March 13, 2024

SilverBow Resources, Inc.
Attention: Sean Woolverton
920 Memorial City Way
Suite 850
Houston, Texas 77024

Confidential Proposal to SilverBow Resources, Inc. ("SBOW")

Dear Mr. Woolverton:

At the request of SBOW's Board of Directors, Kimmeridge Energy Management Company, LLC and its applicable affiliates (collectively, "Kimmeridge", "we", "our") are pleased to submit this proposal ("Offer Letter") outlining the terms of a combination of Kimmeridge Texas Gas, LLC ("KTG") and SBOW, along with an incremental equity investment of $500 million by Kimmeridge (together, the "Transaction"), each in exchange for additional SBOW shares at $34.00 per share.

As the largest investor in SBOW holding 12.9% of all shares, this Transaction represents our strategic vision for SBOW and is one that would position SBOW to drive compelling value creation for all shareholders. While we have appreciated the opportunity to discuss the Transaction with SBOW prior to sharing this Offer Letter, we are now looking to engage in a constructive dialogue with SBOW's Board of Directors to combine our respective companies and inject capital to create a preeminent, pure-play Eagle Ford shale operator, and a partner of choice for future consolidation. We believe our proposal reflects an extremely attractive value to SBOW's shareholders, representing a meaningful 8.5% premium to the closing share price of $31.34 as of March 11, 2024, and a premium of 21% to the 30-day volume-weighted average price of $28.12 as of March 11, 2024.

We believe this Offer Letter presents a compelling opportunity that is in the best interests of, and accretive to, SBOW and its shareholders. Combining our complementary portfolios creates a leading operator in the Eagle Ford shale, with a low-cost, high-margin production base integrated into LNG, with a strong balance sheet. We believe this Transaction paves a clear path to delivering superior shareholder returns as evidenced by our plan to initiate a dividend program in 2025 while maintaining growth. Further, Kimmeridge will continue its history of establishing best-in-class environmental and governance standards with a 2025 net-zero commitment as well as aligning management with shareholders, and a refreshed, majority-independent, 9-person, declassified board of directors. The opportunity to participate in the upside of a new company with enhanced scale, financial flexibility, and operational synergies is one we believe SBOW's shareholders will support. Kimmeridge has deep experience with value creation in the energy sector across numerous investments, including its leadership role with Civitas Resources (NYSE: CIVI) ("Civitas").

We welcome the opportunity to meaningfully engage with SBOW in good faith discussions with the best interests of shareholders in mind and a view toward signing mutually agreeable definitive documentation ("Definitive Documentation") prior to 5:00 P.M. CT on April 26, 2024 (the "Termination Time").

We are prepared to move quickly to progress to a non-disclosure agreement with SBOW to allow you to review our data and properly diligence our assets, which have not been reviewed to date.

Kimmeridge is an alternative asset manager focused on unconventional oil and gas investments with approximately $5 billion in assets under management. The firm was founded in 2012 by Ben Dell, Neil McMahon and Henry Makansi. Kimmeridge leadership has technical backgrounds and direct industry operating experience. Our investment strategy is driven by identifying the core of a play and focusing solely on high-quality geology. In addition, Kimmeridge has a small decision-making group and can move very quickly. Kimmeridge would also leverage its deep experience to empower the combined company to become a sustainability leader in the upstream sector – including a commitment to net-zero GHG emissions in 2025 and obtaining gas certification across the consolidated portfolio. By way of example, Kimmeridge pioneered the founding of Civitas, which became Colorado's first carbon-neutral energy producer on day 1 of its operations. Kimmeridge also created pathways for multiple consolidation opportunities consummated by Civitas and other operators in the DJ Basin, ultimately unlocking meaningful value for shareholders and creating a best-in-class E&P company, aligned with shareholders and positioned for long-term success.

Kimmeridge has sufficient capital to fully finance its proposed equity investment of $500 million. We intend to use those funds to pay down SBOW's existing long-term debt obligations. Kimmeridge has received highly confident letters from Barclays, RBC Capital Markets and other lenders with respect to the debt consideration required to facilitate the Transaction. Kimmeridge expects the pro forma capital structure to be supported by a $750 million high-yield issuance with the remainder of debt outstanding drawn on the RBL.

<u>Conference Call Information</u>

Kimmeridge will host a conference call to discuss its proposal on March 14th at 11:00 a.m. ET. To access the conference call, please dial (800) 579-2543 (U.S. toll-free) or (785) 424-1789 (international) and reference conference ID 265573. The conference call will also be available as a listen-only webcast here. The slide presentation that accompanies the proposal is available on the Kimmeridge website https://kimmeridge.com/sbow/.

For more information on this proposal, please see the associated Supporting Slides here.

Detailed Proposal Terms

Term	Description
Transaction Structure	Kimmeridge will be issued additional equity in a new publicly-listed company comprised of the combined assets of KTG and SBOW ("CombineCo") following the closing of the Transaction. The Transaction values SBOW at $34 per share. Kimmeridge will invest $500 million in cash in CombineCo (the "Equity Investment") and contribute the KTG assets to CombineCo in exchange for equity consideration. The KTG assets have an equity value of $1.1 billion and an expected enterprise value of $1.42 billion at close. The proceeds from the Equity Investment and any debt financing raised by Kimmeridge prior to closing will be used to pay down outstanding amounts under the existing funded debt at SBOW, including its revolving credit facility ("RBL") and second lien term loan facilities. The Transaction will be structured in a manner allowing for tax-deferred contribution of KTG assets to CombineCo by utilizing a "Double Dummy" structure where SBOW creates a new subsidiary, which in turn creates two merger subsidiaries. Each of those subsidiaries would merge with one of SBOW or KTG, as applicable, with the existing equity holders of SBOW and KTG receiving common stock in CombineCo as the new publicly listed company. CombineCo would wholly own both SBOW and KTG. The Equity Investment would subsequently be made to CombineCo in exchange for CombineCo stock. SBOW currently has 26.0 million shares of Common Stock outstanding[1]. Kimmeridge would contribute KTG in exchange for 32.4 million shares of CombineCo priced at $34.00 per share. In addition, Kimmeridge would inject $500 million cash to CombineCo in exchange for 14.7 million shares of CombineCo. At closing of the Transaction, Kimmeridge and its affiliates would own a majority of the outstanding shares of CombineCo, with a total of 50.3 million shares of Common Stock (inclusive of Kimmeridge's current 3.3 million share position in SBOW).

[1] On a fully diluted basis

Term	Description
KTG	KTG has amassed 148,000 net acres in Texas overlaying the core window of the Eagle Ford Shale play within Webb, La Salle, McMullen and Karnes counties. On a net basis the company produces roughly 315 million cubic feet equivalent of natural gas per day (around 85% gas and 15% oil/NGL), selling into the South Texas market with access to Mexican export channels, to LNG terminals for global sales, and into pipelines directly servicing Gulf Coast petrochemical facilities. KTG's asset inventory across the Lower Eagle Ford, Middle Austin Chalk and Lower Austin Chalk is recognized as one of the lowest-cost sources of natural gas in North America by independent industry research. KTG's acreage has proven to be highly prospective for the Lower Eagle Ford Shale, Middle Austin Chalk, Lower Austin Chalk and Olmos formation through extensive drilling, 3D seismic interpretation, core analysis and petrophysical interpretation. In the near term, KTG is focused on optimizing drilling and completion methodologies to lower finding and development costs and enhancing well performance, ultimately improving well economics. Additionally, KTG is growing its production and leasehold organically and through acquisitions. In the longer term, KTG will continue improving its cost structure by bringing technology to the forefront of operations to fully unlock the potential of Kimmeridge's South Texas assets. Further, KTG looks forward to integrating into the global gas market having signed midstream contracts and LNG option agreements.
Financing	Kimmeridge has sufficient capital to finance the Equity Investment, and the Transaction will not be subject to financing contingencies. Kimmeridge has received highly confident letters from Barclays, RBC Capital Markets and other lenders with respect to the debt consideration required to facilitate the Transaction. Kimmeridge expects the pro forma capital structure to be supported by a $750 million high-yield issuance with the remainder of debt outstanding drawn on the RBL. With this strong balance sheet and financial backing, CombineCo is well positioned for success.
Governance	<u>Board of Directors</u>: CombineCo's board of directors (the "<u>Board</u>") will consist of nine directors. Kimmeridge will nominate four independent directors and one Kimmeridge director who will chair the Board. SBOW will nominate four directors. The Board will be majority independent, de-classified and subject to shareholder vote each year with 7-year term limits. The Board will also have a sustainability committee and will be compensated primarily through CombineCo equity. <u>Management</u>: Kimmeridge intends to follow a "best athlete" approach in forming a management team that brings a wealth of experience to benefit the combined company. For continuity, Kimmeridge anticipates retaining key members of the SBOW C-suite while enhancing leadership with additional hires. We expect the majority of other SBOW and KTG employees will remain following consummation of the Transaction and, subject to entry into Definitive Documentation, Kimmeridge will coordinate with senior management to ensure such employees are sufficiently incentivized. <u>Dividend Policy</u>: CombineCo will adopt a dividend policy by 2025 that reflects its free cash flow profile and growth potential. The dividend policy will be subject to the approval of the Board and compliance with CombineCo's debt covenants, but if adopted would give shareholders a 5% dividend yield on the issuance price. This would create a

Term	Description
	standout policy when compared to both the XOP (2.49% on average) and the S&P 500 (1.49% on average).
Other Shareholder Arrangements	Lock-Up: Kimmeridge will agree to a customary lock-up that will prohibit Kimmeridge from selling, transferring, or otherwise disposing of any common stock of CombineCo for a period of 12 months after the closing of the Transaction (the "Lock-Up Period"), subject to customary exceptions. Standstill: Kimmeridge will agree to a customary standstill that will prohibit Kimmeridge (so long as it owns a certain percentage of CombineCo's common stock) from acquiring any additional shares or voting rights of CombineCo, subject to customary exceptions. Registration Rights: Kimmeridge will have the right to (a) request that CombineCo register the resale of its common stock after the expiration of the Lock-Up Period, and (b) participate in any registration of CombineCo's common stock initiated by CombineCo or by another shareholder, in each case, subject to customary conditions and limitations and customary assignment rights to affiliates and LPs. Special Meeting: Shareholders owning over 10% in CombineCo will have the ability to call special meetings.
Rights Plan	At the signing of Definitive Documentation, Kimmeridge would be exempted under SBOW's shareholder rights plan, which plan would be terminated upon the closing of the Transaction.
Other Transaction Terms	The Transaction will generally be structured as a "public company" style transaction with no post-closing recourse and appropriately qualified representations and warranties. KTG and SBOW will agree to customary covenants in the Definitive Documentation, including covenants relating to the conduct of their respective businesses between signing and closing, the cooperation and efforts to obtain the necessary regulatory and shareholder approvals, and a customary non-solicitation covenant by SBOW and corresponding "match rights" for Kimmeridge.
Approvals/Closing Conditions	The following approvals and conditions would be required in connection with the Transaction: • The Transaction would be subject to customary closing conditions, such as the expiration of an HSR waiting period and other necessary regulatory approvals, a customary bring down of representations and warranties, absence of a material adverse effect and performance of covenants, among others. • The Transaction would be approved by the Board of Directors of KTG, approved by SBOW's Board of Directors and recommended for approval by SBOW's shareholders. • The closing of the Transaction would be subject to approval by the requisite holders of the outstanding common stock of SBOW.

Term	Description
Key Assumptions	The proposal in this Offer Letter is based on publicly available information, including SBOW's 2023 proxy statement and related materials, and subject to the following assumptions and satisfactory completion of customary confirmatory due diligence: • SBOW owning all of the assets and having only those liabilities as described in SBOW's publicly available information, and SBOW using all commercially reasonable efforts to maintain its current and planned level of operations and activities substantially in accordance with the information contained therein. • The outstanding equity securities of SBOW as laid out in its most recent 10-K filing being the only outstanding equity securities of SBOW. • The annual audited financial statements of SBOW fairly presenting the financial position, results of operations and cash flows of SBOW, and there being no material change in the financial position of SBOW since the date of such statements. • Named Executive Officers having no material changes in their respective compensation arrangements.
Timing; Due Diligence	The Offer Letter will remain in effect until the Termination Time and is subject to signing Definitive Documentation and confirmatory due diligence completed by April 26, 2024. In order to enter into Definitive Documentation, we will need to complete customary due diligence on SBOW, including with respect to reserve and environmental reports and material contracts (including marketing agreements and/or minimum volume commitments). We are prepared to commit the time and resources necessary to finalize our due diligence investigation expeditiously, and we have engaged financial and legal advisors to assist. Subject to SBOW promptly providing the requisite information, we intend to complete our due diligence contemporaneously with negotiating Definitive Documentation. Conversely, we are prepared to provide information with respect to KTG to ensure SBOW has the opportunity to conduct sufficient due diligence with respect to the KTG portfolio and operations.
Governing Law	This Offer Letter shall be construed, interpreted and governed pursuant to and in accordance with the laws of the state of Delaware, without regard to any conflicts of laws principles which, if applied, might permit or require the application of the laws of another jurisdiction.
Non-Binding	This Offer Letter is subject to the terms of the Definitive Documentation to be negotiated and entered in connection with the Transaction and the related matters discussed herein. This Offer Letter does not create any legally binding obligations, joint venture or partnership on or of any person (or any of their affiliates) (and shall not be relied upon by any person as the basis of liability), and none of such persons (or their affiliates) will be obligated to proceed with, or have any enforceable obligations with respect to the Transaction, any related transaction or otherwise (or be required to negotiate with respect thereto), unless and until with respect to such matters have been executed and delivered, and then only in accordance with the terms and provisions of such Definitive Documentation.

Kimmeridge is well-positioned to expeditiously negotiate and complete the Transaction. After receipt of this Offer Letter and, if this Offer Letter is acceptable to SBOW and its respective representatives, we are prepared to begin negotiating the Definitive Documentation and any related agreements with SBOW with respect to the Transaction. Kimmeridge looks forward to receiving SBOW's response to this Offer Letter and stands prepared to discuss our analysis of the Transaction with the SBOW Board of Directors and its advisors and any other representatives at your convenience.

Please feel free to reach out to me directly at ben.dell@kimmeridge.com or 646-517-7250 with any questions.
Regards,

Ben Dell
Managing Partner
Kimmeridge Energy Management Company, LLC
15 Little West 12th Street, 4th Floor
New York, NY 10014

Important Information

KEF Investments, LP ("KEF Investments"), KEF Fund V Investments, LP ("KEF Fund V"), Kimmeridge Energy Management Company, LLC ("KEMC"), Benjamin Dell, Alexander Inkster, Neda Jafar, Denis Laloy, Noam Lockshin, Henry Makansi, Neil McMahon, Douglas E. Brooks, Carrie M. Fox and Katherine L. Minyard (all of the foregoing, collectively, the "Participants") intend to file a definitive proxy statement and accompanying proxy card (the "Proxy Statement") with the Securities and Exchange Commission (the "SEC") to be used to solicit proxies in connection with the 2024 annual meeting of shareholders (the "Annual Meeting") of SilverBow Resources, Inc. (the "Company"). Shareholders of the Company are advised to read the definitive proxy statement and other documents related to the solicitation of proxies with respect to the Company by the Participants as they become available because they will contain important information. They will be made available at no charge on the SEC's website, http://www.sec.gov/.

KEMC may be deemed to "beneficially own" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934), 3,281,356 shares of common stock, par value $0.001 per share, of the Company (the "Common Stock") (including 100 shares held in record name by each of KEF Investments and KEF Fund V). None of the other Participants beneficially own any securities of the Company.

Additionally, on March 13, 2024, KEMC delivered to the Board a non-binding proposal to merge Kimmeridge Texas Gas, LLC with SilverBow's existing assets and inject $500M of fresh equity capital in exchange for shares of the combined public company at a price of $34 per share of Common Stock.