fair value asset at **December 31, 2022** **December 31, 2023**. For further discussion related to the fair value of the Company's derivatives, refer to Note 9 of these Notes to Condensed Consolidated Financial Statements.

The following tables summarize the weighted-average prices as well as future production volumes for our future derivative contracts in place as of **September 30, 2023** **March 31, 2024**:

Oil Derivative Contracts	Oil Derivative Contracts	Weighted- Average Collar Floor						Oil Derivative Contracts						Total (NYMEX WTI Settlements) Settlements)	Weighted- Average Collar Floor	Weighted- Average Collar Floor	Weighted- Average Collar Floor	
		Total (NYMEX WTI Settlements) Settlements)	Weighted- Average Price	Price	Call Price	Total (NYMEX WTI Settlements) Settlements)	Weighted- Average Price	Price	Call Price									
Swap Contracts	Swap Contracts																	
2023 Contracts																		
4Q23		707,300	\$	78.53														
2024 Contracts	2024 Contracts																	
1Q24		728,000	\$	77.67														
2024 Contracts																		
2Q24																		
2Q24																		
3Q24																		
3Q24																		
4Q24																		
4Q24																		
4Q24																		
2025 Contracts																		
2025 Contracts																		
2025 Contracts																		
1Q25																		
1Q25																		
1Q25																		
2Q25																		
2Q25																		
3Q25																		
3Q25																		
4Q25																		
4Q25																		
4Q25																		
2026 Contracts																		
2026 Contracts																		
2026 Contracts																		
1Q26																		
1Q26																		
1Q26																		
2Q26																		
2Q26																		

2Q26						
3Q26						
3Q26						
4Q26						
4Q26						
Collar Contracts						
Collar Contracts						
Collar Contracts						
2024 Contracts						
2024 Contracts						
2024 Contracts						
2Q24						
2Q24						
2Q24	2Q24	754,550	\$ 77.59			
3Q24	3Q24	779,620	\$ 76.48			
4Q24	4Q24	762,100	\$ 76.16			
2025 Contracts	2025 Contracts					
1Q25	1Q25	666,000	\$ 71.60			
2Q25		673,400	\$ 71.60			
3Q25		680,800	\$ 71.60			
4Q25		588,800	\$ 71.29			
2026 Contracts						
1Q26		315,000	\$ 69.40			
2Q26		318,500	\$ 69.40			
3Q26		322,000	\$ 69.40			
4Q26		230,000	\$ 69.42			
Collar Contracts						
2023 Contracts						
4Q23		302,242		\$ 65.89	\$ 74.54	
2024 Contracts						
1Q24		319,700		\$ 58.95	\$ 71.74	
2Q24		215,000		\$ 61.08	\$ 73.57	
3Q24		184,000		\$ 63.50	\$ 75.53	
4Q24		184,000		\$ 63.00	\$ 75.35	
2025 Contracts						
1Q25						
1Q25	1Q25	238,500		\$ 64.00	\$ 74.62	
2Q25	2Q25	227,500		\$ 60.80	\$ 72.22	
2026 Contracts	2026 Contracts					
1Q26	1Q26	90,000		\$ 64.00	\$ 71.50	
1Q26						
1Q26						

2Q26	2Q26	91,000	\$ 64.00	\$ 71.50	
3Q26	3Q26	92,000	\$ 64.00	\$ 71.50	
3-Way Collar Contracts	3-Way Collar Contracts				
2023 Contracts					
4Q23					
2024 Contracts	2024 Contracts	8,970	\$ 43.08	\$ 53.38	\$ 63.35
1Q24	1Q24	8,247	\$ 45.00	\$ 57.50	\$ 67.85
2024 Contracts					
2024 Contracts					
2Q24	2Q24	7,757	\$ 45.00	\$ 57.50	\$ 67.85
2Q24	2Q24	2Q24	2Q24	2Q24	2Q24

Oil Basis Swaps (Argus Cushing (WTI) and Magellan East Houston)	Oil Basis Swaps (Argus Cushing (WTI) and Magellan East Houston)	Total Volumes (MMBtu)	Weighted-Average Price
2023 Contracts			
4Q23			
2024 Contracts	2024 Contracts	122,000	\$ 0.80
1Q24	1Q24	364,000	\$ 1.47
2Q24			
2Q24	2Q24	364,000	\$ 1.47
3Q24	3Q24	368,000	\$ 1.47
4Q24	4Q24	368,000	\$ 1.47
2025 Contracts			
1Q25	1Q25	270,000	\$ 1.75
1Q25			
2Q25	2Q25	273,000	\$ 1.75
3Q25	3Q25	276,000	\$ 1.75
4Q25	4Q25	276,000	\$ 1.75
Calendar Monthly Roll Differential Swaps			

2023 Contracts					
4Q23		122,000	\$	2.44	
2024	2024				
Contracts	Contracts				
1Q24		364,000	\$	0.69	
2024 Contracts					
2024 Contracts					
2Q24					
2Q24	2Q24	364,000	\$	0.69	
3Q24	3Q24	368,000	\$	0.69	
4Q24	4Q24	368,000	\$	0.69	
2025	2025				
Contracts	Contracts				
1Q25	1Q25	270,000	\$	0.40	
1Q25					
1Q25					
2Q25	2Q25	273,000	\$	0.40	
3Q25	3Q25	276,000	\$	0.40	
4Q25	4Q25	276,000	\$	0.40	

Natural Gas						Natural Gas						Natural Gas						Natural Gas														
Derivative	Derivative	Weighted- Average				Weighted- Average	Derivative	Weighted- Average				Weighted- Average	Derivative	Weighted- Average				Weighted- Average	Derivative	Weighted- Average												
Contracts	Contracts	(NYMEX	(NYMEX	Total	Weighted-	Collar	Collar	Average	Sub Floor	Floor	Collar	Henry Hub	Total	Weighted-	Collar	Sub Floor	Floor	Collar	Call Price	Settlements)	Settlements)	(MMBtu)	Price	Price	Price	Call Price	Settlements)	(MMBtu)	Price	Price	Price	Call Price
Henry Hub	Henry Hub	Settlements)	Settlements)	Volumes	Average	Sub Floor	Floor	Collar	Call Price	Settlements)	Call Price	Settlements)	Volumes	Weighted-	Collar	Sub Floor	Floor	Collar	Call Price	MMBtu)	MMBtu)	Price	Price	Price	Call Price	MMBtu)	MMBtu)	Price	Price	Price	Call Price	
Swap	Swap																															
Contracts	Contracts																															
2023 Contracts																																
4Q23		5,727,000	\$	4.20																												
2024	2024																															
Contracts	Contracts																															
1Q24		7,686,000	\$	4.12																												
2024 Contracts																																
2024 Contracts																																
2Q24																																
2Q24																																
3Q24																																
3Q24																																
4Q24																																
4Q24																																
4Q24																																

4Q25	8,740,000	\$ 4.17				
2026 Contracts						
1Q26	9,680,000	\$ 4.48				
2Q26	9,555,000	\$ 3.56				
3Q26	9,660,000	\$ 3.74				
4Q26	9,200,000	\$ 4.13				
Collar Contracts						
2023 Contracts						
4Q23	12,445,000		\$ 3.87	\$ 4.80		
2024 Contracts						
1Q24	9,661,000		\$ 3.94	\$ 5.83		
2Q24	4,643,000		\$ 3.64	\$ 4.28		
3Q24	3,878,000		\$ 3.77	\$ 4.76		
4Q24	3,865,000		\$ 4.01	\$ 5.34		
2025 Contracts						
1Q25						
1Q25	1Q25	5,130,000		\$ 4.00	\$ 5.32	
2Q25	2Q25	4,914,000		\$ 3.25	\$ 3.98	
3Q25	3Q25	920,000		\$ 3.50	\$ 3.99	
4Q25	4Q25	920,000		\$ 3.75	\$ 4.65	
3-Way Collar Contracts						
3-Way Collar Contracts						
2023 Contracts						
4Q23		219,200		\$ 2.00	\$ 2.50	\$ 2.94
2024 Contracts						
1Q24	2Q24	198,000		\$ 2.00	\$ 2.50	\$ 3.37
2024 Contracts						
2024 Contracts						
2Q24	2Q24	188,000		\$ 2.00	\$ 2.50	\$ 3.37
2Q24						
2Q24						
Natural Gas Basis Derivative Swaps						
(East Texas Houston Ship Channel vs. NYMEX Settlements)						
2024 Contracts						
2Q24					16,380,000	\$ (0.29)
3Q24					16,560,000	\$ (0.25)
4Q24					16,560,000	\$ (0.28)
2025 Contracts						
1Q25					7,200,000	\$ (0.09)
2Q25					7,280,000	\$ (0.26)
3Q25					7,360,000	\$ (0.23)
4Q25					7,360,000	\$ (0.26)

Natural Gas Basis Derivative Swaps (East Texas Houston Ship Channel vs. NYMEX Settlements)				Total Volumes (MMBtu)	Weighted-Average Price
2023 Contracts					
4Q23				13,800,000	\$ (0.23)
2024 Contracts					
1Q24				15,470,000	\$ (0.02)
2Q24				15,470,000	\$ (0.29)
3Q24				15,640,000	\$ (0.26)
4Q24				15,640,000	\$ (0.28)
2025 Contracts					
1Q25				5,400,000	\$ (0.09)
2Q25				5,460,000	\$ (0.26)
3Q25				5,520,000	\$ (0.23)
4Q25				5,520,000	\$ (0.25)
NGL Swaps (Mont Belvieu)	NGL Swaps (Mont Belvieu)	Total Volumes (Bbls)	Weighted-Average Price		
2023 Contracts					
4Q23		345,000	\$ 32.87		
2024 Contracts	2024 Contracts				
1Q24		400,400	\$ 26.30		
2Q24					
2Q24	2Q24	400,400	\$ 26.30		
3Q24	3Q24	404,800	\$ 26.30		
4Q24	4Q24	404,800	\$ 26.30		
2025 Contracts	2025 Contracts				
1Q25	1Q25	270,000	\$ 24.17		
1Q25					
1Q25					
2Q25	2Q25	273,000	\$ 24.17		
3Q25	3Q25	276,000	\$ 24.17		
4Q25	4Q25	276,000	\$ 24.17		

(9) Fair Value Measurements

Fair Value on a Recurring Basis. Our financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, derivatives, the Credit Facility and the Second Lien notes. The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable approximate fair value due to the highly liquid or short-term nature of these instruments.

The fair values of our derivative contracts are computed using observable market data whereas our derivative collar contracts are valued using a Black-Scholes pricing model. The fair value of the current and long-term 2021 WTI Contingency Payout and 2022 2023 WTI Contingency Payout, included within "Accounts payable and accrued liabilities" and "Other long-term liabilities" on the condensed consolidated balance sheets, respectively, is estimated using observable market data and a Monte Carlo pricing model. These are considered Level 2 valuations (defined below).

The carrying value of our Credit Facility and Second Lien **Notes** approximates fair value because the respective borrowing rates do not materially differ from market rates for similar borrowings. These are considered Level 3 valuations (defined below).

Fair Value on a Nonrecurring Basis. The Company applies the provisions of the fair value measurement standard on a non-recurring basis to its non-financial assets and liabilities, including oil and gas properties acquired and assessed for classification as a business or an asset and asset retirement obligations. These assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value estimation when acquisitions occur or asset retirement obligations are recorded. These are considered Level 3 valuations (defined below).

Asset retirement obligations. The initial measurement of asset retirement obligations ("ARO") at fair value is recorded in the period in which the liability is incurred. Fair value is determined by calculating the present value of estimated future cash flows related to the liability. Estimating the future ARO requires management to make estimates and judgments regarding the timing and existence of a liability, as well as what constitutes adequate restoration when considering current regulatory requirements. Inherent in the fair value calculation are numerous assumptions and judgments, including the ultimate costs, inflation factors, credit-adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental and political environments.

Acquisitions. The Company recognized the assets acquired in our acquisitions at cost at a relative fair value basis (refer to Note 7 of these Notes to **Condensed Consolidated Financial Statements**). Fair value was determined using a discounted cash flow model. The underlying future commodity prices included in the Company's estimated future cash flows of its proved oil and gas properties were determined using NYMEX forward strip prices as of the closing date of each acquisition. The estimated future cash flows also included management's assumptions for the estimates of production from the crude oil and natural gas proved properties, future operating, development costs and income taxes of the acquired properties and risk adjusted discount rates.

The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value:

Level 1 – Uses quoted prices in active markets for identical, unrestricted assets or liabilities. Instruments in this category have comparable fair values for identical instruments in active markets.

Level 2 – Uses quoted prices for similar assets or liabilities in active markets or observable inputs for assets or liabilities in non-active markets. Instruments in this category are periodically verified against quotes from brokers and include our commodity derivatives that we value using commonly accepted industry-standard models which contain inputs such as contract prices, risk-free rates, volatility measurements and other observable market data that are obtained from independent third-party sources.

Level 3 – Uses unobservable inputs for assets or liabilities that are in non-active markets.

The following table presents our assets and liabilities that are measured on a recurring basis at fair value as of each of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, and are categorized using the fair value hierarchy. For additional discussion related to the fair value of the Company's derivatives, refer to Note 8 of these Notes to **Condensed Consolidated Financial Statements**.

Fair Value Measurements at									
Fair Value Measurements at					Fair Value Measurements at				
		Quoted Prices in Active markets for Identical Assets					Quoted Prices in Active markets for Identical Assets		
		Identical Assets	Other Observable Inputs	Significant Unobservable Inputs			Identical Assets	Other Observable Inputs	
(in thousands)	(in thousands)	(Level 1)	(Level 2)	(Level 3)	(in thousands)	Total	(Level 1)	(Level 2)	(Level 3)
September 30, 2023									
March 31, 2024					March 31, 2024				
Assets	Assets								
Natural Gas Derivatives									

Natural Gas Derivatives					
Natural Gas Derivatives	Natural Gas Derivatives	\$53,032	\$ —	\$ 53,032	\$ —
Natural Gas Basis Derivatives	Natural Gas Basis Derivatives	5,395	—	5,395	—
Oil Derivatives	Oil Derivatives	418	—	418	—
Oil Basis Derivatives	Oil Basis Derivatives	254	—	254	—
NGL Derivatives	NGL Derivatives	5,270	—	5,270	—
Liabilities					
Natural Gas Derivatives	Natural Gas Derivatives	5,346	—	5,346	—
Natural Gas Derivatives					
Natural Gas Basis Derivatives	Natural Gas Basis Derivatives	5,415	—	5,415	—
Oil Derivatives	Oil Derivatives	41,908	—	41,908	—
Oil Basis Derivatives	Oil Basis Derivatives	858	—	858	—
NGL Derivatives	NGL Derivatives	785	—	785	—
2023 WTI Contingency Payout					
2021 WTI Contingency Payout	2021 WTI Contingency Payout	2,459	—	2,459	—
December 31, 2022					
December 31, 2023					
December 31, 2023					
Assets	Assets				
Assets					
Assets					
Natural Gas Derivatives					
Natural Gas Derivatives					
Natural Gas Derivatives	Natural Gas Derivatives	\$25,960	\$ —	\$ 25,960	\$ —
Natural Gas Basis Derivatives	Natural Gas Basis Derivatives	26,023	—	26,023	—
Oil Derivatives	Oil Derivatives	14,604	—	14,604	—

Oil Basis Derivatives					
NGL Derivatives	NGL Derivatives 10,134 — 10,134 —				
Liabilities	Liabilities				
Natural Gas Derivatives					
Natural Gas Derivatives	Natural Gas Derivatives 28,579 — 28,579 —				
Natural Gas Derivatives					
Natural Gas Basis Derivatives	Natural Gas Basis Derivatives 409 — 409 —				
Oil Derivatives	Oil Derivatives 19,442 — 19,442 —				
Oil Basis Derivatives					
NGL Derivatives	NGL Derivatives 104 — 104 —				
2022 WTI Contingency					
Payout	Payout 2,135 — 2,135 —				
2023 WTI Contingency					
Payout	Payout 1,453 — 1,453 —				
2021 WTI Contingency	2021 WTI Contingency				
Payout	Payout 1,453 — 1,453 —				

Our current and long-term unsettled derivative assets and liabilities in the table above are measured at gross fair value and are shown on the accompanying condensed consolidated balance sheets in "Fair value of commodity derivatives" and "Fair Value of Long-Term Commodity Derivatives," respectively.

(10) Asset Retirement Obligations

Liabilities for legal obligations associated with the retirement obligations of tangible long-lived assets are initially recorded at fair value in the period in which they are incurred. Estimates for the initial recognition of asset retirement obligations are derived from historical costs as well as management's expectation of future cost environments and other unobservable inputs. As there is no corroborating market activity to support the assumptions used, the Company has designated these liabilities as Level 3 fair value measurements. When a liability is initially recorded, the carrying amount of the related asset is increased. The liability is discounted from the expected date of abandonment. Over time, accretion of the liability is recognized each period, and the capitalized cost is amortized on a unit-of-production basis as part of depreciation, depletion, and amortization expense for our oil and gas properties. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement which is included in the "Property and Equipment" balance on our accompanying condensed consolidated balance sheets.

The following provides a roll-forward of our asset retirement obligations for the year ended December 31, 2022 December 31, 2023 and the nine three months ended September 30, 2023 March 31, 2024 (in thousands):

Asset Retirement Obligations as of December 31, 2021	\$ 6,050
Accretion expense	534
Liabilities incurred for new wells, acquired wells and facilities construction	3,032
Reductions due to sold wells and facilities	(57)
Reductions due to plugged wells and facilities	(22)
Revisions in estimates	919
Asset Retirement Obligations as of December 31, 2022	\$ 10,456
Accretion expense	718 985
Liabilities incurred for new wells, acquired wells and facilities construction	313 1,883
Reductions due to plugged wells and facilities	(603) (718)
Revisions in estimates	534 554
Asset Retirement Obligations as of September 30, 2023 December 31, 2023	\$ 11,418 13,160
Accretion expense	316
Liabilities incurred for new wells, acquired wells and facilities construction	34
Asset Retirement Obligations as of March 31, 2024	\$ 13,510

At September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, approximately \$1.6 million and \$1.3 million of our asset retirement obligations, respectively, were classified as a current liability in "Accounts payable and accrued liabilities" on the accompanying condensed consolidated balance sheets.

(11) Commitments and Contingencies

In the ordinary course of business, we are party to various legal actions, which arise primarily from our activities as an operator of oil and natural gas wells. In our management's opinion, the outcome of any such currently pending legal actions will not have a material adverse effect on our financial position or results of operations. During the second quarter of 2023, the Company entered into gas throughput agreements with separate parties in our Webb County gas area. The agreements provide for an annual average firm capacity of approximately 116,000 MMBtu/d over an eight-year term.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis in conjunction with the Company's financial information and its unaudited condensed consolidated financial statements and accompanying notes included in this report and its audited consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The following information contains forward-looking statements; see "Forward-Looking Statements" in this report.

Company Overview

SilverBow is the Eagle Ford's largest independent oil and gas company, headquartered in Houston, Texas. The Company's proven strategy to create value is focused on acquiring and developing assets in the Eagle Ford and Austin Chalk located in South Texas where it has assembled approximately 180,000 220,000 net acres in the Eagle Ford and Austin Chalk. SilverBow's average operated interest is 82% which allows the Company to control how it prioritizes development across five operating areas. SilverBow's acreage position in each of these areas is highly contiguous and designed for optimal and efficient horizontal well development. The Company has built peers through a balanced diverse portfolio of properties assets that provides commodity optionality. The Company's results are enhanced with a significant base of current production and reserves coupled with low-risk development drilling opportunities and meaningful upside from newer operating areas.

Being a committed and long-term operator in South Texas, the Eagle Ford's proximity to premium Gulf Coast markets, which allows SilverBow to possess a significant understanding of the reservoir characteristics, geology, landowners and competitive landscape in the region. The Company leverages this in-depth knowledge to continue to assemble high quality drilling inventory while continuously enhancing its operations to maximize returns on capital invested, capture higher margins.

Operational Results and Strategy

Total Average net production for the nine months ended September 30, 2023 first quarter of 2024 increased 30% from 80% over the nine months ended September 30, 2022 prior year's comparable period to 330 million cubic feet/91.4 MBoe/d. Oil production averaged 24.5 thousand barrels of oil per day, up nearly 116% over the comparable period. Production mix for the quarter consisted of 54% natural gas, equivalent per day, 27% crude oil and 19% NGLs. The significant increase in production is primarily related to SilverBow's transformative South Texas Acquisition in late 2023 and continued gains in well productivity.

In early 2024, the Company made significant changes in reaction to recent, low natural gas prices. To maximize cash flow, planned capital investments in natural gas assets were reduced by \$75 million and such capital was shifted to liquids-rich development. As a result, first quarter financial and operating results reflected better than expected production and cash flow during the period which allowed SilverBow to reduce debt and lower its quarter-end leverage ratio. Since the closing of the Company's South Texas Acquisition in late 2023, SilverBow has reduced its total debt by \$178 million as of April 30, 2024.

During the third first quarter of 2023, 2024, SilverBow drilled 10 net wells, completed 9 net wells and brought online 9 net wells. The Company operated an average of two drilling rigs during the quarter. First quarter primarily capital investments were \$109 million on its Central Oil and Eastern Extension areas, which reflect its oil-focused development program year-to-date. SilverBow's team continues to increase operational efficiencies, completing 10% more stages per day year-to-date in 2023 as compared to similar jobs for full year 2022, and averaging pumping efficiencies 20% higher over the same time periods. Third quarter pumping efficiencies were the highest quarterly rate achieved year-to-date in 2023 due to decreases in downtime, leading to the increase in completed stages per day. Drilling costs continue to benefit from greater efficiencies from high-grading of rigs and ongoing cost deflation, particularly across casing costs and rig rates, resulting in drilling costs per lateral foot approximately 13% lower year-to-date in 2023 as compared to full year 2022, an accrual basis.

In its Central Oil area, Development drilling has been primarily focused on the Company recently brought online a four-well pad which produced a 30-day pad average of 4,349 Boe/d (82% oil) with average lateral lengths of 7,500 feet. Also liquids-rich acreage from the South Texas Acquisition in its Central Oil area, SilverBow brought online a two-well pad which produced a 30-day pad average of 2,140 Boe/d (82% oil) with average lateral lengths of 9,140 feet. Strong initial performance from these pads late 2023. Base production and operational cycle times on the Company's new assets are in-line with expectations and support the Company's oil focused growth plans. Furthermore, expectations. SilverBow continues plans to test optimal spacing and co-development potential of the Eagle Ford and Austin Chalk formations across its oil assets.

For the remainder of 2023, the Company anticipates running one rig on its oil assets and one rig on its gas assets. SilverBow is re-iterating its full year 2023 capital budget guidance range of \$400-\$425 million. Given operational and cost efficiencies realized year-to-date, the Company may elect to operate three drilling rigs through May 2024, then reduce activity to complete several wells at the end of the year while remaining within its stated guidance range, which would be expected to contribute to higher production volumes into 2024. two rigs. The Company aims plans to continue to optimize its drilling schedule based on commodity prices, returns on investment and strategically proving up additional inventory within its portfolio.

Liquidity and Capital Resources

SilverBow's primary use of cash has been to fund capital expenditures to develop its oil and gas properties, fund acquisitions and to repay Credit Facility borrowings. The Company uses cash generated from operating activities and borrowings under its Credit Facility as its primary source of liquidity.

During the third quarter, SilverBow executed a purchase and sale agreement for the acquisition of certain oil and gas assets in South Texas from Chesapeake Energy Corporation (the "Chesapeake South Texas Rich Properties") for a purchase price of \$700 million, comprised of a \$650 million cash payment at the closing date and a \$50 million deferred cash payment due 12 months post-close, subject to customary purchase price adjustments (the "Chesapeake Transaction") pursuant to the purchase and sale agreement, dated as of August 11, 2023, between SilverBow, SilverBow Resources Operating, LLC and the Chesapeake Sellers (the "Purchase Agreement"). Chesapeake may also receive up to \$50 million in contingent cash consideration based on future commodity prices. SilverBow paid a \$50 million cash deposit into escrow in conjunction with the Purchase Agreement recorded in "Deposit and other fees for oil and gas property transaction" on the accompanying condensed consolidated balance sheet.

The Chesapeake Transaction is expected to be funded with cash on hand, borrowings under the Company's First Amended and Restated Senior Secured Revolving Credit Agreement, dated as of April 19, 2017, and amended as of June 22, 2022 (the "Credit Facility"), among the Company, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, and the Company's amended second lien notes ("Second Lien Notes") led by EIG. In conjunction with the Chesapeake Transaction, the Company has secured \$425 million of incremental commitments under its Credit Facility from existing and new lenders, which, subject to the closing of the Chesapeake Transaction, will increase lender commitments under the Credit Facility to \$1.2 billion, and the Second Lien Notes will be upsized by \$350 million, which, subject to the closing of the Chesapeake Transaction, will increase lender commitments under the Second Lien Notes to \$500 million and extend the maturity date for the Second Lien Notes to December 15, 2028.

The Purchase Agreement contains certain termination rights, including, but not limited to, each party's right to terminate the Purchase Agreement in the event a material breach by the other party has occurred and is not waived on or before September 25, 2023, which date has passed, and in any event if the

Chesapeake Transaction has not been consummated on or before November 24, 2023; provided that such date may be automatically extended for an additional 15 days to December 9, 2023, in the event certain approvals and consents have not been obtained by such date. The Chesapeake Transaction has an effective date of February 1, 2023, and is expected to close by year-end 2023, subject to satisfaction or waiver of certain customary closing conditions, including the accuracy of the representations and warranties of each party, compliance by each party in all material respects with its covenants and the satisfaction of certain consent requirements.

On September 13, 2023, SilverBow priced a \$148 million follow-on equity offering and used net proceeds to repay amounts outstanding on its Credit Facility. Strategic Value Partners, LLC participated in the follow-on as a selling shareholder. The base deal consisted of 4,000,000 shares of which approximately 70% were primary. As such, on September 18, 2023, the Company issued 2,810,811 shares of its common stock, for aggregate net proceeds, after expenses, of approximately \$97 million, which was used to repay a portion of the amounts then outstanding under the Credit Facility. Borrowings under our Credit Facility decreased \$44 million from December 31, 2022. As of September 30, 2023 March 31, 2024, the Company's liquidity consisted of \$1.7 million \$1.4 million of cash-on-hand and \$277 million in \$604 million of available borrowings on under its Credit Facility, which had a \$775 million \$1.2 billion borrowing base.

SilverBow's 2024 capital budget range of \$470 - \$510 million is expected to be funded primarily from operating cash flow. Management believes the Company has sufficient robust liquidity to meet all near-term obligations and execute its long-term development plans, including funding the Chesapeake Transaction. In the future, we SilverBow may seek to access the debt and equity capital markets from time to time to raise additional capital, increase liquidity, fund acquisitions or refinance debt. For more information on its Credit Facility, see the "Revolving Credit Facility section Facility" within Note 6 of our condensed consolidated financial statements included in Item 1 of this report.

Contractual Commitments and Obligations

Other than as discussed below, there were no other material changes in SilverBow's contractual commitments during the nine three months ended September 30, 2023 March 31, 2024 from amounts referenced under "Contractual Commitments and Obligations" in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. During the second quarter of 2023, the Company entered into gas throughput agreements with separate parties in our Webb County gas area. The agreements provide for an annual average firm capacity of approximately 116,000 MMBtu/d over an eight-year term.

Summary of 2023 2024 Financial Results Through September 30, 2023 March 31, 2024

- Revenues and Net Income (Loss):** The Company's Company's oil and gas revenues were \$440.3 million \$256.7 million for the nine three months ended September 30, 2023 March 31, 2024 compared to \$554.4 million \$140.0 million for the nine three months ended September 30, 2022 March 31, 2023. Revenues were lower due to overall lower commodity pricing partially offset primarily impacted by increased production volumes, volumes attributable to the South Texas Acquisition. The Company's Company's net income loss was \$114.7 million \$15.5 million for the nine three months ended September 30, 2023 March 31, 2024, compared to net income of \$167.1 million \$94.5 million for the nine three months ended September 30, 2022 March 31, 2023. The decrease in net income was primarily driven by lower a net loss on our commodity pricing derivatives.
- Capital Expenditures:** The Company's Company's capital expenditures on an accrual basis were \$329.9 million \$109.5 million for the nine three months ended September 30, 2023 March 31, 2024 compared to \$224.8 million \$108.0 million for the nine three months ended September 30, 2022 March 31, 2023. The expenditures for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were primarily attributable to drilling and completion activity.
- Working Capital:** The Company had a working capital deficit of \$58.9 million \$131.4 million at September 30, 2023 March 31, 2024 and a working capital deficit/surplus of \$50.1 million \$13.0 million at December 31, 2022 December 31, 2023. Included in our working capital was a net asset of \$17.4 million \$63.2 million and \$11.8 million \$111.0 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, related to the fair value of our current open derivative contracts. The working capital computation does not include available liquidity through our Credit Facility.
- Cash Flows:** For the nine three months ended September 30, 2023 March 31, 2024, the Company generated cash from operating activities of \$318.4 million \$189.7 million, of which \$4.4 million \$18.3 million was attributable to changes in working capital. Additionally, the Company collected cash settlements of \$70.7 million \$38.4 million on derivatives during the nine three months ended September 30, 2023 March 31, 2024. Cash flows from operating activities also excluded \$13.4 million \$29.2 million attributable to a net increase of capital-related payables and accrued costs. Cash used for

property additions was \$316.0 million \$80.2 million while acquisition costs purchase price adjustments related to our 2022 acquisitions the South Texas Acquisition totaled \$0.4 million. The Company's deposit and other fees related to our oil and gas property transaction totaled \$51.2 million during the nine months ended September 30, 2023 \$11.8 million. The Company's net repayments on the Credit Facility were \$44.0 million \$126.0 million during the nine three months ended September 30, 2023. The Company's aggregate net proceeds, after offering expenses, from issuance of common stock in a public underwritten offering was approximately \$97.1 million during the nine months ended September 30, 2023 March 31, 2024.

For the nine three months ended September 30, 2022 March 31, 2023, the Company generated cash from operating activities of \$212.2 million \$99.7 million, of which included negative impacts \$6.0 million was attributable to changes in working capital of \$25.4 million. Cash used for property additions was \$163.6 million \$111.3 million while purchase price adjustments related to our 2021 2022 acquisitions totaled \$293.9 million \$1.1 million. This excluded \$60.6 million. Cash flows from operating activities also included \$3.1 million attributable to a net increase decrease of capital-related payables and accrued costs. The Company's net borrowings on the Credit Facility were \$253.0 million \$17.0 million during the nine three months ended September 30, 2022 which were primarily used to fund acquisitions during the nine months ended September 30, 2022 March 31, 2023.

Results of Operations

Revenues — Three Months Ended September 30, 2023 March 31, 2024 and Three Months Ended September 30, 2022 March 31, 2023

Natural gas production was 61% 54% and 70% 66% of the Company's Company's production volumes for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Natural gas sales were 26% 21% and 62% 38% of oil and gas sales revenues for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Crude oil production was 26% 27% and 17% 22% of the Company's Company's production volumes for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Crude oil sales were 65% and 30% 53% of oil and gas sales revenues for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

NGL production was 13% 19% and 12% of the Company's Company's production volumes for both the three months ended September 30, 2023 and 2022. NGL sales were 9% and 8% of oil and gas sales for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. NGL sales were 14% and 9% of revenues for the three months ended March 31, 2024 and 2023, respectively.

The following table provides additional information regarding the Company's Company's revenues associated with oil and gas sales, by area, excluding any effects of the Company's Company's hedging activities, for the three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Fields	Fields	Three Months Ended September 30, 2023			Fields	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Net Oil and Gas	Oil and Gas	Net Oil and Gas		Oil and Gas	Oil and Gas	Net Oil and Gas	Oil and Gas
Oil and Gas	Production	Sales	Production	Sales	Oil and Gas	Net Oil and Gas	Sales	Production	Oil and Gas
Sales	Volumes	(In Millions)	Volumes	(In Millions)	Sales	Production	(In Millions)	Volumes (MMcfe)	Production (MMcfe)
(In Millions)	(MMcfe)				(In Millions)	Volumes (MMcfe)			(MMcfe)
Webb	Webb								
County Gas	County Gas	\$ 33.1	14,445	\$ 106.1	13,514				
Western	Western								
Condensate	Condensate	26.9	5,261	39.7	4,623				

Southern	Southern				
Eagle Ford	Eagle Ford	7.3	2,474	29.3	3,913
Central Oil	Central Oil	92.4	8,968	59.6	4,727
Eastern	Eastern				
Extension	Extension	13.6	1,637	7.3	682
Non Core		0.7	62	0.2	46
Non-Core					
Total	Total	\$ 174.0	32,847	\$ 242.2	27,505

The sales **volumes** **volume** increase from **2022** **2023** to **2023** **2024** was primarily due to **acquisitions** in **2022**, the **South Texas Acquisition**, in addition to wells brought online as part of our full year **2022** **2023** and **2023** **first quarter** **2024** drilling programs. The production volume increase from our **South Texas Acquisition** was approximately 2,500 MBoe.

In the **third** **first quarter** of **2023**, **2024**, our **\$68.2 million** **\$116.1 million**, or **28%** **83%**, **decrease** **increase** in oil, NGL and natural gas sales from the prior year period resulted from:

- Price variances that had an approximately **\$136.3 million** **\$22.7 million** unfavorable impact on sales due to **overall** **lower** **commodity** **natural gas** **pricing**; and
- Volume variances that had an approximately **\$68.1 million** **\$138.8 million** favorable impact on sales due to **overall** **increased** **commodity** **production**, **production volumes**.

The following table provides additional information regarding our **revenues associated with** oil and gas sales, by commodity type, as well as the effects of our hedging activities for derivative contracts held to settlement, for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** (in thousands, except per-dollar amounts):

	Three		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Three Months	Months		
	Ended	Ended		
	September 30, 2023	September 30, 2022		
Production volumes:	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023		
Production volumes:				
Oil (MBbl) ⁽¹⁾	1,410	781		
Natural gas (MMcf)	20,010	19,324		
Natural gas liquids (MBbl) ⁽¹⁾	729	582		
Total (MMcfe)	32,847	27,505		
Oil (MBbl)				
Oil (MBbl)				
Oil (MBbl)				
Natural gas (MMcf) ⁽¹⁾				

Natural gas liquids (MBbl)	
Total (MBoe)	
Oil, natural gas and natural gas liquids sales:	Oil, natural gas and natural gas liquids sales:
Oil, natural gas and natural gas liquids sales:	Oil, natural gas and natural gas liquids sales:
Oil	Oil
Oil	Oil
Oil	Oil \$ 112,456 \$ 71,811
Natural gas	Natural gas 46,075 150,958
Natural gas liquids	Natural gas liquids 15,432 19,412
Total	Total \$ 173,963 \$ 242,181
Average realized price before impact of cash- settled derivatives:	Average realized price before impact of cash- settled derivatives:
Average realized price before impact of cash- settled derivatives:	Average realized price before impact of cash- settled derivatives:
Oil (per Bbl)	
Oil (per Bbl)	
Oil (per Bbl)	Oil (per Bbl) \$ 79.76 \$ 91.93
Natural gas (per Mcf)	Natural gas (per Mcf) 2.30 7.81

Natural	Natural				
gas	gas				
liquids	liquids				
(per Bbl)	(per Bbl)	21.16	33.34		
Average per Mcfe	\$	5.30	\$	8.81	
Average					
per Boe					
Price	Price				
impact of	impact of				
cash-	cash-				
settled	settled				
derivatives:	derivatives:				
Price impact of cash-					
settled derivatives:					
Price impact of cash-					
settled derivatives:					
Oil (per Bbl)					
Oil (per Bbl)					
Oil (per Bbl)	Oil (per Bbl)	\$	(3.45)	\$	(20.44)
Natural	Natural				
gas (per	gas (per				
Mcf)	Mcf)	1.00	(3.47)		
Natural	Natural				
gas	gas				
liquids	liquids				
(per Bbl)	(per Bbl)	3.68	(1.86)		
Average per Mcfe	\$	0.54	\$	(3.06)	
Average					
per Boe					
Average	Average				
realized	realized				
price	price				
including	including				
impact of	impact of				
cash-	cash-				
settled	settled				
derivatives:	derivatives:				
Average realized price					
including impact of					
cash-settled					
derivatives:					
Average realized price					
including impact of					
cash-settled					
derivatives:					
Oil (per Bbl)					
Oil (per Bbl)					
Oil (per Bbl)	Oil (per Bbl)	\$	76.30	\$	71.49

Natural gas (per Mcf)	Natural gas (per Mcf)	3.30	4.34
Natural gas liquids (per Bbl)	Natural gas liquids (per Bbl)	24.84	31.48
Average per Mcfe	\$ 5.84	\$ 5.75	

Average
per Boe

(1) Oil and natural Natural gas liquids are converted at the rate of six Mcfe to one barrel to six Mcfe, barrel. Mcf refers to one thousand cubic feet, and MMcf refers to one million cubic feet. Bbl refers to one barrel of oil, and MBbl refers to one thousand barrels.

For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recorded net losses of \$53.7 million \$42.7 million and \$1.3 million net gains of \$91.2 million from our commodities derivatives activities, respectively. For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we also recorded a net loss of \$0.9 million \$13.4 million and a net gain \$6.1 million of \$1.0 million, respectively, related to valuation changes from our 2021 2023 and 2022 2021 WTI Contingency Payouts. Hedging activity is recorded in "Gain (loss) on commodity derivatives, net" on the accompanying condensed consolidated statements of operations.

Costs and Expenses — Three Months Ended September 30, 2023 March 31, 2024 and Three Months Ended September 30, 2022 March 31, 2023

The following table provides additional information regarding our expenses for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023 (in thousands):

Costs and Expenses	Costs and Expenses	Three Months Ended		Three Months Ended	
		September 30, 2023		September 30, 2022	
		30, 2023	30, 2022	Costs and Expenses	Three Months Ended March 31, 2024
General and administrative, net	General and administrative, net	\$ 4,438	\$ 4,343		
Depreciation, depletion, and amortization	Depreciation, depletion, and amortization	53,186	41,501		
Accretion of asset retirement obligations	Accretion of asset retirement obligations	254	166		
Lease operating expenses	Lease operating expenses	22,678	17,701		
Workovers	Workovers	672	284		
Transportation and gas processing	Transportation and gas processing	13,710	9,662		
Severance and other taxes	Severance and other taxes	10,407	12,581		
Interest expense, net	Interest expense, net	19,811	12,173		

Provision (benefit) for income taxes	Provision (benefit) for income taxes	(949)	6,066
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General and Administrative Expenses, Net. These expenses on a per-Mcfe per-Boe basis were \$0.14 \$1.06 and \$0.16 \$1.68 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The decrease in per-Mcfe per-Boe rate was due to an overall increase in production. Included in general and administrative expenses is \$1.5 million \$1.8 million and \$1.2 million \$1.1 million in share-based compensation for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Depreciation, Depletion and Amortization. These expenses on a per-Mcfe per-Boe basis were \$1.62 \$11.08 and \$1.51 \$9.65 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase in our per-Mcfe per-Boe depreciation, depletion and amortization rate was primarily related to the acquisitions acquisition in 2022 2023 and inflation on future development costs. The increase in costs is related to the increase in the per-Mcfe per-Boe rate, coupled with an overall increase in production.

Lease Operating Expenses and Workovers. These expenses on a per-Mcfe per-Boe basis were \$0.71 \$3.90 and \$0.65 \$4.68 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The decrease in per-Boe rate was due to an overall increase in production. The increase in costs was primarily due to higher labor, compression, salt water disposal and maintenance costs driven by our acquisitions acquisition in 2022 2023.

Transportation and Gas Processing. These expenses are related to oil, natural gas and NGL sales. These expenses on a per-Mcfe per-Boe basis were \$0.42 \$4.23 and \$0.35 \$2.53 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase in costs and in our per Mcfe per-Boe rate was primarily attributable to additional transportation and processing agreements associated with our acquisitions acquisition in 2022 2023 along with increased contractual fees across portions of our properties.

Severance and Other Taxes. These expenses on a per-Mcfe per-Boe basis were \$0.32 \$1.95 and \$0.46 \$2.06 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Severance and other taxes, as a percentage of oil and gas sales, were approximately 6.0% 6.3% and 5.2% 6.7% for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase in severance and other taxes was primarily attributable to a shift in commodity mix, specifically liquids, driven by our acquisition in 2023. The decrease in our per-Boe rate was due to the overall increase in production.

Interest. Our interest cost was \$19.8 million \$36.0 million and \$12.2 million \$16.7 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase in interest is primarily due to higher borrowings and higher interest rates. There were no capitalized interest costs for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023.

Income Taxes. The Company recorded an income tax benefit of \$0.9 million \$4.8 million and an income tax provision of \$6.1 million \$26.8 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The effective tax rate for the three months ended September 30, 2023 primarily related to the statutory federal tax rate plus the impact of the Texas Margin Tax. The tax impact for both periods was a product of the overall forecasted annual effective tax rate applied to the year to date income or loss.

Results of Operations

Revenues — Nine Months Ended September 30, 2023 and Nine Months Ended September 30, 2022

Natural gas production was 63% and 75% of the Company's production volumes for the nine months ended September 30, 2023 and 2022, respectively. Natural gas sales were 30% and 63% of oil and gas sales for the nine months ended September 30, 2023 and 2022, respectively.

Crude oil production was 24% and 14% of the Company's production volumes for the nine months ended September 30, 2023 and 2022, respectively. Crude oil sales were 61% and 28% of oil and gas sales for the nine months ended September 30, 2023 and 2022, respectively.

NGL production was 13% and 11% of the Company's production volumes for the nine months ended September 30, 2023 and 2022, respectively. NGL sales were 9% of oil and gas sales for both the nine months ended September 30, 2023 and 2022.

The following table provides additional information regarding the Company's oil and gas sales, by area, excluding any effects of the Company's hedging activities, for the nine months ended September 30, 2023 and 2022:

Fields	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
--------	--------------------------------------	--------------------------------------

	Net Oil and Gas		Net Oil and Gas	
	Oil and Gas Sales (In Millions)	Production Volumes (MMcfe)	Oil and Gas Sales (In Millions)	Production Volumes (MMcfe)
Webb County Gas	\$ 96.7	41,425	\$ 253.5	37,386
Western Condensate	82.5	16,831	116.2	13,096
Southern Eagle Ford	17.6	6,357	64.1	9,236
Central Oil	206.7	20,826	94.6	7,251
Eastern Extension	35.4	4,588	24.5	2,242
Non Core	1.4	169	1.5	256
Total	\$ 440.3	90,196	\$ 554.4	69,467

The sales volumes increase from 2022 to 2023 was primarily due to acquisitions in the second half of 2022, in addition to wells brought online as part of our full year 2022 and 2023 drilling programs.

In the first nine months of 2023, our \$114.1 million, or 21%, decrease in oil, NGL and natural gas sales from the prior year period resulted from:

- Price variances that had an approximately \$361.0 million unfavorable impact on sales due to overall lower commodity pricing; and
- Volume variances that had an approximately \$246.9 million favorable impact on sales due to overall increased commodity production.

The following table provides additional information regarding our oil and gas sales, by commodity type, as well as the effects of our hedging activities for derivative contracts held to settlement, for the nine months ended September 30, 2023 and 2022 (in thousands, except per-dollar amounts):

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Production volumes:		
Oil (MBbl) ⁽¹⁾	3,569	1,611
Natural gas (MMcf)	57,109	51,829
Natural gas liquids (MBbl) ⁽¹⁾	1,945	1,329
Total (MMcfe)	90,196	69,467
Oil, natural gas and natural gas liquids sales:		
Oil	\$ 267,263	\$ 155,566
Natural gas	132,802	351,626
Natural gas liquids	40,252	47,250
Total	\$ 440,317	\$ 554,442
Average realized price before impact of cash-settled derivatives:		
Oil (per Bbl)	\$ 74.88	\$ 96.58
Natural gas (per Mcf)	2.33	6.78
Natural gas liquids (per Bbl)	20.69	35.56
Average per Mcfe	\$ 4.88	\$ 7.98
Price impact of cash-settled derivatives:		
Oil (per Bbl)	\$ (0.59)	\$ (28.60)
Natural gas (per Mcf)	1.07	(2.45)
Natural gas liquids (per Bbl)	4.28	(4.33)
Average per Mcfe	\$ 0.75	\$ (2.57)

Average realized price including impact of cash-settled derivatives:			
Oil (per Bbl)	\$	74.29	\$ 67.98
Natural gas (per Mcf)		3.40	4.33
Natural gas liquids (per Bbl)		24.97	31.23
Average per Mcfe	\$	5.63	\$ 5.41

(1) Oil and natural gas liquids are converted at the rate of one barrel to six Mcfe. Mcf refers to one thousand cubic feet, and MMcf refers to one million cubic feet. Bbl refers to one barrel of oil, and MBbl refers to one thousand barrels.

For the nine months ended September 30, 2023 and 2022, the Company recorded net gains of \$56.5 million and net losses of \$162.5 million from our commodities derivatives activities, respectively. For the nine months ended September 30, 2023 and 2022, we also recorded a net gain of \$1.1 million and net gain of \$4.7 million, respectively, related to valuation changes from our 2021 and 2022 WTI Contingency Payouts. Additionally, we settled the final post-close adjustment related to the Sundance acquisition during the second quarter of 2023. As part of the settlement, SilverBow is no longer required to make any contingency payments related to the 2022 WTI Contingency Payout. As such, we recorded a non-cash gain of \$1.1 million during the nine months ended September 30, 2023. Hedging activity is recorded in "Gain (loss) on commodity derivatives, net" on the accompanying condensed consolidated statements of operations.

Costs and Expenses — Nine Months Ended September 30, 2023 and Nine Months Ended September 30, 2022

The following table provides additional information regarding our expenses for the nine months ended September 30, 2023 and 2022 (in thousands):

Costs and Expenses	Nine Months Ended	
	September 30, 2023	September 30, 2022
General and administrative, net	\$ 17,421	\$ 14,840
Depreciation, depletion, and amortization	147,037	89,096
Accretion of asset retirement obligations	718	366
Lease operating expenses	62,417	37,095
Workovers	2,263	933
Transportation and gas processing	37,001	22,784
Severance and other taxes	28,563	30,183
Interest expense, net	54,746	26,632
Provision (benefit) for income taxes	33,214	7,678

General and Administrative Expenses, Net. These expenses on a per-Mcfe basis were \$0.19 and \$0.21 for the nine months ended September 30, 2023 and 2022, respectively. The increase in costs was primarily due to higher legal and professional fees while the decrease in per-Mcfe rate was due to an overall increase in production. Included in general and administrative expenses is \$4.0 million and \$3.9 million in share-based compensation for the nine months ended September 30, 2023 and 2022, respectively.

Depreciation, Depletion and Amortization. These expenses on a per-Mcfe basis were \$1.63 and \$1.28 for the nine months ended September 30, 2023 and 2022, respectively. The increase in our per-Mcfe depreciation, depletion and amortization rate was primarily related to the acquisitions in 2022 and inflation on future development costs. The increase in costs is related to the increase in the per-Mcfe rate, coupled with an overall increase in production.

Lease Operating Expenses and Workovers. These expenses on a per-Mcfe basis were \$0.72 and \$0.55 for the nine months ended September 30, 2023 and 2022, respectively. The increase in costs was primarily due to higher labor, compression, salt water disposal, maintenance and chemical costs driven by our acquisitions in 2022.

Transportation and Gas Processing. These expenses are related to oil, natural gas and NGL sales. These expenses on a per-Mcfe basis were \$0.41 and \$0.33 for the nine months ended September 30, 2023 and 2022, respectively. The increase in costs and in our per Mcfe rate was primarily attributable to additional transportation and processing agreements associated with our acquisitions in 2022 along with increased contractual fees across portions of our properties.

Severance and Other Taxes. These expenses on a per-Mcfe basis were \$0.32 and \$0.43 for the nine months ended September 30, 2023 and 2022, respectively. Severance and other taxes, as a percentage of oil and gas sales, were approximately 6.5% and 5.4% for the nine months ended September 30, 2023 and 2022, respectively.

Interest. Our interest cost was \$54.7 million and \$26.6 million for the nine months ended September 30, 2023 and 2022, respectively. The increase in interest is primarily due to higher borrowings and higher interest rates. There were no capitalized interest costs for the nine months ended September 30, 2023 and 2022.

Income Taxes. The Company recorded an income tax provision of \$33.2 million and an income tax provision of \$7.7 million for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rate for the nine months ended September 30, 2023 primarily related to the statutory federal tax rate plus the impact of the Texas Margin Tax. The tax impact for both periods was a product of the overall forecasted annual effective tax rate applied to the year to date income.

Critical Accounting Policies and New Accounting Pronouncements

There have been no changes in the critical accounting policies disclosed in our 2022 2023 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Risk. Our major market risk exposure is the commodity pricing applicable to our oil and natural gas production. Realized commodity prices received for such production are primarily driven by the prevailing worldwide price for crude oil and spot prices applicable to natural gas. This commodity pricing volatility has continued with unpredictable price swings in recent periods.

Our price risk management policy permits the utilization of agreements and financial instruments (such as futures, forward contracts, swaps and options contracts) to mitigate price risk associated with fluctuations in oil and natural gas prices. We do not utilize these agreements and financial instruments for trading speculative purposes and only enter into derivative agreements with banks in our Credit Facility. For additional discussion related to our price risk management policy, refer to Note 8 of our condensed consolidated financial statements included in Item 1 of this report.

Customer Credit Risk. We are exposed to the risk of financial non-performance by customers. Our ability to collect on sales to our customers is dependent on the liquidity of our customer base. Continued volatility in both credit and commodity markets may reduce the liquidity of our customer base. To manage customer credit risk, we monitor credit ratings of customers and, when considered necessary, we also obtain letters of credit from certain customers, parent company guarantees, if applicable, and other collateral as considered necessary to reduce risk of loss. Due to availability of other purchasers, we do not believe the loss of any single oil or natural gas customer would have a material adverse effect on our results of operations.

Concentration of Sales Risk. A large portion of our oil and gas sales are made to Kinder Morgan, Inc. and its affiliates and we expect to continue this relationship in the future. We believe that the business risk of this relationship is mitigated by the reputation and nature of their business and the availability of other purchasers.

Interest Rate Risk. At September 30, 2023 March 31, 2024, we had a combined \$648.0 million \$1.1 billion drawn under our Credit Facility and our Second Lien Notes, which bear floating rates of interest and therefore are susceptible to interest rate fluctuations. These variable interest rate borrowings are also impacted by changes in short-term interest rates. A hypothetical one percentage point increase in interest rates on our borrowings outstanding under our Credit Facility and Second Lien Notes at September 30, 2023 March 31, 2024 would increase our annual interest expense by \$6.5 million \$11.0 million.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, consisting of controls and other procedures designed to give reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding such required disclosure. Our Chief Executive Officer and Chief Financial Officer have evaluated such disclosure controls and procedures as of the end of the period covered by this quarterly report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the three months ended **September 30, 2023** **March 31, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

No In the ordinary course of business, we are party to various legal actions, which arise primarily from our activities as operator of oil and natural gas wells. In our opinion, the outcome of any such currently pending legal actions will not have a material **legal proceedings are pending other than ordinary, routine litigation incidental to the Company's business** **adverse effect on our financial position or results of operations.**

Item 1A. Risk Factors.

A description of our risk factors can be found in "Part I, Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**. Other than as described below, there have been no material changes in our risk factors disclosed in the **2022** **2023** Annual Report on Form 10-K.

Risks Related to the Chesapeake Transaction

We may not consummate the Chesapeake Transaction.

The completion **Ownership** of the Chesapeake Transaction is subject to a number of closing conditions, some of which are out of our control, including the material performance by the other party of all of the obligations, agreements and covenants of the transaction agreement to be performed at or prior to the closing of the Chesapeake Transaction, including the receipt of any necessary consents or approvals. Additionally, although we have committed financing through our Credit Facility and Second Lien Notes for the purchase price, the completion of the Chesapeake Transaction is subject to our ability to secure this financing.

We also cannot be certain when SilverBow and the Chesapeake Sellers will be able to satisfy the other closing conditions or whether those closing conditions will be satisfied, including consent from certain significant landowners. If any of these conditions are not satisfied, including the failure to obtain certain consents, and in any event if the Chesapeake Transaction has not been consummated on or before November 24, 2023; provided that such date may be automatically extended for an additional 15 days to December 9, 2023, in the event certain approvals and consents have not been obtained by such date, it is possible that the Purchase Agreement may be terminated. Although the parties have agreed in the Purchase Agreement to use commercially reasonable efforts, subject to certain limitations, in regards to certain closing conditions, these and other conditions to the completion of the Chesapeake Transaction may fail to be satisfied.

If the Chesapeake Transaction is delayed, not consummated or consummated on terms different from those currently contemplated, the market price of our common stock may decline. Further, a failed transaction may result in negative publicity or a negative impression of us in the investment community and may affect our relationships with our business partners. Failure to complete the Chesapeake Transaction could cause us to be in breach of the Purchase Agreement, could result in litigation and other losses to us and a decline in the market price of our common stock.

We may not be able to achieve the expected benefits of the Chesapeake Transaction and may have difficulty integrating the Chesapeake Transaction.

Even if we consummate the Chesapeake Transaction, we may not be able to achieve the expected benefits of the Chesapeake Transaction. There can be no assurance that the Chesapeake Transaction will be beneficial to us. We may not be able to integrate and develop the Chesapeake South Texas Rich Properties without increases in costs, losses in revenues or other difficulties. Any unexpected costs or delays, including inability to reconcile post-acquisition

adjustments, incurred in connection with the integration and development of the Chesapeake South Texas Rich Properties could have an adverse effect on our business, results of operations, financial condition and prospects, as well as the market price of our common stock. Our Common Stock:

Our assessment of the Chesapeake South Texas Rich Properties to date has been limited; and, even by the time of closing, it will not reveal all existing or potential problems, nor will it permit us to become familiar enough with the properties to assess fully their capabilities and deficiencies. In the course of our assessment, we will not receive an independent reserve engineer report related to the Chesapeake South Texas Rich Properties. We may incur costs or experience problems related to the Chesapeake South Texas Rich Properties in the Chesapeake Transaction, and we may not have adequate recourse against the Chesapeake Sellers. Although we have and will inspect the properties being sold to us, inspections may not reveal all title, structural or environmental problems. We may business could be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with our expectations. Our ability to make specified claims against the Chesapeake Sellers in the Chesapeake Transaction generally expires over time and we may be left with no recourse for liabilities and other problems associated with the Chesapeake Transaction that we do not discover prior to the expiration date related to such matters under the Purchase Agreement.

The market price of our common stock may decline affected as a result of activist investors.

We value constructive input from investors and engage in dialogue with our shareholders regarding strategy and performance. Our Board and senior management are committed to acting in the Chesapeake Transaction if, among other things, the integration and development best interests of all of our shareholders.

On April 10, 2024, Kimmeridge Energy Management Company, LLC, together with certain of its affiliates (collectively "Kimmeridge"), filed a definitive proxy statement to solicit proxies in favor of the Chesapeake South Texas Rich Properties election of three director candidates to the Board at our 2024 annual meeting of shareholders. If these director candidates are elected to the Board with a specific agenda, it may adversely affect our ability to effectively implement our current business strategy or create value for all shareholders. Kimmeridge has also made public statements critical of the Board and senior management. Responding to these actions by Kimmeridge and potential actions by other activist investors is unsuccessful costly and time-consuming, disruptive to our operations and diverts the attention of the Board and senior management from the pursuit of our business strategies, which could materially adversely affect our financial position, operating results or cash flows. The contested election with respect to the liabilities, expenses, title, environmental Company's directors has required and is expected to continue to require us to incur substantial legal, public relations and other defects, advisory fees and proxy solicitation expenses. Further, we may choose to initiate, or transaction costs related may become subject to, litigation as a result of proposals by activist investors or proxy contests or matters relating thereto, which would serve as a further distraction to the Chesapeake Transaction are greater than expected Board and senior management and could require us to incur significant additional costs.

Additionally, perceived uncertainties as to our future direction as a result of investor activism or changes to the Chesapeake South Texas Rich Properties do not yield composition of the anticipated returns. The market Board may lead to the perception of a change in the direction of our business, instability or lack of continuity which may be exploited by our competitors and/or other activist investors and cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel. If customers choose to delay, defer or reduce transactions with us or transact with our competitors instead of us because of any such issues, then our financial position, operating results or cash flows could be materially adversely affected. Further, the trading price of our common stock may decline if we do not achieve the perceived benefits shares could experience periods of the Chesapeake Transaction increased volatility as rapidly or to the extent anticipated by us or by securities market participants or if the effect a result of the Chesapeake Transaction, including the obligations incurred to finance the Chesapeake Transaction, on our business results of operations or financial condition or prospects is not consistent with our expectations or those of securities market participants.

Upon consummation of the Chesapeake Transaction, our overall level of debt obligations will increase, which could adversely affect us.

Upon consummation of the Chesapeake Transaction, our overall long-term debt will increase, and our level of debt obligations after completion of the Chesapeake Transaction could have adverse consequences on our business and future prospects, including the following:

- we may not be able to obtain financing in the future on acceptable terms or at all for working capital, capital expenditures, acquisitions, debt service requirements or other purposes;
- less-levered competitors could have a competitive advantage because they have lower debt service requirements;
- credit rating agencies could downgrade our credit ratings following the Chesapeake Transaction below currently expected levels; and
- we may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than our competitors.investor activism.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(c) Trading Plans

During the quarter ended **September 30, 2023** **March 31, 2024**, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

The following exhibits in this index are required by Item 601 of Regulation S-K and are filed herewith or are incorporated herein by reference:

3.1	Certificate of Incorporation of Swift Energy Company, effective April 22, 2016 (incorporated by reference Exhibit 3.1 to Swift Energy Company's Form S-8 filed April 27, 2016, File No. 333-210936).
3.2	Certificate of Amendment to Certificate of Incorporation, effective May 5, 2017 (incorporated by reference as Exhibit 3.1 to SilverBow Resources, Inc.'s Current Report on Form 8-K filed May 5, 2017, File No. 001-08754).
3.3	Second Amended and Restated Bylaws of SilverBow Resources, Inc., effective October 31, 2022 (incorporated by reference as Exhibit 3.1 to SilverBow Resources, Inc.'s Current Report on Form 8-K filed September 20, 2022, File No. 001-08754).
3.4	Certificate of Designation, Preferences, and Rights of Series B Junior Participating Preferred Stock of the Company (incorporated by reference as Exhibit 3.1 to SilverBow Resources, Inc.'s Current Report on Form 8-K filed September 20, 2022, File No. 001-08754).
10.1 10.1+*	Purchase and Sale Form of Restricted Stock Unit Agreement dated August 11, 2023, between SilverBow Resources Operating, LLC and Chesapeake Exploration, L.L.C., Chesapeake Operating, L.L.C., Chesapeake Energy Marketing, L.L.C. and Chesapeake Royalty, L.L.C. (incorporated by reference as Exhibit 10.1 to SilverBow Resources, Inc.'s Current Report on Non-Employee Directors 2024).
10.2+*	Form 8-K filed August 14, 2023, File No. 001-08754), of Restricted Stock Unit Agreement – Officers 2024.
10.3+*	Form of Performance Share Unit Agreement – Officers 2024.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1#	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101*	The following materials from SilverBow Resources, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets (Unaudited), (ii) the Condensed Consolidated Statements of Operations (Unaudited), (iii) the Consolidated Statements of Stockholders Equity (Unaudited), (iv) the Condensed Consolidated Statements of Cash Flows (Unaudited), and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Filed herewith

Furnished herewith. Not considered to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

+ Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SILVERBOW RESOURCES, INC.

(Registrant)

Date: November May 2, 2023 2024

By: /s/ Christopher M. Abundis

Christopher M. Abundis
Executive Vice President,
Chief Financial Officer and General Counsel

Date: November May 2, 2023 2024

By: /s/ W. Eric Schultz

W. Eric Schultz
Vice President of Accounting and Controller

5140

SILVERBOW RESOURCES, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
NON-EMPLOYEE DIRECTORS

Participant: [[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]] (the "Participant")

Grant Date: [[GRANTDATE]] (the "Grant Date")

Number of Restricted Stock Units: [[SHARESGRANTED]]

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between SilverBow Resources, Inc., a Delaware corporation (the "Company"), and the Participant specified above, pursuant to the SilverBow Resources, Inc. 2016 Equity Incentive Plan, as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation by Reference; Plan Document Receipt.** This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its contents. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. For purposes of this Agreement, "Cause" means, with respect to the Participant's Termination from and after the date hereof, the following: (i) commission of fraud or material dishonesty in performance of Participant's duties against the Company, its Subsidiaries and/or Affiliates; (ii) conviction of, or plea of guilty

PAGE 1

or nolo contendere to, a felony; (iii) a malfeasance or misconduct by Participant in performance of Participant's service or any wrongful act or omission (other than in the good faith performance of duties) that is materially injurious to the financial condition or business reputation of the Company; (iv) a material breach of a confidentiality covenant that is not cured within thirty (30) days following a notice from the Company; (v) a material breach of a non-disparagement covenant that is not cured within thirty (30) days following a notice from the Company; (vi) Participant's breach of a non-compete or non-solicitation covenant to which the Participant is subject; or (vii) a material breach or a material violation of the Company's code of conduct or any other material policy.

2. **Grant of Restricted Stock Unit Award.** The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any of the shares of Stock underlying this Award unless and until such shares of Stock are delivered to the Participant in accordance with Section 4.

3. **Vesting.**

(a) **General.** Except as otherwise provided in this Section 3, RSUs subject to this grant shall vest as follows:

[[ALL VESTS]]

such that, for the avoidance of doubt, the RSUs shall become vested as to 100% of the Shares on [-]; provided, that, the Participant is continuously serving as a Director from the Grant Date through such vesting date.

(b) **Committee Discretion to Accelerate Vesting.** Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the RSUs at any time and for any reason.

(c) **Termination by Reason of Death or Disability.** If the Participant's Termination is by reason of Death or Disability, all unvested RSUs shall be immediately fully vested as of the date of such Termination.

(d) **Termination of Service other than for Cause.** If a Participant's Termination is pursuant to Section 4 of Article V of the Certificate of Incorporation of the Company, or otherwise in connection with any Change in Control, in any such case, for a

reason other than Cause, all unvested RSUs shall be immediately fully vested as of the date of such Termination. For the avoidance of doubt, the failure of the Company's stockholders to elect or re-elect the Participant in a contested election shall be deemed

a Termination is pursuant to Section 4 of Article V of the Certificate of Incorporation for purposes of this Agreement.

(e) **Other Terminations.** Except as otherwise set forth above, all unvested RSUs that are held by the Participant shall immediately terminate and be forfeited upon a Termination.

4. Delivery of Shares.

(a) The Company shall deliver to the Participant the shares of Stock underlying the outstanding RSUs within thirty (30) days following the date such RSUs vest. In no event shall the Participant be entitled to receive any shares of Stock with respect to any unvested or forfeited portion of the RSUs.

(b) The Company's obligations to the Participant with respect to the RSUs will be satisfied in full upon the issuance of Common Shares corresponding to such RSUs.

(c) In the event an amount becomes payable pursuant to this Section 4 on account of the Participant's Termination of service due to death, or the Participant becomes entitled to receive an amount pursuant to this Section and the Participant dies prior to receiving any or all of the amounts to which the Participant is due, then the amounts payable pursuant to this Section 4 shall be made to the beneficiary or beneficiaries (which may include individuals, trusts or other legal entities) designated by the Participant on the Company's beneficiary designation form filed with the Company prior to the Participant's death (the "Beneficiary Designation Form"). If the Participant fails to designate a beneficiary or fails to file the Beneficiary Designation Form with the Company prior to the Participant's death, such amounts shall be made to the Participant's estate. If a named beneficiary entitled to receive payments pursuant to the Beneficiary Designation Form dies at a time when additional payments still remain to be paid, then and in any such event, such remaining payments shall be paid to the other primary beneficiary or beneficiaries named by the Participant who shall then be living or in existence, if any, otherwise to the contingent beneficiary or beneficiaries named by the Participant who shall then be living or in existence, if any; otherwise to the estate of the Participant.

5. Dividend Equivalents; Voting and Other Rights.

(a) The Participant shall have no rights of ownership in the shares of Stock underlying the RSUs and no right to vote the shares of Stock underlying the RSUs until the date on which the shares of Stock underlying the RSUs are issued or transferred to the Participant pursuant to Section 4 above.

(b) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Stock in the future, and the rights of the Participant will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

6. **Plan Restrictions.** The Participant acknowledges and agrees that the RSUs granted under this Agreement and any shares of Stock received in settlement thereof, shall be subject to all applicable provisions of the Plan, including but not limited to the restrictions on transferability set forth in Section 14.6 of the Plan.

7. **Entire Agreement; Amendment.** This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

9. **Withholding of Tax.** To the extent the Company is required to withhold any taxes in connection with any payment made or benefit realized under this Agreement, and the amounts available to the Company are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other applicable person shall make arrangements satisfactory to the Company for payment of such taxes required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If such benefit is to be in the form of shares of Stock and the Participant fails to make arrangements for the payment of tax, unless otherwise determined by the Committee, the Company will withhold shares of Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, if the Participant is required to pay an amount required to be withheld, the Participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the shares of Stock required to be delivered hereunder, shares of Stock having a value equal to the amount required to be withheld or by delivering to the Company other Shares held by the Participant. Shares of Stock used for withholding will be valued at the market value of such shares of Stock on the date the benefit is to be included in Participant's income and such market value will in no event exceed the minimum amount of taxes required to be withheld. Further, to the extent that the Company is not

required to withhold any taxes in connection with any payment made or benefit realized under this Agreement, the Participant acknowledges and agrees that the Participant is responsible for all tax obligations that arise in connection with the grant, vesting or settlement of the RSUs granted under this Agreement.

10. No Right to Employment or Service. Nothing in this Agreement shall interfere with or limit in any way the right of the Company to terminate the Participant's service at any time, for any reason and with or without Cause. Any questions as to whether and when there has been a termination of such service and the cause of such termination shall be determined in the good faith of the Committee.

11. Notices. Any notice which may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via email transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the General Counsel of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

12. Transfer of Personal Data. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary and/or Affiliate) of any personal data information related to the RSU awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

13. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

PAGE 5

14. Compliance with Laws. Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended, is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act of 1933, as amended. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any

issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

15. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

16. **Binding Agreement; Assignment.** This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 14.6 of the Plan) any part of this Agreement without the prior express written consent of the Company.

17. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

18. **Headings.** The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. **Further Assurances.** Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all

PAGE 6

such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

20. **Severability.** The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

PAGE 7

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SILVERBOW RESOURCES, INC

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

PAGE 8

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

PARTICIPANT

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

PAGE 9

SILVERBOW RESOURCES, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
EXECUTIVE OFFICERS

Participant: [[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]] (the “Participant”)

Grant Date: [[GRANTDATE]] (the “Grant Date”)

Number of Restricted Stock Units: [[SHARESGRANTED]]

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between SilverBow Resources, Inc., a Delaware corporation (the "Company"), and the Participant specified above, pursuant to the SilverBow Resources, Inc. 2016 Equity Incentive Plan, as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its contents. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

PAGE 1

2. Grant of Restricted Stock Unit Award. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any of the shares of Stock underlying this Award unless and until such shares of Stock are delivered to the Participant in accordance with Section 4.

3. Vesting.

(a) **General**. Except as otherwise provided in this Section 3, RSUs subject to this grant shall vest as follows:

<u>Date</u>	<u>Shares Vested</u>
	[1/3]
	[1/3]
	[1/3]

such that, for the avoidance of doubt, the RSUs shall become vested as to 100% of the Shares on [-]; provided, that the Participant remains continuously employed by the Company or an Affiliate of the Company from the Grant Date through each applicable vesting date. Continuous employment, or the continuous provision of services, shall not be considered interrupted or terminated in the case of transfers between locations of the Company and its Affiliates.

(b) Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the RSUs at any time and for any reason.

(c) Acceleration of Vesting Following Termination of Employment and/or a Change of Control. Participant shall have rights to acceleration of all unvested RSUs underlying this Agreement following (a) certain termination events as provided for in Section 6(d) of Participant's employment agreement and (b) a Change of Control as provided for in Section 3(e) of Participant's employment agreement.

(d) Other Terminations. Except as otherwise set forth in this Agreement, all unvested RSUs that are held by the Participant shall immediately terminate and be forfeited upon the Participant's Termination without regard to any consulting or other arrangement entered into between the Participant and the Company.

PAGE 2

or an Affiliate of the Company for services to be provided by the Participant following such Termination.

4. Delivery of Shares.

(a) The Company shall deliver to the Participant the shares of Stock underlying the outstanding RSUs within thirty (30) days following the date such RSUs vest. In no event shall the Participant be entitled to receive any shares of Stock with respect to any unvested or forfeited portion of the RSUs.

(b) The Company's obligations to the Participant with respect to the RSUs will be satisfied in full upon the issuance of Common Shares corresponding to such RSUs.

(c) In the event an amount becomes payable pursuant to this Section 4 on account of the Participant's Termination of service due to death, or the Participant becomes entitled to receive an amount pursuant to this Section and the Participant dies prior to receiving any or all of the amounts to which the Participant is due, then the amounts payable pursuant to this Section 4 shall be made to the beneficiary or beneficiaries (which may include individuals, trusts or other legal entities) designated by the Participant on the Company's beneficiary designation form filed with the Company prior to the Participant's death (the "Beneficiary Designation Form"). If the Participant fails to designate a beneficiary or fails to file the Beneficiary Designation Form with the Company prior to the Participant's death, such amounts shall be made to the Participant's estate. If a named beneficiary entitled to receive payments pursuant to the Beneficiary Designation Form dies at a time when additional payments still remain to be paid, then and in any such event, such remaining payments shall be paid to the other primary beneficiary or beneficiaries named by the Participant who shall then be living or in existence, if any, otherwise to the contingent beneficiary or beneficiaries named by the Participant who shall then be living or in existence, if any; otherwise to the estate of the Participant.

5. Dividend Equivalents; Voting and Other Rights.

(a) The Participant shall have no rights of ownership in the shares of Stock underlying the RSUs and no right to vote the shares of Stock underlying the RSUs until the date on which the shares of Stock underlying the RSUs are issued or transferred to the Participant pursuant to Section 4 above.

(b) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Stock in the future, and the rights of the Participant will be no greater than that of an

PAGE 3

unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

6. **Plan Restrictions.** The Participant acknowledges and agrees that the RSUs granted under this Agreement and any shares of Stock received in settlement thereof, shall be subject to all applicable provisions of the Plan, including but not limited to the restrictions on transferability set forth in Section 14.6 of the Plan.

7. **Entire Agreement; Amendment.** This Agreement, together with the Plan and, to the extent applicable, the Participant's employment agreement with the Company, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

9. **Withholding of Tax.** To the extent the Company is required to withhold any taxes in connection with any payment made or benefit realized under this Agreement, and the amounts available to the Company are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other applicable person shall make arrangements satisfactory to the Company for payment of such taxes required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If such benefit is to be in the form of shares of Stock and the Participant fails to make arrangements for the payment of tax, unless otherwise determined by the Committee, the Company will withhold shares of Stock having a value equal to the amount required to be withheld. Notwithstanding the foregoing, if the Participant is required to pay an amount required to be withheld, the Participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the shares of Stock required to be delivered hereunder, shares of Stock having a value equal to the amount required to be withheld or by delivering to the Company other Shares held by the Participant. Shares of Stock used for withholding will be valued at the market value of such shares of Stock on the date the benefit is to be included in Participant's income and such market value will in no event exceed the minimum amount of taxes required to be withheld. Further, to the extent that the Company is not

PAGE 4

required to withhold any taxes in connection with any payment made or benefit realized under this Agreement, the Participant acknowledges and agrees that the Participant is responsible for all tax obligations that arise in connection with the grant, vesting or settlement of the RSUs granted under this Agreement.

10. No Right to Employment or Service. Nothing in this Agreement shall interfere with or limit in any way the right of the Company to terminate the Participant's employment or service relationship at any time, for any reason and, to the extent applicable, with or without Cause. Any questions as to whether and when there has been a termination of such employment or service relationship and the cause of such termination shall be determined in the good faith of the Committee.

11. Notices. Any notice which may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via email transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the General Counsel of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

12. Transfer of Personal Data. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary and/or Affiliate) of any personal data information related to the RSU awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

13. Compliance with Laws. This issuance of RSUs (and the shares of Stock underlying the RSUs) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations and any other law or regulation applicable thereto. The Company shall not be obligated to issue this RSU or any of the shares of Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the issuance of the RSUs, upon delivery of the shares of Stock underlying the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

14. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs are intended to be exempt from the applicable requirements of the Nonqualified Deferred Compensation Rules and shall be limited, construed and interpreted in accordance with such intent.

15. **Binding Agreement; Assignment.** This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 14.6 of the Plan) any part of this Agreement without the prior express written consent of the Company.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

17. **Headings.** The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

18. **Further Assurances.** Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

19. **Severability.** The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

PAGE 6

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SILVERBOW RESOURCES, INC.

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

PAGE 7

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

PARTICIPANT

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

PAGE 8

SILVERBOW RESOURCES, INC.
2016 EQUITY INCENTIVE PLAN
PERFORMANCE SHARE UNIT GRANT NOTICE

Pursuant to the terms and conditions of the SilverBow Resources, Inc. 2016 Equity Incentive Plan, as amended from time to time (the "Plan"), SilverBow Resources, Inc. (the "Company") hereby grants to the individual listed below ("you" or the "Participant") the number of performance share units (the "PSUs") set forth below. This award of PSUs (this "Award") is subject to the terms and conditions set forth herein and in the Performance Share Unit Agreement attached hereto as Appendix A (the "Agreement") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant:	[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]
Date of Grant:	[[GRANTDATE]]
Award Type and Description:	Performance Award granted pursuant to Article X of the Plan. This Award represents the right to receive Shares in an amount up to 200% of the Target PSUs (defined below), subject to the terms and conditions set forth herein and in the Agreement. Your right to receive settlement of this Award in an amount ranging from 0% to 200% of the Target PSUs shall vest and become earned and nonforfeitable upon (i) your satisfaction of the continued employment or service requirements described below under "Service Requirement" and (ii) the Committee's certification of the level of achievement of the Performance Goal (defined below). The portion of the Target PSUs actually earned upon satisfaction of the foregoing requirements is referred to herein as the "Earned PSUs."
Target Number of PSUs:	[[SHARESGRANTED]] (the "Target PSUs").
Performance Period:	January 1, 2024 through December 31, 2026 (the "Performance Period End Date").
Service Requirement:	Except as expressly provided in <u>Section 3</u> of the Agreement, you must remain continuously employed by, or continuously provide services to, the Company or an Affiliate, as applicable, from the Date of Grant through the Performance Period End Date to be eligible to receive payment of this Award, which payment is based on the level of achievement with respect to the Performance Goal (as defined below).

PAGE 1

Performance Goal:	The "Performance Goal" for the Performance Period is based on the Company's achievement with respect to absolute and relative total stockholder return, as described in <u>Appendix B</u> attached hereto.
Settlement:	Settlement of the Earned PSUs shall be made solely in Shares, which shall be delivered to you in accordance with <u>Section 4</u> of the Agreement.

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance Share Unit Grant Notice (this "Grant Notice"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, effective for all purposes as provided above.

SILVERBOW RESOURCES, INC.

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

IN WITNESS WHEREOF, the Participant has executed this Grant Notice, effective for all purposes as provided above.

PARTICIPANT

[[SIGNATURE]]

[[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]]

APPENDIX A

PERFORMANCE SHARE UNIT AGREEMENT

This Performance Share Unit Agreement (together with the Grant Notice to which this Agreement is attached, this "Agreement") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between SilverBow Resources, Inc., a Delaware corporation (the "Company"), and [[FIRSTNAME]] [[MIDDLENAME]] [[LASTNAME]] (the "Participant"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. Award. In consideration of the Participant's past and/or continued employment with, or service to, the Company or its Affiliates and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the "Date of Grant"), the Company hereby grants to the Participant the target number of PSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each PSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan; provided, however, that, depending on the level of performance determined to be attained with respect to the Performance Goal, the number of Shares that may be earned hereunder in respect of this Award may range from 0% to 200% of the Target PSUs. Unless and until the PSUs have become vested in the manner set forth in the Grant Notice, the Participant will have no right to receive any Shares or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. Vesting of PSUs. Except as otherwise set forth in Section 3, the PSUs shall vest and become Earned PSUs based on the extent to which the Company has satisfied the Performance Goal set forth in the Grant Notice, which shall be determined by the Committee in its sole discretion following the end of the Performance Period, and subject to the Participant's satisfaction of the Service Requirement set forth in the Grant Notice. Any PSUs that do not become Earned PSUs shall be automatically forfeited. Unless and until the PSUs have vested and become Earned PSUs as described in this Section 2 and have been settled in Shares as described in Section 4, the Participant will have no right to receive any dividends or other distribution with respect to the PSUs or Shares underlying the PSUs.

Appendix A-1

3. Effect of Termination of Employment or Service; Effect of Change in Control.

(a) Acceleration of Vesting Following Termination of Employment and/or a Change of Control. The Participant shall have the right to acceleration of the pro-rata portion of all unvested PSUs underlying this Agreement following certain termination events as provided for in Section 6(d) of the Participant's employment agreement, subject to the satisfaction of the performance conditions set forth in this Award and based on the actual level of achievement of the Performance Goal through the date of such Termination. The Participant shall have the right to acceleration of all unvested PSUs underlying this Agreement following a Change of Control as provided for in Section 3(e) of a Participant's employment agreement, subject to the satisfaction of the performance conditions set forth in this Award and based on the actual level of achievement of the Performance Goal through the date of the Change of Control.

(b) **Other Termination of Employment or Service.** Except as otherwise provided in Section 3(a), if the Participant has not satisfied the Service Requirement, then upon the Participant's Termination for any reason, any unearned PSUs (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

4. **Settlement of PSUs.** As soon as administratively practicable following the Committee's certification of the level of attainment of the Performance Goal, but in no event later than 60 days following the Performance Period End Date, the Company shall deliver to the Participant (or the Participant's permitted transferee, if applicable), a number of Shares equal to the number of Earned PSUs; provided, however, that any fractional PSU that becomes earned hereunder shall be rounded down at the time Shares are issued in settlement of such PSU. No fractional Shares, nor the cash value of any fractional Shares, shall be issuable or payable to the Participant pursuant to this Agreement. All Shares, if any, issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of Shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the

Appendix A-2

number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

6. **Plan Restrictions.** The Participant acknowledges and agrees that the PSUs granted under this Agreement and any Shares received in settlement thereof, shall be subject to all applicable provisions of the Plan, including but not limited to the restrictions on transferability set forth in Section 14.6 of the Plan.

7. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued

hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended, is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act of 1933, as amended. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

8. Legends. If a stock certificate is issued with respect to Shares issued hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and

Appendix A-3

other requirements of the Securities and Exchange Commission, any applicable laws or the requirements of any stock exchange on which the Shares are then listed. If the Shares issued hereunder are held in book-entry form, then such entry will reflect that the shares are subject to the restrictions set forth in this Agreement.

9. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

10. Execution of Receipts and Releases. Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to Earned PSUs.

11. No Right to Continued Employment, Service or Awards. Nothing in the adoption of the Plan, nor the award of the PSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. The grant of the PSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

12. Notices. Any notice which may be required or permitted under this Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the General Counsel of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

Appendix A-4

13. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

14. Agreement to Furnish Information. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

15. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; provided, however, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

16. Severability; Waiver. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

Appendix A-5

17. **Clawback.** Notwithstanding any provision in the Grant Notice, this Agreement or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of Section 304 of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any Securities and Exchange Commission rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, including the Company's Clawback Policy on the recoupment of incentive-based compensation effective October 25, 2023, to the extent applicable to Participant (collectively, the "Clawback Policies"), this Award and all Shares issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

By accepting the grant of PSUs under this Agreement, the Participant acknowledges and agrees that they (a) have received and reviewed the Company's Clawback Policy on the recoupment of incentive-based compensation effective October 25, 2023, (b) are and will continue to be subject to the Clawback Policies to the extent applicable to Participant, both during and after employment with the Company and its Affiliates, and (c) will abide by the terms of the Clawback Policies to the extent applicable, including, without limitation, by reasonably promptly returning any recoverable compensation to the Company as required by the Clawback Policies, as determined by the Committee in its sole discretion. In addition, the Participant acknowledges and agrees that the Participant will not be entitled to and hereby knowingly, voluntarily and intentionally waives any (i) indemnification for any liability or loss incurred by the Participant in connection with or as a result of any action taken by the Company to enforce the Clawback Policies (such action, a "Clawback Proceeding") and (ii) indemnification or advancement of any expenses (including third-party attorneys' fees) from the Company and or any subsidiary of the Company incurred by the Participant in connection with any Clawback Proceeding; provided, however, if the Participant is successful on the merits in the defense of any claim asserted against the Participant in a Clawback Proceeding, the Participant will be indemnified for the expenses (including third-party attorneys' fees) you reasonably incurred to defend such claim.

18. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to the principles of conflict of laws thereof.

19. **Successors and Assigns.** The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

Appendix A-6

20. **Headings.** The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

21. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the PSUs granted pursuant to this Agreement are intended to be exempt from the applicable requirements of Section 409A of the Code, as amended from time to time, including the guidance and regulations promulgated thereunder and successor provisions, guidance and regulations thereto (the

"Nonqualified Deferred Compensation Rules"), and shall be construed and interpreted in accordance with such intent. Nevertheless, to the extent that the Committee determines that the PSUs may not be exempt from the Nonqualified Deferred Compensation Rules, then, if the Participant is deemed to be a "specified employee" within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the PSUs upon his "separation from service" within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's separation from service and (b) the Participant's death. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the PSUs provided under this Agreement are exempt from or compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules.

Appendix A-7

APPENDIX B

PERFORMANCE GOAL FOR PERFORMANCE SHARE UNITS

The achievement of the Performance Goal for the PSUs shall be based on the payout percentage set forth at the intersection of the Company's compound annual growth rate ("CAGR") of the Company's absolute total stockholder return (the "Absolute TSR (CAGR)") and the relative total stockholder return ("Relative TSR") percentile ranking of the Company as compared to the Performance Peer Group (as defined below) in the following matrix (the "TSR Matrix"):

		Absolute TSR (CAGR)			
		<0%	0%-10%	>10%-20%	>20%
Relative TSR	≥90 th	75%	125%	150%	200%
	50 th	50%	90%	100%	125%
	25 th	25%	50%	50%	75%
	<25 th	0%	0%	0%	0%

Subject to the satisfaction of the Service Requirement, you will earn and become vested in a number of PSUs (i.e., the Earned PSUs) as determined in accordance with TSR Matrix. In the event of Relative TSR performance between the levels set forth in the TSR Matrix, the payout percentage shall be calculated using linear interpolation. The Committee, in its sole discretion, will review, analyze and certify the achievement of the Absolute TSR (CAGR), the Relative TSR and the resulting payout percentage in the TSR Matrix, and will determine the number of Earned PSUs in accordance with the terms of this Agreement, the Grant Notice and the Plan.

Appendix B-1

Performance Peer Group

The Company's "Performance Peer Group" for purposes of this Agreement will consist of the following companies:

Ticker Symbol	Name
AMPY	Amplify Energy
BRY	Berry Corporation
CRC	California Resources Corp.
CPE	Callon Petroleum
CIVI	Civitas Resources
CNX	CNX Resources
CRK	Comstock Resources
CRGY	Crescent Energy
GPOR	Gulfport Energy
MGY	Magnolia Oil & Gas
RRC	Range Resources
REPX	Riley Exploration
REI	Ring Energy
RUT	Russell 2000 Small-Cap Index
SD	SandRidge Energy
SP50	S&P 500 Index
XOP	S&P Oil and Gas E&P Index
SM	SM Energy
SWN	Southwestern Energy
VTLE	Vital Energy

Calculation of TSR

The TSR for the Company and each member of the Performance Peer Group shall be equal to:

(*X* plus *Y*) divided by *Z*, where:

X is the difference between (i) the volume weighted average closing price (the "VWAP") of such entity's common stock or other equity securities for the month of December 2026, minus (ii) the VWAP of such entity's common stock or other equity securities for the month of December 2023;

Y is the cumulative amount of dividends paid in respect of such entity's common stock or other equity securities during the Performance Period; and

Appendix B-2

"Z" is the VWAP of such entity's common stock or other equity securities for the month of December 2023.

Notwithstanding the foregoing, the following events shall be used to adjust the Performance Peer Group in response to changes in the corporate structure of an entity in the Performance Peer Group:

1. If an entity in the Performance Peer Group spins-off a subsidiary, such spin-off should be treated as a dividend.
2. If two entities in the Performance Peer Group merge, the TSR of the target entity shall be measured on the effective date of the merger. The TSR of the surviving entity shall continue to be measured as if the acquisition did not occur.
3. If an entity in the Performance Peer Group merges with another entity that is not in the Performance Peer Group, the TSR of the target entity shall be measured on the effective date of the merger.
4. If an entity in the Performance Peer Group becomes a private company, the TSR of such entity shall be measured on the date such entity goes private.
5. If an entity in the Performance Peer Group goes bankrupt, the TSR of such entity shall be deemed to be negative 100%.

Determination of Relative TSR

To determine the Company's applicable percentile ranking for the Performance Period, TSR will be calculated for the Company and each entity in the Performance Peer Group as of the Performance Period End Date. The entities in the Performance Peer Group will be arranged by their respective TSR (highest to lowest) excluding the Company. The Company's percentile rank will be interpolated between the entity with the next highest TSR and the entity with the next lowest TSR based on the differential between the Company's TSR and the TSR of such entities.

Determination of Absolute TSR (CAGR)

The Company's Absolute TSR (CAGR) will be equal to the Company's TSR for the Performance Period calculated as described above.

Appendix B-3

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Sean C. Woolverton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended **September 30, 2023** March 31, 2024, of SilverBow Resources, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023

/s/ Sean C. Woolverton

Sean C. Woolverton
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Christopher M. Abundis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2023 March 31, 2024, of SilverBow Resources, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting, to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November May 2, 2023 2024

/s/ Christopher M. Abundis

Christopher M. Abundis

Executive Vice President, Chief Financial Officer and General Counsel

Exhibit 32.1

Certification of the Chief Executive Officer and Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2023 March 31, 2024 of SilverBow Resources, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Sean C. Woolverton, the Chief Executive Officer of the Company, and Christopher M. Abundis, the Executive Vice President, Chief Financial Officer and General Counsel of the Company, each certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November May 2, 2023 2024

/s/ Sean C. Woolverton

Sean C. Woolverton

Chief Executive Officer

Date: November May 2, 2023 2024

/s/ Christopher M. Abundis

Christopher M. Abundis

Executive Vice President, Chief Financial Officer and General Counsel

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