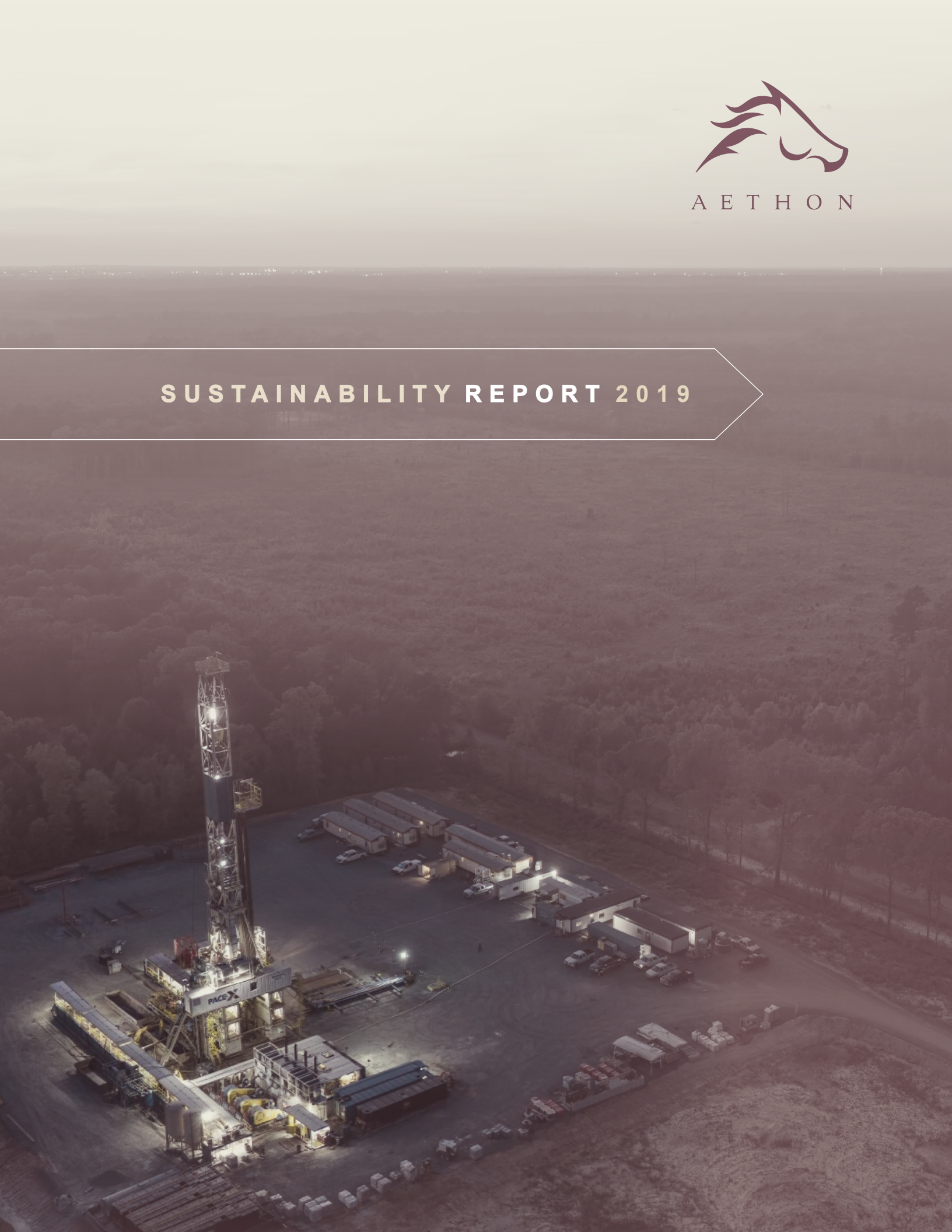




AETHON

SUSTAINABILITY REPORT 2019





A MESSAGE FROM OUR CEO

Aethon has built upon our successes in recent years, with 2019 being a pivotal year for performance, operational excellence, and the people who drive results. We are proud of not only our financial performance, but of the foundation we are building for the future.

During 2019, our focus on sustainability and performance helped us accomplish new goals. We achieved significant reductions in both methane and CO2 emissions and our company-wide Leak Detection and Repair (LDAR) program resulted in 97% of leaks with confirmed repairs. We made successful strides in community engagement, providing over \$200,000 in community investment grants and participated in numerous community events. Our commitment to high performance resulted in zero compliance violations, which we attribute to our ongoing commitment to process improvement.

Sustainability is embedded into our daily actions. We are accountable for the resources we use in order to protect our environment for future generations.

“

WE ARE ACCOUNTABLE FOR THE RESOURCES WE USE IN ORDER TO PROTECT OUR ENVIRONMENT FOR FUTURE GENERATIONS.”

On the world stage, climate change is the primary focus of our industry and we are investing in programs to reduce our footprint through innovative solutions. We must be champions for the environment with the goal

of protecting against biodiversity loss, enhancing recycling efforts, and preventing environmental hazards. Interested parties in our industry are diverse and we strive to engage them as individuals and stakeholders.

Aethon is committed to action, not just words. Throughout this report, you will find examples of how we operate and what sustainability practices we incorporate. We have successfully implemented sustainability programs that guide our use of natural resources, including air, land, waste and water management, as well as efforts to reduce our greenhouse gas emissions.

Aethon embeds sustainability management practices into our business processes to minimize our environmental impact. We are committed to working ethically and expanding our positive contribution to society, while being transparent about our challenges and accomplishments. Our reporting goal is to inform Aethon stakeholders about our sustainability efforts for 2019 in order to continue our trusting and transparent relationship.

In 2019, we spent nearly \$750 million in capital expenditures in development. Additionally, our success has allowed us to target \$1 billion for 2020, while still reducing emissions, serving our stakeholders, and being protective stewards of the environment. We will build upon our 2019 successes moving forward while balancing these critical resources for 2020 and beyond.

This report provides an overview of our sustainability goals and successes while highlighting the contributions of our people. The sincere dedication of our employees and communities in which we serve is a significant part of our success. We are proud of our results and the efforts we have taken to protect our environment through sustainable business practices and continuous improvement.

Albert Huddleston, CEO

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SECTION TWO: COMPANY CONTEXT

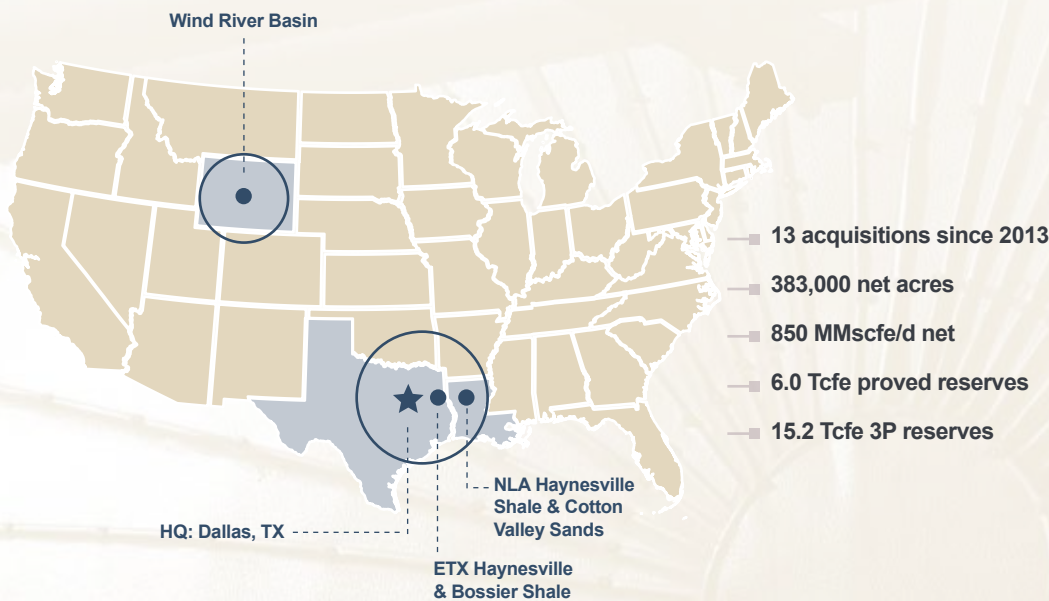
Since our beginning, Aethon's success was based on identifying, developing and preserving natural resources for the future. In 2019, we were able to grow our business, while exceeding our goals for reducing emissions by implementing programs with additional environmental safeguards. We are looking forward to building upon our successes in the coming year while growing as a sustainability-focused company.

Our History

Founded in 1990, Aethon focuses on investments that offer downside protection and capital preservation by pursuing select opportunities where we can achieve a favorable risk / reward outcome. We achieve this by acquiring oil and gas assets that provide superior returns through reserve development and replacement, identifying unappreciated upside, improving efficiency and reducing costs, pursuing disciplined hedging, and financing and divestiture strategies. One of our key strengths is purchasing high-quality reserves in basins where Aethon understands the geology, petrophysics, basis differential, marketing options, and production declines.

Our Markets

Aethon operates a total of 3,854 wells in three states: Louisiana, Texas, and Wyoming. Our headquarters is located in Dallas, Texas, with field offices in Ringgold, Louisiana, San Augustine, Texas, and Riverton, Wyoming.



Our Results

Operations Overview

Operations in Three Areas

Aethon United - 2,933 total wells, 2,086 operated wells, 847 non-op wells
Aethon III - 921 total wells, 564 operated wells, 357 non-op wells
Total - 3,854 total wells, 2,650 operated wells, 1,204 non-op wells

230 Employees

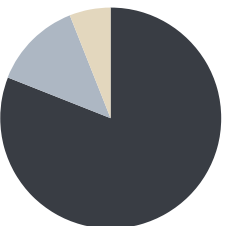
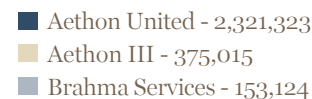
Five Offices

★ Dallas Headquarters
3 field offices:



Vehicles - 138 Trucks

2019 miles driven= 2, 849,462



Oil & Gas Strategy

Established Three Core Areas of Development

More than 383,000 net acres
850,000 Mcfe/d current net production

Haynesville Shale and Cotton Valley Sands in Louisiana

- Haynesville - Dry natural gas
 - Cotton Valley - Rich natural gas
- Haynesville & Bossier Shale in East Texas

- Haynesville - Dry natural gas
 - Bossier - Dry natural gas
- Wind River Basin in Wyoming
- Rich natural gas

Midstream Assets Summary

Aethon United Midstream

Pipelines

- 887 miles of gathering and transmission pipelines
- Up to 4" diameter - 384 miles
- Over 4" diameter - 503 miles

Compression

- 75,000 HP Total (all owned)

Treating Capacity

- 280 MMcf/d in North Louisiana
- 145 MMcf/d in East Texas
- 44 MMcf/d in Wyoming

Processing Capacity

- 50 MMcf/d of capacity at Gravel Point

Water Treating

- 25,000 Bwpd of treating capacity

Aethon III Midstream

Pipelines

- 400 miles of gathering and transmission pipelines
- Up to 4" diameter - 303 miles
- Over 4" diameter - 97 miles

Compression

- 5,610 HP Total (all leased)

Treating Capacity

- Hall Summit - 500 MMcf/d
- Thorn Lake - 100 MMcf/d

Processing Capacity

- None

Development Overview

2019 Development Highlights

~\$742 MM capital expenditure between Aethon Energy's two entities

- \$567 MM at Aethon United
- \$175 MM at Aethon III

53 operated wells drilled between Aethon Energy's two entities

- 41 operated wells drilled at Aethon United
- 12 operated wells drilled at Aethon III

65 wells completed between Aethon Energy's two entities

- 41 completed wells drilled at Aethon United
- 12 completed wells drilled at Aethon III (12 operated, 12 refracs)

2020 Development Highlights

~963 MM capital expenditure between Aethon Energy's two entities

- \$576 MM at Aethon United
- \$387 MM at Aethon III

95 operated wells expected to be spud between Aethon Energy's two entities

81 wells expected to be completed between Aethon Energy's two entities

SECTION THREE: SUSTAINABILITY CONTEXT

Our Sustainability Approach

Aethon values our stakeholder partnerships and strives to create a transparent and credible reporting process that reflects these trusted relationships. Our financial and social responsibility indicators reveal our risks and opportunities, our impact to our major stakeholders, and our efforts to create value over time for our partnership. Below, we address our efforts for stakeholder engagement, our impact toward these organizations, and our dedication to corporate responsibilities.

Stakeholder Engagement

Our stakeholder engagement approach includes an analysis of our organization’s goals, perceived stakeholder priorities, corporate and social responsibility, financial, and related considerations. We must balance all of these factors, along with emerging issues, to create a comprehensive program that serves all participants.

We have designed our Social Responsibility Stakeholder Engagement Plan to include both an internal and external strategy. For our internal stakeholders, we sponsor both employee engagement activities as well as support their dedication to volunteering. Externally, we provide community grants, align with corporate partners, facilitate communications, and support our landowners through an accountability program. This combined strategy sets the stage to build effective stakeholder partnerships for the long term.

Social Responsibility Stakeholder Engagement Plan

Internal Strategy		External Strategy			
<div>Employee Donation Match and Volunteerism Program</div> <div>\$100,000 Corporate Commitment</div> <div>Purpose: Increase employee philanthropy, morale and retention by engaging in causes and interests important to staff</div> <div>Eligibility Requirements for Volunteer Grants and Monetary Match: 501(c)(3) registered nonprofit Not political Not religious Cannot be anti-oil & gas</div>	<div>Employee Engagement Activities</div> <div>Purpose: Build a sense of community, satisfaction and increased wellness for field and office staff</div> <div>Focus Areas: Employee wellness, education and health Team-building and collaboration Outreach to underserved populations; including disabled, economically disadvantaged, veterans Provide resources to vulnerable populations; including elderly, homeless and children</div>	<div>Community Investment Grants</div> <div>\$100,000 Corporate Commitment</div> <div>Purpose: Enhance and enrich the communities where we live and operate field assets</div> <div>Eligibility Requirements for Grant Consideration: Organization must be located in or serving an operating area community 501(c)(3) registered nonprofit, established nonprofit community organization, and local, state, or federal institution Requested project or event must focus on: Environmental stewardship; Community health and education; or Community development</div>	<div>Corporate Partnership</div> <div>Purpose: Offset operational ESG impacts through a corporate level commitment</div> <div>Focus Areas: Climate change/ disaster relief efforts Water use, sourcing and availability Tree reforestation efforts to offset ecological, surface disturbances</div>	<div>Focused Stakeholder Communications</div> <div>Purpose: Increase stakeholder understanding of field-level activities through communication and outreach</div> <div>Focus Areas: New development areas or increased activity in a geographic area Multi-well pad, extended development activity Sensitive habitats or cultural considerations Expressed landowner concern</div>	<div>Landowner Accountability Program</div> <div>Purpose: Ensure Royalty and landowner concerns and grievances are addressed in a timely fashion and tracked to closure</div> <div>Focus Areas: Royalty inquiries Address changes Ownership changes Property damage Environmental concerns Speed/traffic Noise/dust Road/gate/cattle guard</div>

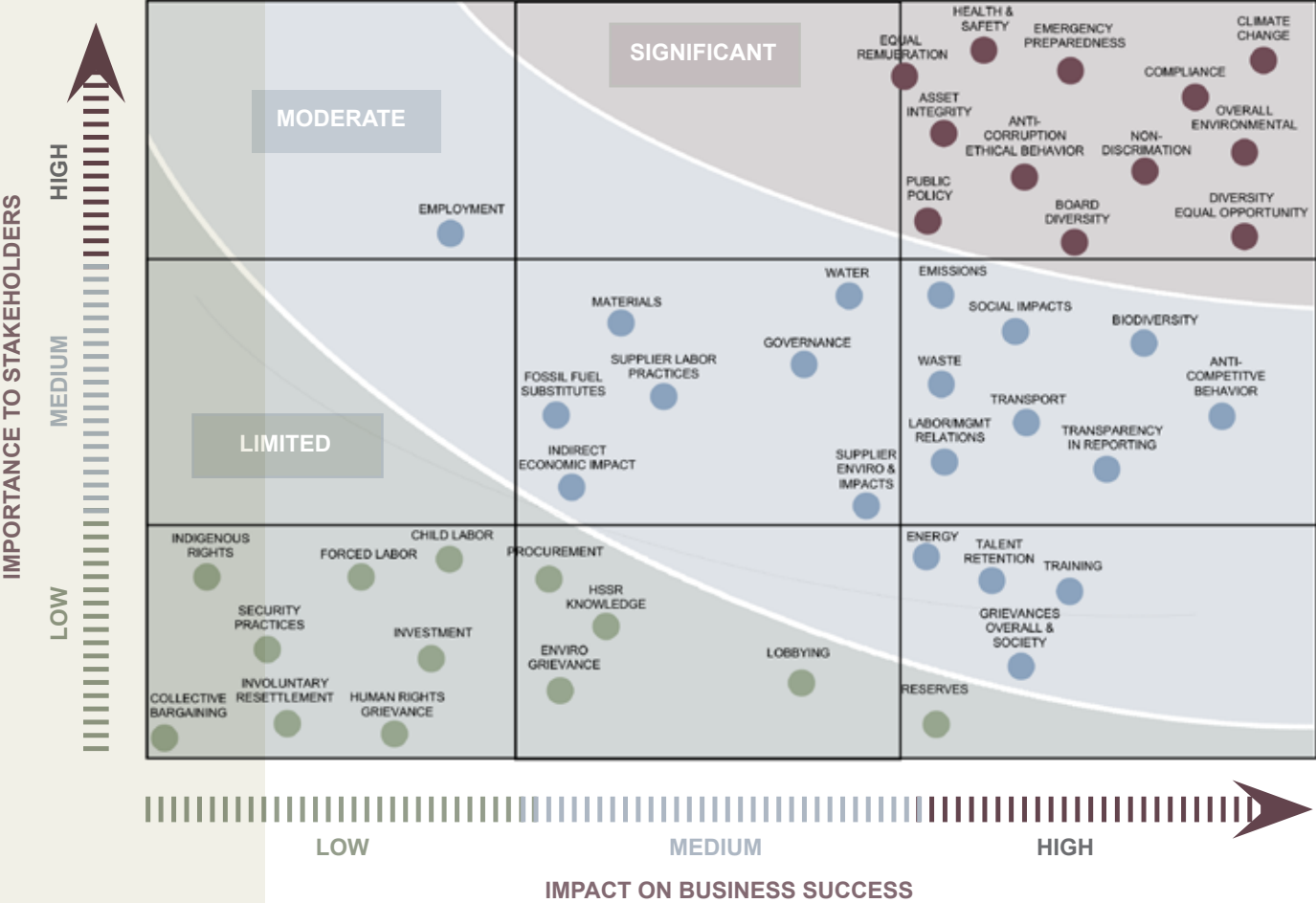
Materiality Assessment

Aethon uses our *Materiality Assessment Evaluation Criteria* analysis to understand the impact to the organization and its stakeholders. The level of materiality allows us to focus our efforts by including it in our *Social Responsibility Stakeholder Engagement Plan*. This structured approach includes internal policies and strategies, as well as performance management and reporting, so we can evaluate our level of success for each identified risk or opportunity.

governance & ethics	safety	human rights	employee engagement	environment	economic impact
Local communities (social impacts) Anti-corruption Public Policy Lobbying Board Diversity and Independence Anti-competitive behavior Compliance Supplier Assessment for Impacts on Society Grievance Mechanisms for Impacts on Society Emergency Preparedness Involuntary Resettlement Asset Integrity & Process Safety Operating within legal and regulatory framework Ethical Behavior Governance Transparency, accountability, and reporting	Occupational Health & Safety Asset Integrity & Process Safety	Investment Non-discrimination Freedom of Association and Collective Bargaining Child Labor Forced or Compulsory Labor Security Practices Indigenous Rights Vendor SR Assessments Supplier SR Assessments Human Rights Grievance Mechanisms	Employment Labor/Mgmt Relations Employee HSSR knowledge Talent attraction & retention Occupational Health & Safety Training and education Diversity and Equal Opportunity Equal Remuneration for Women & Men Supplier Assessment for Labor Practices Grievances	Materials Energy Water Biodiversity Emissions Effluents & Waste Compliance Transport Overall Supplier Environmental Assessment Environmental Grievance Mechanisms	Economic Performance Indirect Economic Impacts Procurement Practices Reserves
product responsibility	Fossil Fuel Substitutes				

Materiality Matrix

After performing a materiality assessment, we rank the results in the form of a matrix, as shown below. This allows us to prioritize and commit resources to the projects that balance our commitment to growth and sustainability.



Balancing Resources and Commitment

Carbon Reduction through Innovation

“In 2019, Aethon began a partnership to deploy TITAN™ next-generation fracturing fleet powered by a direct drive natural gas-fuel turbine. Scheduled for Q4 2020, technology will result in lowered GHG emissions as well as reduced fuel cost and increased frac spread efficiency making Aethon the pace-setter into 2021 and beyond for low cost, clean, frac fleets.”

- Valli Shanmugam, Senior Vice President, Development

Voluntary Baseline Leak Detection and Repair (LDAR)

“This company-wide effort facilitated an opportunity to reduce our GHG footprint. Through analysis of the data that was collected, we now understand the most frequent components to be leaking within each operating area. Our operations teams have implemented Method 21 for maintenance activities and know what components to maintain their focus on.”

- Andrea Taylor, Regulatory & HSE Manager

Carbon Sequestration

In 2019, Kudu Midstream submitted applications for two acid gas injection wells in Texas. The wells will be used for the sole purpose of sequestering carbon dioxide that would otherwise be released into the atmosphere through the natural gas amine treating process. The application process is lengthy, but Railroad Commission hearings are scheduled for mid-2020. The two wells will sequester a total of approximately 165,000 tons per year of carbon dioxide when at full capacity.

“Because these projects are not required by any regulatory body, this method of handling waste vapor is unprecedented for a midstream company. Aethon is truly setting an example for other midstream companies in its effort to reduce carbon footprint. It’s exciting to be part of such an industry-leading project, and part of a team with such values.”

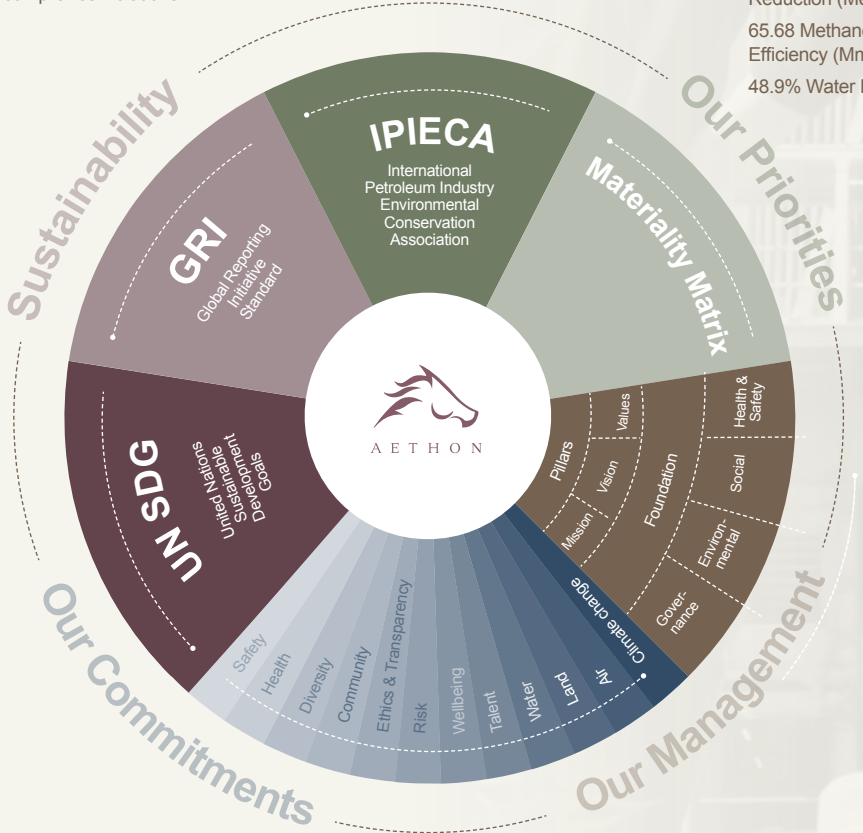
- John Copeland, Facility Engineer

Governance

Incidents
Notice of compliance violations

Environment

77,001 GHG Emissions Reduction (Metric Tons CO2e)
65.68 Methane Reduction Efficiency (Mmscf/yr)
48.9% Water Reuse Intensity



Social

69 Employee engagement index
8 Stakeholder Initiatives
2.15 Landowner Accountability Program

Health & safety

0.85 Total Recordable Incident Rate (TRIR)
47 Total Agency Reportable Spills

SECTION FOUR:
COMMITMENT TO SUSTAINABILITY

Aethon’s Philosophy and Operations

Aethon values a culture centered around worker health and safety, minimizing social and environmental impacts, and corporate governance. This culture ensures the collective wellbeing of our employees, contractors and neighbors. Our management and investment philosophy is based on creating sustainable value for stakeholders by balancing short term and long-range interests, while integrating economic, environmental and social considerations into business decision-making.

The long-range success of our company depends on our ability to continually improve costs, effectively produce oil and gas, while also protecting people, the environment, and maintaining our social license to operate. Emphasis must be placed on responsible development, human health, operational safety, environmental protection, security, and community goodwill. Aethon’s operations will comply with all laws, regulations, and company practices.

Environmental, Social, and Corporate Governance (ESG) are three central areas of focus that demonstrate an organization’s socially responsible development. It focuses on ethical and transparent behavior that contributes to the health and welfare of society. An organization’s relationship with the community is a critical factor in its ability to continue to operate effectively and maintain its social license to operate.

Our Sustainability Strategy

Aethon’s sustainability strategy embraces the highest standards for long term sustainability while implementing practical steps and monitoring tools to ensure we reach our goals. The design of our sustainability strategy is based on stringent standards while our policies, procedures, and monitoring tools measure our success. Ultimately, we aspire to be an industry leader in sustainability while setting the pace for others to follow.

Our sustainability strategy includes the following goals:

- Zero injuries
- Zero spills
- 100% Regulatory Compliance
- Equal pay and a discrimination-free workplace
- Freshwater minimization
- Being a good neighbor and fostering positive relationships in the communities where we operate
- Minimizing disturbance and surface use
- Transparent Corporate Governance
- Continuous Improvement

Social Responsibility Stakeholder Engagement Plan

Partners in Sustainability

We cannot reach our sustainability goals in a vacuum. It is vital for us to identify and select suppliers and business partners that reflect our values and contribute to our sustainability goals. Likewise, we must identify programs to participate in that challenge the status quo and make us become even better at achieving our sustainability goals. In 2019, the Aethon Vendor Management Program required our top spend vendors to complete a social responsibility questionnaire that documented and demonstrated their policies.

LDEQ Environmental Partnership

“By joining the LDEQ Environmental Partnership, Aethon Energy is recognized by the community as an organization committed to maintaining and improving the quality of Louisiana’s environment. It provides Aethon the opportunity to be recognized as an industry leader in the state for our methane and CO2 emission reduction efforts obtained through the implementation of the Voluntary Leak Detection Program.”

- Jason Moxley, Regulatory and HSE Manager

Natural Gas STAR Methane Challenge

“In 2019, Aethon signed a partnership agreement to participate in the Natural Gas STAR Methane Challenge Program. By joining this partnership, Aethon voluntarily committed to Best Management Practice (BMP) efforts to achieve reduction in equipment leaks and fugitive emissions. The company-wide effort to conduct a baseline Leak Detection and Repair (LDAR) effort with OGI technology was kicked off in March and completed in November.”

- Preston Phillips, SVP Midstream and Marketing

SECTION FIVE: GOVERNANCE AND ETHICS



“Ethical standards of conduct are essential to ensure our people, partners, and processes reflect our sustainability commitment. That’s why we set our standards high, communicate them throughout our company, and monitor our progress.”

- Gordon Huddleston, Co-President

Governance

Aethon is committed to conducting business in accordance with all legal and ethical business standards in order to comply with all applicable US federal and state laws, regulations, and procedures. Aethon expects all employees to also comply with these standards and act with the highest standards of ethical conduct.

All employees must act with competence, dignity, integrity, and in an ethical manner when dealing with the public, prospects, third-party service providers and fellow employees. These principles apply to all conduct, whether or not the conduct is also covered by more specific standards or procedures.

Aethon’s success depends upon public confidence in our integrity and professionalism. We expect that all employees will avoid activities, interests, and relationships that could actually or be perceived to compromise or be inconsistent with the best interests of Aethon and our stakeholders.

Employee Ethics, Transparency, and Discipline

In the event of a whistleblower complaint, Aethon’s General Counsel will carefully investigate and if a problem is discovered, senior management will be notified to take corrective action where necessary. Aethon will not discharge, threaten or discriminate against any employee in any manner for reporting in good faith what he or she perceives to be a wrongdoing, violation of law or policy, or other unethical or illegal conduct, nor will we tolerate retaliation toward those making the report.

Our intention is to ensure that employees have clear expectations and feel safe to bring potential wrongdoings with the intent of the issue being resolved. Each employee receives full descriptions of all policies and signs off as an acknowledgement of their understanding. We also sponsor a Conflicts Committee and Governance Committee that reviews potential conflicts and how they are addressed, updating policies where appropriate.

SECTION SIX: ENVIRONMENTAL PERFORMANCE

“Respecting our natural resources is at the core of what we do. We are constantly looking for innovations and using best practices to protect the environment. It’s a job that goes beyond just Aethon and we must partner with local organizations to understand the unique challenges faced in each community we serve.”



– Stefanie Scruggs, VP HSSR

Environmental Stewardship

Our stewardship of natural resources is incorporated into all we do, from our long-term strategies to our daily decision-making. Our management programs include air, land, and water resources as well as our operational impact on climate change. We take our responsibility seriously and monitor our performance closely.

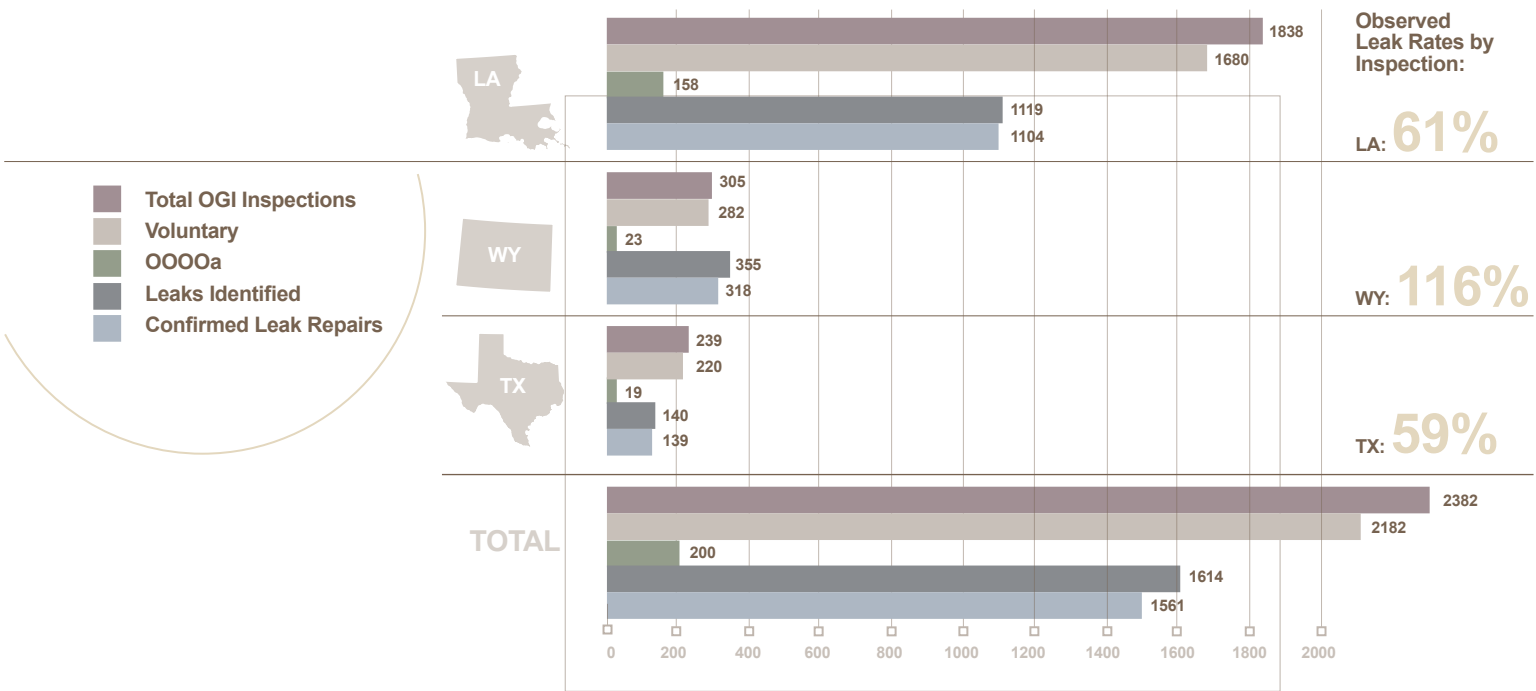
Air Management

Aethon complies with reporting requirements for local, state, and federal statutes, including the Greenhouse Gas Mandatory Reporting, Leak Detection and Repair Compliance, New Source Performance Standard, OOOO, and JJJJ requirements. Aethon implemented air best management practices (BMPs) for “Green Completions” to minimize venting in 99% of wells we completed in 2019. We also source internal combustion engines equipped with catalysts and air fuel ratio controllers to offer the best available control technology (BACT). We test engine emission sources to validate compliance with applicable limits and regulations, and route emissions from oil tanks to combustion devices to reduce flashing emissions.

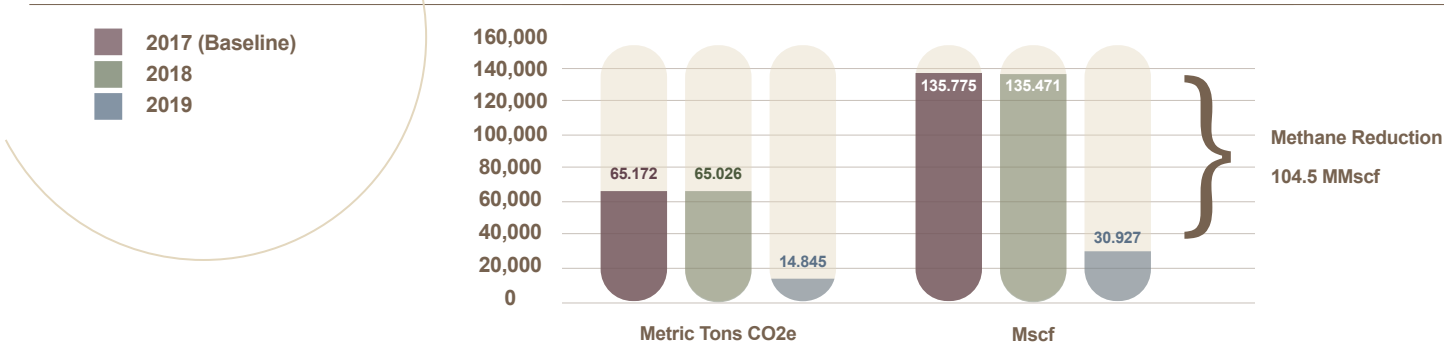
Our 2019 successes in our air management program included:

- Full Scale LDAR Program implementation in Aethon’s operational areas
- Primary efforts involved with achieving 2019 GHG Emissions Reduction and Methane Reduction Efficiency targets:
 - Implementing LDAR Program - 97% of identified leaks have had confirmed repairs by year end
 - Removal of 12,272 hp through optimization efforts
 - Conversion of 130 gas pneumatic pumps to solar
- Third Party Assurance by ERM CVS for Aethon. ERM CVS conducted limited assurance of 2018 and 2019 fugitive methane leak emissions from equipment components [metric tons of CO2e] and the difference in reportable fugitive methane emissions from 2018 to 2019 [metric tons CO2e]. See the ERM CVS Assurance Statement on page 23 for full details of the assurance scope, assurance standards used, work undertaken, and conclusions.
- The 2018 fugitive Methane emissions were 65,026 metric tons CO2e. 2019 fugitive Methane emissions were 14,845 metric tons CO2e. Demonstrating a difference in reportable fugitive methane emissions of 50,181 metric tons CO2e year over year. The resulting difference is attributed to reductions in actual emissions as a result of the 2019 LDAR program as well as the more accurate emission calculation methodology used in 2019.

LDAR Program Breakdown



Methane Reduction—Equipment Leaks



Megladon Footprint Reduction

“Our land team worked diligently with Facilities and Construction to reduce our footprint on our 16 Well Megladon project. In addition to the cost savings, by consolidating activity to one location we were able to reduce our pad size by 8 total acres in comparison to building 4 separate locations. In addition, we were also able to reduce the amount of Right-of-Way needed for roads and pipelines with this centralized activity.”

- Chelsea Budowsky, VP Land

Land Management

Responsible land management is at the core of Aethon’s sustainability approach. Our multi-step strategy includes:

- Environmental reviews on proposed development areas to ensure all impacts to wetlands, streams, archeological, endangered species and floodplains are understood and mitigated prior to construction activities.
- Directional drilling technology is used where feasible to allow production from multi-well pads and surface disturbance minimization.
- Stormwater best management practices (BMPs) are implemented to mitigate and control erosion.
- Topsoil is removed and segregated from spoil to maximize reclamation potential when reseeding occurs.
- Interim reclamation is typically performed once drilling and completion work has completed and surface disturbance of the well pad is reduced.
- Re-contouring and revegetation are performed with pesticide use plans to avoid noxious weeds.

Water Management

Water sourcing is vital for Aethon’s operations. We strive to sustainably source, use, discharge, and treat the water used in our operation.

Our water source options include the reuse of Aethon’s produced water, surface use permits of nearby sources, surface water, and drilling designated wells. Discharge options include disposal in UIC Class II water disposal wells and surface discharge that meets Wyoming regulatory requirements for the National Pollutant Discharge Elimination System. When using ponds or pits for surface sources, we protect groundwater by installing poly liner where appropriate. When utilizing UIC Class II water disposal wells, we protect groundwater by ensuring wellbore integrity and sufficient depths from groundwater sources.

“The Field Salt Water (FSW) reuse initiative was executed successfully in 2019. Over 1 MM barrels of FSW were reused in fracturing operations in 2019 relieving the burden the disposal infrastructure. Although not cost effective in the current low commodity price environment, it was proved that FSW could be used for completion operations.”

- Mike Warren, Completions Manager

“In 2019, we were able to reduce the amount of wastewater disposed as a result of our production operations. We transported the wastewater from production tanks to ongoing frac operations where the wastewater was treated and introduced into our frac fluid. This waste took on a new role in reducing our overall water footprint and reduced our impact on our local disposal facilities.”

- Brad Phillips, Sr. Operations Engineer

Reducing Emissions/Climate Change

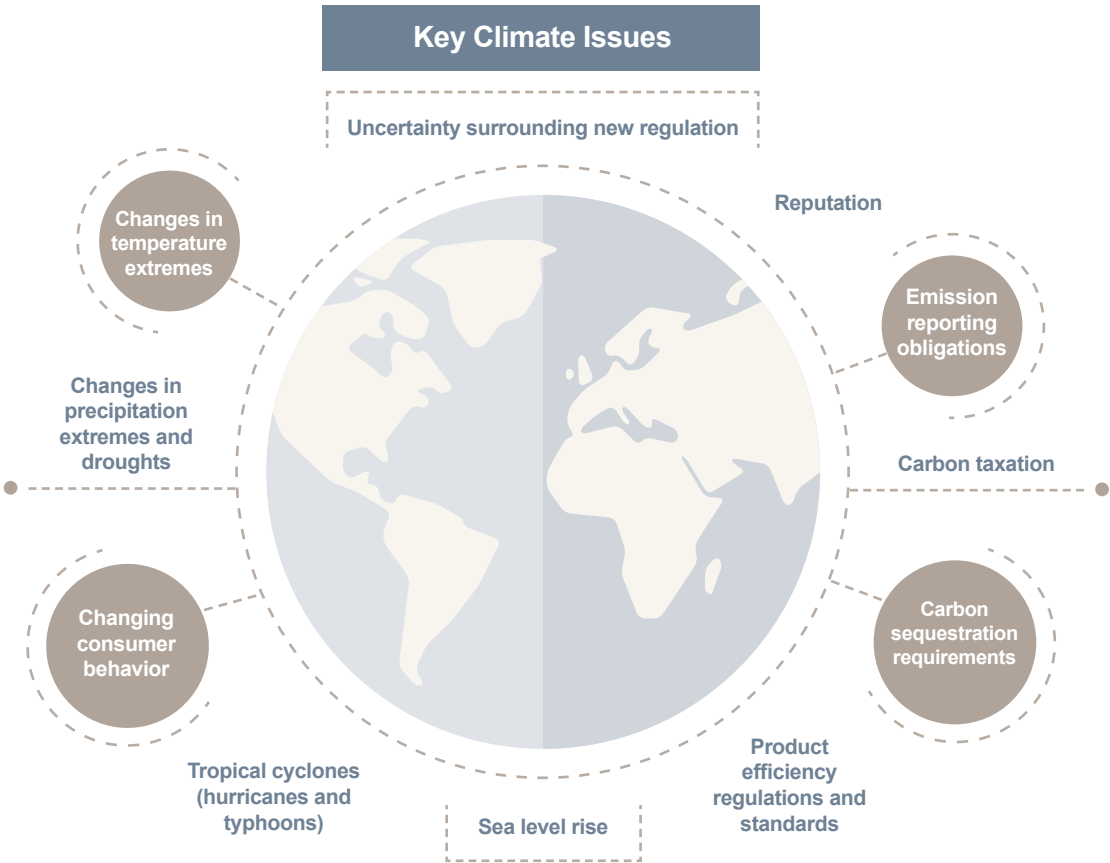
Throughout our world, there are many people who do not have access to the natural resources that allow them to transition from a life of limited opportunity to one of health and prosperity. We believe that through the sustainable use of our natural resources, we help people better their lives.

One way we achieve this goal is through natural gas production. By increasing the percentage of people using this cleaner resource, we provide a pathway to reducing overall greenhouse gas emissions.

By focusing on ethical natural resource (air, water, and land) stewardship, we are able to efficiently bring this resource to market. By incorporating our stakeholder interests, we develop new goals, better processes, and improved outcomes for everyone.

Aethon is committed to reducing emissions. We review emissions-related metrics as part of our decision making for new construction and potential acquisitions. In addition, emissions reduction operational targets tie into our annual compensation.

As part of a global community, we must continually ask what more we can do to protect the environment while supporting those in need of natural resources to advance their well-being. Together with our stakeholders, we have identified key climate-related issues to consider for our future.



Using Aethon’s Materiality Matrix, we rank these issues according to their impact to the environment, health and safety, and compliance regulations. We carefully evaluate the impact to Aethon’s business in terms of likelihood and impact, creating a risk profile for each potential event. For those events that have an above average risk factor, we incorporate them into our decision-making, creating action plans where the likelihood of impact is greatest. Based on this risk analysis, we have identified four areas where we incorporate climate-related events into our business practices.

- GHG Emissions Reduction Efforts
- Asset Evaluations
- Physical Risk Management
- Reporting Performance

SECTION SEVEN: FOCUS ON OUR PEOPLE



“Just as we are challenged to look at the environment holistically, we must adopt the same attitude toward our people. Their education, health, safety, wellness, families, and community commitments are important to us. We must support them both in and outside of work to achieve our goals.”

- Matthew Marziani, Co-President

People Are the Core of Our Business

Employees are the lifeblood of our business, carrying out our mission and stakeholder interests. We respect their diversity and the contribution they make to the communities in which we work. To support them as a valued stakeholder, we identified five areas of focus:

- Talent and skills management – to attract and retain the best people to carry out our mission
- Diversity – to respect people from all walks of life and treat them fairly
- Engagement – to ensure that employees understand Aethon’s principles and are both motivated and committed to doing the best job they can
- Ethical Behavior – to set a high standard for ethical behavior as a representative of Aethon
- Local Impact – to make a positive impact on our employees’ communities and volunteering interests

Focus on Education

It is critical that our people understand our mission and act to the best of their ability every day. For 2019, we provided over 1,600 training hours for our employees, helping them to serve not only the company, but to improve their skills and knowledge.

- Proper Training – employees receive appropriate training that includes the knowledge, skills, and information they need to conduct their work safely and efficiently. Training may be formal, informal, on the job, and conducted by knowledgeable people that include supervisors and lead workers.
- Health, Safety, and Social Responsibility (HSSR) and Supervisor Teamwork- HSSR and Supervisors work together to identify who needs training, what type and schedule accordingly with the HSSR team maintaining training records.

Focus on Safety

Aethon has a three-pronged approach to ensure the health and welfare of our employees. We have implemented a proactive approach to identify and assess, prevent and control, and plan and evaluate hazards in our work environment.

- A. Hazard Identification and Assessment
 - Regular Health, Safety and Environmental Internal Inspections
 - Risk Assessment
 - Reporting of Hazard Identification
 - Management and Analysis of Change
 - Incident Reporting
 - Incident Investigation

- B. Hazard Prevention and Controls
 - Engineering Controls
 - HSE Practices and OSHA Mandated Programs
 - Preventive Maintenance Program
- C. Hazard Planning and Evaluation
 - Emergency Response and Emergency Medical Care
 - Incident Analysis
 - HSSR Goals and Targets
 - Continuous HSSR Management Program Assessment

Focus on Health and Wellness

We understand that health and wellness is a 24/7 commitment. It is important for our employees to stay healthy both on and off the job. To keep our team members healthy, we offered flu shots to all members of the company. In addition, the Aethon Wellness Challenge was a company-wide challenge aimed to change total body composition, not just weight loss. This challenge aided each individual in achieving personal goals beyond the scale.

“The program was originally designed to give employees the tools they needed to achieve their personal health goals. We have had amazing individual successes that can still be seen months after the challenge was over. Even more importantly, it brought team members together that normally don’t interact, working toward a common goal, and helped develop relationships that strengthen the organization.”

- Jennifer Van Gorp, VP People Operations

“I participated in a 12-week wellness challenge designed to transform your body composition to achieve personal health goals. AFS Premier Fitness provided all participating members with a nutrition guide as well as workout suggestions. I lost over 22 pounds of fat, which equates to 15% of my total starting body fat. In 12 weeks, I’ve managed to not only lose 15% of my body fat, but I also have more energy, decreased back and knee pain, increased lung capacity, increased stamina, and feel better overall. The program provided me with the tools to achieve my goals and maintain them.”

- Lindsay Cox, Lease Analyst

“I learned that you shouldn’t make a habit of skipping breakfast, as you need to spread out your calories throughout the day and skipping breakfast might lead you to overeat at lunch. Even if your breakfast options are not the healthiest, you have more time throughout the day to burn those calories and stay on track! A hearty breakfast along with morning exercise helped start my days right during the Aethon Wellness Challenge and helped to shed some fat.”

- Brendan Potyondy, Sr. Reservoir Engineer

SECTION EIGHT: FOCUS ON OUR COMMUNITY



“Communities are at the heart of our organization. We are committed to their success, just as they support Aethon’s success. Our programs identify the individuals and organizations that contribute without expectation, but whom richly deserve the social, educational, and financial support we offer. Aethon is proud to be there for them.”

John Zalusky, SVP Operations

Aethon becomes part of the fabric of the communities in which we serve. It is vital that we are transparent in our operations and set clear expectations of what the community can expect from us. Sustainability is the common ground on which we connect, making our community-based programs valuable to residents and local leaders as well as Aethon as a whole. We respect the value that we add to each community and target ways in which we can make a positive impact. Aethon provides \$100,000 support to local nonprofits that focus on environmental stewardship, community health, wellness, education, or community development.

San Augustine Rodeo

“Aethon’s sponsorship of the San Augustine Rodeo helped facilitate the return of the annual rodeo and weekend festivities to San Augustine County after a period of absence. The rodeo and its contestants bring revenue into small, struggling businesses in San Augustine, of which the local population is dependent. The rodeo also creates a weekend of entertainment that is usually lacking in the community.”

- Robbie Register, Construction Consultant

San Augustine Lion’s Club

“The San Augustine Lion’s Club is an important and active civic organization in San Augustine County, with a number of the members being landowners in the area. In addition to numerous other projects, the Lion’s Club supports extracurricular programs in the San Augustine Independent School District allowing the student to compete and socialize with other students outside the district. Another primary focus of the Lion’s Club is to provide eye care and eyeglasses to those in need. Aethon’s support contributed to the continuing success of these programs.”

- Kevin Berry, HSE Advisor

Care and Share Community Outreach Program

“San Augustine County is an impoverished community. Aethon’s support provided means for Care & Share to assist the most vulnerable of the area with basic necessities and simple extras that for some are otherwise out of reach.”

- Patsi Coulter, Landman

Bossier Parish Sheriff’s Department, South Bossier Fire District #2, Bienville Fire District

“There are occasions when our Aethon teams must rely on the expertise and assistance from the communities in which we serve. Maintaining a good relationship and open lines of communication with these entities has proven to be beneficial to all organizations involved.

I am proud to have been able to be a part of an organization who has given back to the community organizations that have always been more than willing to assist us during times of need.”

- Michael Murray, Louisiana District Superintendent



Focus on Aethon in Action

Our employees are a valuable part of the communities in which they live, work, and serve. We support our employees’ interests outside of work to help them thrive as individuals, which in turn benefits the entire community from our collective contributions. The **Aethon in Action** program was designed to support the charitable efforts of our employees and communities through professional scholarships, volunteering, matching funds, and commitment to sharing.

Aethon in Action: 2019 Activity Impact

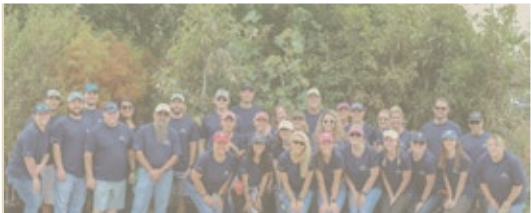


Volunteer Events

Volunteer events allow Aethon to partner with different organizations around Dallas that have goals and missions that align with the vision Aethon upholds. Additionally, it gives employees the chance to engage within their community in a team building scenario.

“Aethon provided several volunteer opportunities to its employees through a partnership with Texas Tree Foundation. Texas Tree Foundation focuses on building a healthy urban forest within a six counties region of North Texas. With Aethon’s focus on reducing impacts of climate change, we found this partnership not only can make a difference in the North Texas region’s air quality, but globally.”

- Don McClure, CFO



Matching Program

Aethon In Action Donation Matching Program is available for all staff to match volunteer hours and monetary funds provided to eligible non-profits. Up to \$100,000 in funds are available annually.

Scottish Rite Hospital

Scottish Rite Hospital provides free medical care to children.

“It’s a great feeling working for a company that gives back to others. My donation matched by Aethon will continue to help children receive free medical care.”

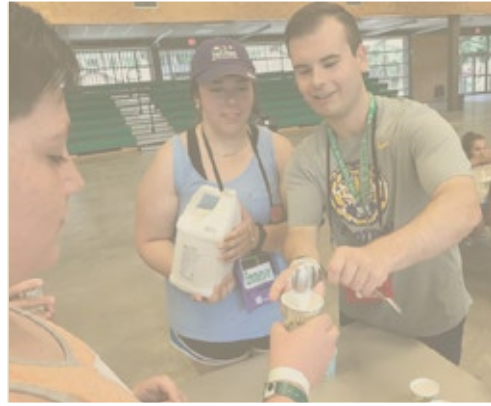
Shuna Hicks, Controller, Midstream

Kyle’s Place

Kyle’s Place founded by Journey to Dream

“The ability to donate supported by Aethon in Action means I can provide even more support to Journey to Dream and their efforts to provide the homeless youth housing, support and skills to become successful and independent.”

Christine Hamilton, Land Administration Manager



Communities are at the heart of Aethon

Wildlife Refuge

PROJECT: Red River National Wildlife Refuge's main purpose is to protect and re-establish bottomland hardwoods habitat. The Red River National Wildlife Refuge offers many activities from hiking trails, fishing/hunting, canoeing, special events, animal scouting, educational programs, summer camps and a Nature Discovery trail area.

"Red River Wildlife Refuge has created designated areas with a variety of flowers and trees. It's a place anyone any age can go and enjoy."

- Kami Rachal, Production & Regulatory Analyst

Sparta Foundation

PROGRAM: The Sparta Foundation supports research and community educational outreach about

water conservation for the Sparta aquifer. The Sparta aquifer is Northern Louisiana's largest potable water source for residents, and it is important to maintain a recharge rate on the aquifer that supports sustainable water usage for future generations.

"The money donated to the foundation goes to research on the aquifer as well as education to local communications on their impact on water conservation."

- Jackie Gibson, HSE Advisor

Adopt-a-Highway

PROGRAM: Adopt-a-Highway focuses on the cleaning up of litter and debris on a section of Highway 4 located in front of the Aethon Ringgold office.

"Being a part of the Adopt-a-Highway sustainability project shows the community that we care about more than just our facilities and

pipelines. Adopting the highway by our office and keeping it free of litter and debris is one example of our dedication to the town in which we work. We want Aethon to be a positive influence in Louisiana."

- Gregory Gordon, Maintenance Foreman

Red Cross - Disaster Relief

PROGRAM: Red Cross- San Augustine Disaster Relief went into action when an EF-2 Tornado struck San Augustine Texas Wednesday night 4-28-2019. Aethon immediately contacted Red Cross to see where we could be of assistance. With Aethon's field office located in San Augustine, it was important that we support our neighbors. Aethon continued to support this

disaster by sending funds for temporary wash stations,

bathrooms, food services and to help restore power.

"Neighbors helping Neighbors!"
- Bob Van Riper, Texas District Superintendent

Boys and Girls Club

PROGRAM: The Boys and Girls Club of Deep East Texas is dedicated to enhancing the lives of youth. The club offers a wide variety of afterschool support and leadership opportunities. Aethon's funding supported "Power Hour" supporting after school homework and basic needs of the organization.

"We support the Boys and Girls club in fulfilling their mission to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens."

- Michael McClain, Sr. Facility Engineer

North Texas Giving Day

PROGRAM: North Texas Giving Day is an 18-hour online giving event that allows people to donate monetarily to local nonprofits that are important to them. It empowers the community to be involved in an opportunity that makes a huge impact in North Texas.

"Each year, North Texas Giving Day encourages Aethon employees to make a greater impact and give to nonprofits they are passionate about. Through the North Texas Giving Day online portal, we were able to donate more than \$13,675 to 56 charities in need."

- Macy Yates, Communications Coordinator

North Texas Food Bank

PROGRAM: North Texas Food Bank is an organization that works toward closing the hunger gap in North Texas. It helps citizens gain access to nutritious food and allows them to obtain a healthier lifestyle.

"Our Food Drive benefiting North Texas Food Bank was a great success as we were able to contribute \$5,110. This provided 15,329 meals to children and families in need, and we are so appreciative of everyone who helped us make a difference."

Additionally, the Louisiana Field Office donated \$663 for their local food bank. Every dollar contributed provided \$10 worth of food, in total \$6,630. This organization distributes food to surrounding areas including Webster, Bienville, and Red River Parishes."

Jim Rice, Chief Accounting Officer

Scottish Rite Hospital for Children

PROGRAM: Each year, we host a Toy Drive that benefits a Children's Hospital in our local community. It is an event that gets our employees excited about creating an even brighter holiday experience for patients in these hospitals.

"Scottish Rite Hospital for Children was the organization we chose to partner with for our Toy Drive this year. We donated 64 toys and raised

\$6,780 in monetary donations for this specific hospital, and it was so inspiring to see our employees help make the wishes of these children come true during the holiday season."

- Don Wood, VP Drilling

Dallas ISD

PROGRAM: In partnership with United to Learn, we worked with a Dallas ISD school to provide outdoor gardens, trees and improvement projects to help facilitate an environment conducive to learning.

"Aethon's partnership with United to Learn provides students in Dallas ISD the tools and outdoor environment to help facilitate learning."

- Michael Seay, VP Finance

Ready365

PROGRAM: Aethon has a partnership with Red Cross' Ready365 program to ensure

Red Cross is appropriately funded for response prior to major disaster events.

"Through Aethon's partnership with Red Cross' Ready 365 Program, we are able to ensure first responders and victims of natural disasters have the resources they need in a difficult time."

- Monty Ward, General Counsel

Carter Blood Care

PROGRAM: Carter Blood Care is an organization that focuses on giving hope to individuals in our community through blood transfusions.

"This year, we had 34 donors participate in our blood drive benefiting Carter Blood Care, which helped save more than 100 lives. With the help of our employees we were able to make an impact, and we are so proud to have participated in an event that improves the lives of others within our community."

- Shannon LaPrade, Sr. Production & Regulatory Analyst

SECTION NINE: LOOKING TO THE FUTURE



“We are proud of how far we have come. We know there is more to achieve and we look forward to developing the innovations that will help us make a greater, more positive impact. It’s our responsibility to incorporate innovations while setting higher goals to achieve.”

- Paul Sander, COO

2020 Sustainability Initiatives

We will continue to build on our previous successes by focusing on five key areas. We look forward to achieving greater levels of sustainability to ensure a future that protects the environment.

- Sustain industry leading Methane and Carbon Dioxide Reduction Performance
- Focus internal and external stakeholder relations to support operations
- Continue to maintain a high level of operational performance and execution
- Ensure safety in our operations
- Ensure HSSR compliance and accountability

Conclusion

Aethon is proud to contribute to the growth of our communities and nation by providing resources that help people grow together. It is essential that we partner with our stakeholders – investors, communities, and employees – to grow our company and expand our mission. We place significant focus on creating a sustainable future by incorporating this goal into our culture, mindset, and daily actions. It is only through this partnership that we will reach our collective missions and together solve the growing challenges that arise.

Independent Assurance Statement to Aethon

ERM Certification and Verification Services (ERM CVS) was engaged by Aethon Energy Management LLC (‘Aethon’) to provide limited assurance of Aethon’s 2018 and 2019 fugitive methane emissions from equipment components and the difference in reportable fugitive methane emissions from 2018 to 2019.

Engagement summary	
Scope of our assurance engagement	Whether Aethon’s data for the following selected indicators are fairly presented, in all material respects, with the reporting criteria: <ul style="list-style-type: none">• Total 2018 methane emissions (fugitive emissions from equipment leaks) [tonnes of CO2e]• Total 2019 methane emissions (fugitive emissions from equipment leaks) [tonnes of CO2e]• Total 2018 to 2019 reportable methane emissions difference (fugitive emissions from equipment leaks) [tonnes of CO2e]
Reporting criteria	Aethon’s publicly available government-approved methodology.
Assurance standard	ERM CVS’ assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	Aethon is responsible for preparing the data and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS’s responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions
Based on our activities, nothing has come to our attention to indicate that the 2018 and 2019 data for the indicators, as listed above, are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities
Our objective was to assess whether the selected data is reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

- A multi-disciplinary team of EHS and assurance specialists performed the following activities:
- Interviews with Aethon’s third-party consultant which collects data and calculates fugitive methane emissions for Aethon;
 - A review of the internal indicator definitions and conversion factors;
 - Visits to Aethon headquarters (Dallas, Texas, USA) to review corporate reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality and assurance processes;
 - A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

Boundaries
The sites included in the fugitive methane emissions review are those which are required to report under EPA GHG reporting requirement (40 CFR part 98), which include operations in the following air basins: Arkla-230, East Texas-260, Wind River-530.

Observation
Without affecting the conclusions presented above, we have the following key observation:
We would like to emphasize that the difference in reportable fugitive methane emissions between 2018 and 2019 can be attributed to a combination of a reduction in actual emissions as a result of the 2019 LDAR program and the more accurate emission calculation methodology used in 2019.

The limitations of our engagement
The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Jennifer Iansen-Rogers
Head of Corporate Assurance
7 April 2020

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to Aethon in any respect.



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A E T H O N

SUSTAINABILITY REPORT 2019

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