

September 30, 2024

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Ms. Amy Sweeney, Director
Office of Regulation, Analysis, and Engagement
Office of Fossil Energy and Carbon Management
Forrestal Building, FE-34
1000 Independence Ave. S.W.
Washington, DC 20585

**Re: Commonwealth LNG, LLC - DOE/FECM Docket No. 19-134-LNG
Supplement to Notice of Change in Control and Amendment to Pending
Application**

Dear Ms. Sweeney:

On July 25, 2024, Commonwealth LNG, LLC ("Commonwealth") filed a Notice of Change in Control and Amendment to its pending Non-FTA authorization application ("the Filing") with the Department of Energy, Office of Fossil Energy and Carbon Management ("DOE/FECM"). The Filing reflected that pursuant to an agreement executed on June 25, 2024 (the "Transaction"), a wholly owned subsidiary of Kimmeridge Texas Gas, LLC ("KTG"), an affiliate of Kimmeridge Energy Management Company, LLC ("Kimmeridge"), purchased 100% of the equity of Commonwealth.

To assist DOE in its evaluation of the Filing and Commonwealth's pending Non-FTA authorization application, Commonwealth is submitting this supplement to provide additional pertinent details regarding Kimmeridge, specifically its substantial carbon reduction efforts, and to explain that Kimmeridge's purchase of Commonwealth will enable the Commonwealth LNG Terminal to export liquefied natural gas ("LNG") to strategic US partners with significantly reduced carbon intensity.

With this new ownership structure in place, Commonwealth stands to benefit from the significant environmental efforts that Kimmeridge has been implementing across its portfolio to reduce carbon emissions, as more fully described herein and in the presentation at Attachment A.¹ By

¹ See Kimmeridge, *Kimmeridge Sustainable Investment Policy*, <https://kimmeridge.com/wp-content/uploads/2024/03/Kimmeridge-Sustainable-Investment-Policy.pdf> (last visited Aug. 26, 2024).

integrating sustainability insights and data into the investment process and focusing on sustainability throughout the investment lifecycle, Kimmeridge has engaged in a number of notable efforts to reduce energy industry emissions.² These efforts include the development of a framework for a carbon offset market for the energy industry;³ commitments by Kimmeridge to reduce the greenhouse gas (“GHG”) intensity of its gross operated production by at least 50% by 2030, from a 2019 base level;⁴ substantial investment in carbon offset companies such as Chestnut Carbon;⁵ and a collaboration agreement with Storegga Limited aimed at advancing carbon capture and storage (“CCUS”) projects.⁶

In particular, the substantial investments in Chestnut Carbon demonstrate Kimmeridge’s strong commitment to environmental stewardship through the development of nature-based carbon removal credits. Chestnut Carbon was founded by Kimmeridge in 2022, and works to support afforestation, which occurs when trees are planted in an area where there was no recent tree cover, effectively storing carbon in above and below-ground biomass.⁷ The Chestnut Carbon Restoration Project acquires marginal crop and pasture lands and then partners with local foresters, nurseries, and community members to develop an ideal forest ecosystem based on native tree species, soil, drainage, and community land use.⁸ Chestnut Carbon is the developer of the largest afforestation project to date registered with the Gold Standard for Global Goals, the

² *Id.*

³ *Id.*

⁴ Kimmeridge, *Why the Energy Industry Needs to Build Its Own Carbon Offset Exchange to Get to Net Zero*, <https://kimmeridge.com/wp-content/uploads/2021/06/Why-the-Energy-Industry-needs-a-Carbon-Offset-Exchange-Final.pdf> (last visited Aug. 20, 2024).

⁵ PR Newswire, *Chestnut Carbon to Deliver High-Quality Carbon Removal Credits through a Multi-year Offtake Agreement with Microsoft* (Dec. 20, 2023), available at https://www.prnewswire.com/news-releases/chestnut-carbon-to-deliver-high-quality-carbon-removal-credits-through-a-multi-year-offtake-agreement-with-microsoft-302019608.html?tc=eml_cleartime; PR Newswire, *Chestnut Carbon, Developer of the Largest Gold Standard Afforestation Project in the US, Completes Planting of 10 Million Trees* (Apr. 8, 2024), available at <https://www.prnewswire.com/news-releases/chestnut-carbon-developer-of-the-largest-gold-standard-afforestation-project-in-the-us-completes-planting-of-10-million-trees-302110291.html>; PR Newswire, *Chestnut Carbon Completes Sale of First IFM Carbon Removal Credits at \$34 per Credit* (Apr. 17, 2024), available at <https://www.prnewswire.com/news-releases/chestnut-carbon-completes-sale-of-first-ifm-carbon-removal-credits-at-34-per-credit-302118820.html>.

⁶ PR Newswire, *Kimmeridge Carbon Solutions and Storegga Partner to Advance CCUS Projects* (Nov. 29, 2023), available at https://www.prnewswire.com/news-releases/kimmeridge-carbon-solutions-and-storegga-partner-to-advance-ccus-projects-301999822.html?tc=eml_cleartime.

⁷ See PR Newswire, *Chestnut Carbon, Developer of the Largest Gold Standard Afforestation Project in the US, Completes Planting of 10 Million Trees* (Apr. 8, 2024), available at <https://www.prnewswire.com/news-releases/chestnut-carbon-developer-of-the-largest-gold-standard-afforestation-project-in-the-us-completes-planting-of-10-million-trees-302110291.html>.

⁸ Chestnut Carbon, *Chestnut Afforestation Project*, available at <https://chestnutcarbon.com/> (last visited Aug. 26, 2024).

industry's leading certification standard.⁹ Chestnut Carbon has been making steady progress toward the goal of restoring and conserving 500,000 acres across the United States by 2027, recently completing the planting of 10 million trees and the acquisition of over 21,000 acres of marginal crop and pastureland.¹⁰ These trees represent a biodiverse mix of up to 17 species of native hardwoods as well as softwood pine, which together support local wildlife, improve air quality in the region, prevent soil erosion, filter water, and act as carbon sinks by capturing carbon dioxide and thereby reducing the greenhouse effect.¹¹

Reforestation and afforestation efforts, such as those implemented by Chestnut Carbon, are essential to reaching climate goals in the decades to come. In fact, the United States' long-term strategy to reach net-zero emissions no later than 2050, explains that when it comes to achieving significant land carbon benefits by 2050 and beyond, "[p]olicies, incentives, and investments that can support an enhanced sink through activities such as reforestation and soil carbon retention will be central."¹²

Further, DOE recently highlighted the potential contribution of reforestation and afforestation to carbon reduction efforts in its report, "Roads to Removal: Options for Carbon Dioxide Removal in the United States."¹³ Specifically, the report found that U.S. reforestation and afforestation efforts, when implemented along with fire-resilience forest treatments and forest management practices, have the potential to yield a total removal of 1.5-1.8 billion tonnes of carbon dioxide equivalent (CO₂e) between 2025 to 2050, or approximately 72 million tonnes of CO₂e on an annual basis.¹⁴ Kimmeridge is proud to play a key role as a leader in the carbon reduction space and is looking forward to continuing its substantial efforts to promote afforestation as the United States works to meet its climate goals.

Kimmeridge's significant investments in this space and the associated carbon credits uniquely positions Commonwealth as an LNG producer capable of exporting cargoes of U.S.-sourced LNG to strategic U.S. allies with substantially reduced carbon intensity, approaching net-zero emissions, mitigating concerns regarding the lifecycle emissions of Commonwealth LNG. Kimmeridge therefore respectfully requests that DOE/FECM consider the environmental benefits

⁹ See PR Newswire, *Chestnut Carbon, Developer of the Largest Gold Standard Afforestation Project in the US, Completes Planting of 10 Million Trees* (Apr. 8, 2024), available at <https://www.prnewswire.com/news-releases/chestnut-carbon-developer-of-the-largest-gold-standard-afforestation-project-in-the-us-completes-planting-of-10-million-trees-302110291.html>.

¹⁰ *Id.*

¹¹ *Id.*

¹² Department of State and Executive Office of the President, *The Long-Term Strategy of the United States: Pathways to Net Zero Greenhouse Gas Emissions by 2050*, at 66 (Nov. 1, 2021), available at <https://unfccc.int/documents/308100>.

¹³ Department of Energy, *Roads to Removal: Options for Carbon Dioxide Removal in the United States*, at (Dec. 2023), available at <https://www.energy.gov/fecm/articles/departement-energy-roads-removal-report-maps-path-gigatonne-scale-co2-removal>.

¹⁴ See *id.* at ES-8.

resulting from Kimmeridge's acquisition of Commonwealth LNG in DOE/FECM's review of the pending Non-FTA authorization application and the notice of change in control.

Thank you for your attention to this matter. Please contact me with any questions regarding this filing.

Best regards,

A handwritten signature in black ink, appearing to read "D. L. Wochner". The signature is fluid and cursive, with the first name "David" and last name "Wochner" clearly legible.

David L. Wochner
Counsel for Commonwealth LNG, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served this 30th day of September 2024 upon each person designated on the official service list compiled by the Secretary in this proceeding, in accordance with 10 C.F.R § 590.107(a).

/s/ Timothy J. Furdyna

Timothy J. Furdyna

Counsel for Commonwealth LNG, LLC

**UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**

In the Matter of	)	
	)	FECM Docket No. 19-134-LNG
Commonwealth LNG, LLC	)	

VERIFICATION

I, Farhad Arabi, declare that I am President and CEO for Commonwealth LNG, LLC, and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information, and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Houston, Texas on September 30, 2024.

/s/
Farhad Arabi
President and CEO
Commonwealth LNG, LLC

Attachment A



Kimmeridge Introduction & South Texas Strategy

September 2024

About Us

Investment Philosophy

South Texas Strategy

- KTG Update
- Commonwealth Update

Appendix

- Kimmeridge Strategies
- Sustainability at Kimmeridge
- Partner Biographies

Founded in 2012, Kimmeridge is a \$5 billion alternative asset manager focused exclusively on the energy sector.

Public or private, we are focused on **asset quality**. Our open infrastructure allows for knowledge sharing across the organization. The depth and breadth of our sector expertise make us true **energy specialists**.

Core Strategies:



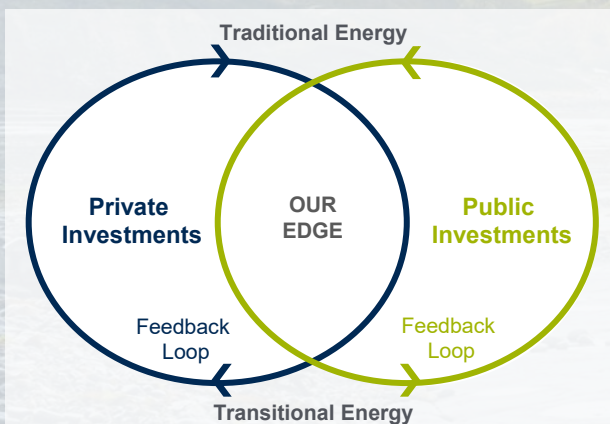
Kimmeridge Flagship Funds are focused on gaining control of upstream oil and gas assets at the front-end of the cost curve via the lowest-cost path.



Kimmeridge Energy Engagement Partners (KEEP) identifies catalysts for unlocking shareholder value through engagement and activism in North American public energy equities.



Kimmeridge Carbon Solutions (KCS) invests in sustainable and value-driven investments in transitional energy.



Kimmeridge is differentiated in its **direct investment** approach, deep **technical knowledge**, **active** portfolio management and **proprietary research**.



Kimmeridge Investments (New York)



Private Investment Team
24 Professionals



Data Science
5 Professionals



Finance
6 Professionals



Legal/Compliance
2 Professionals



Investor Relations
4 Professionals



Operations
6 Professionals

Asset Evaluation (Denver)



Engineers
6 Professionals



Geologists/CCS
12 Professionals



Landmen
9 Professionals



GIS
3 Professionals



Regulatory
1 Professional



Finance
9 Professionals

Kimmeridge leadership has been consistent since inception.

Kimmeridge's integrated model makes it capital efficient and nimble.

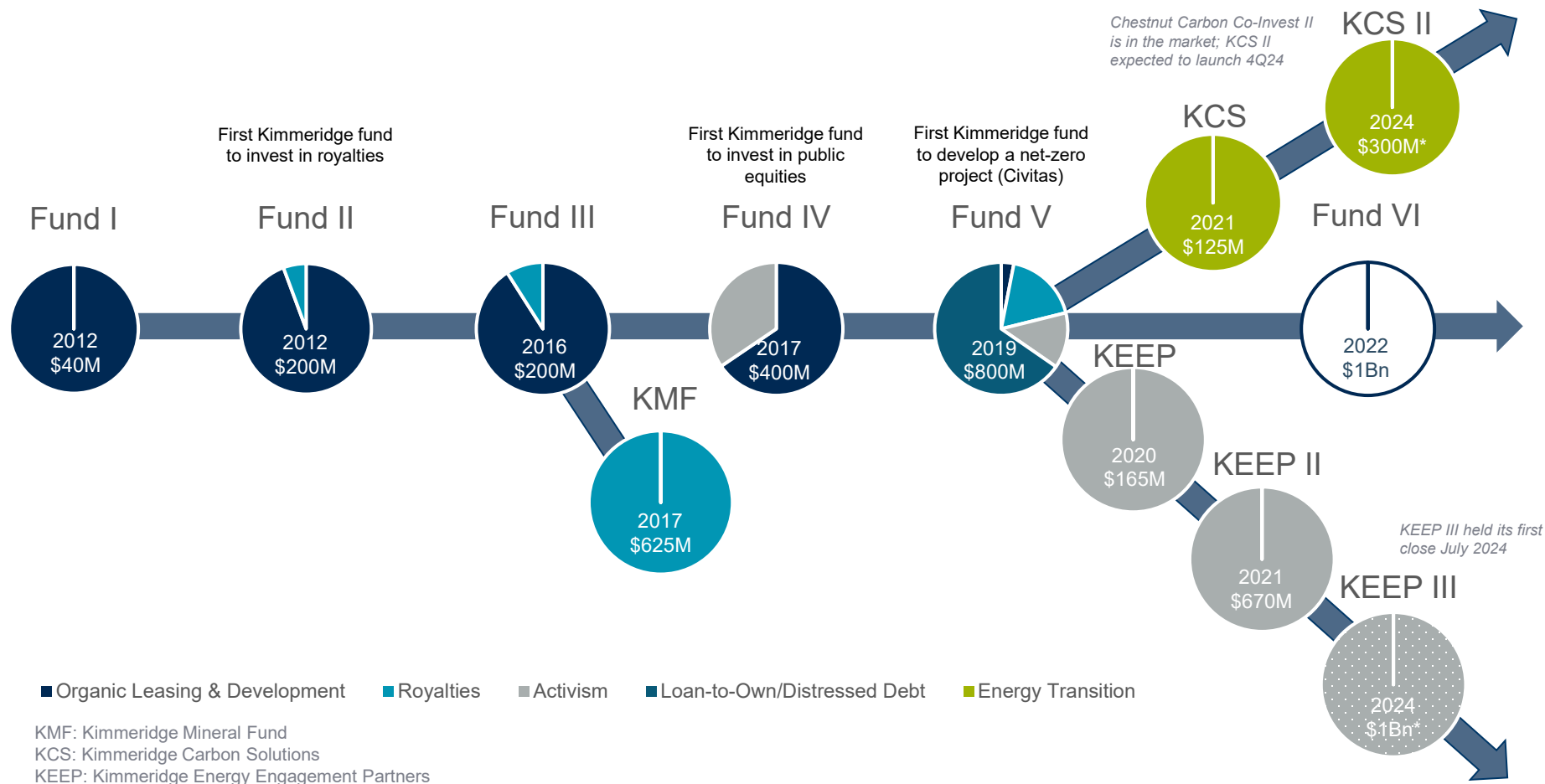
In-house development of investments grows firmwide learnings.

Direct investment enhances control and portfolio-wide decision making.

Kimmeridge Evolution



Kimmeridge is focused on gaining control of assets at the front-end of the cost curve at the lowest cost of entry. We have a flexible mandate for how we access these investments. The intended result is a best ideas portfolio of front-end of the cost curve assets at the lowest entry price.



* Indicates Target Size

The investment opportunities described above are representative of the types of investments made by Kimmeridge funds. They are provided for informational purposes only and there is no guarantee that any future fund will make investments of the kind described herein. Please see the disclosures contained at the end of this presentation for additional information.

About Us

Investment Philosophy

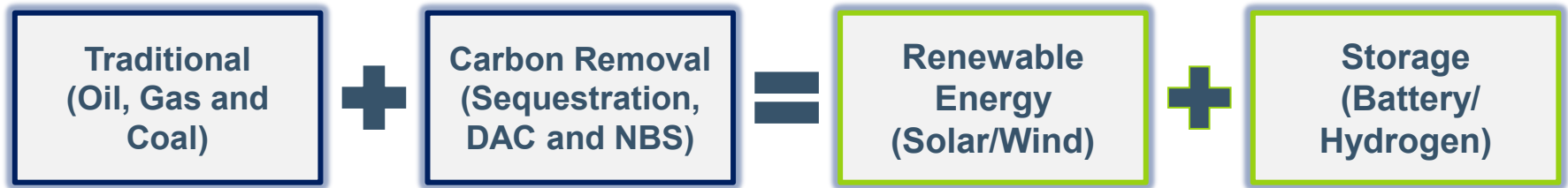
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- KTG Update
- Commonwealth Update

Appendix

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- Over the long term, Kimmeridge believes that consumers all want the same thing: low-cost energy supply that is delivered on demand with no net carbon footprint.
- Kimmeridge believes that existing oil, gas and coal assets that have their carbon footprint offset through sequestration, direct air capture (DAC) and nature-based solutions (NBS) will compete with renewable power paired with storage. The price of carbon and the price of storage will be critical in this balance and will evolve over the next decade.



- Kimmeridge continues to build its range and depth of expertise across the energy spectrum to identify dislocated and, at times, out-of-favor opportunities that should lead to elevated returns, supported by our in-house research and data gathering.
- Investing at the front-end of the cost curve remains key across everything we do (upstream, alternatives, carbon, LNG, etc.). While the cost curve is well defined in the upstream and LNG, it is rapidly evolving in alternatives and carbon.

- Kimmeridge has been consistent in applying its core investment philosophy across traditional energy opportunities, while organically developing into new markets (carbon, renewables, LNG, etc.).
- This expansion has enhanced our knowledge base, brand equity and flow across the energy spectrum, improving our understanding and expanding our opportunity set.

Quality Focused

- Front-End of the Cost Curve Assets
 - E.g., Eagle Ford gas (Kimmeridge Texas Gas) and nature-based carbon removal (Chestnut Carbon)

Mispriced Asset Risk

- Aggregation Risk
 - E.g., Sitio Royalties roll-up and CHK/SWN merger
- Commercial Risk
 - E.g., Commonwealth LNG
- Above-Ground Risk
 - E.g., Civitas in the DJ Basin
- Geological Risk
 - E.g., PRB and CBP

Structure Agnostic

- Public Equities
 - E.g., NYSE: ERF and CRC
- Private Direct Investments, Royalties, JVs
 - E.g., CPE ORRI and USLE
- Credit, Loan-to-Own, Convertible Notes
 - E.g., XOG bonds, CPE 2L note and Common Energy

Leaner

Direct investment and our centralized operations model lowers costs

Faster

A flat corporate structure and pre-screened pipeline of opportunities allows rapid fund deployment

Smarter

With multi-basin experience and an integrated team, investment opportunities are developed in-house

Stronger

A focus on front-end of the cost curve assets aims to drive performance through the commodity cycle

Kimmeridge is a first-mover in **diagnosing and capitalizing** on resolving the industry's ailments – at scale. Over the past decade, our investments, engagement and thought leadership have delivered differentiated returns for our investors, cultivated a strong brand, attracted talent to our organization and set the foundation for sustained growth.

Driving Industry Consolidation	Adopting an Improved Business Model	Raising ESG Standards	Building New Business Models	Cultivating Industry Partnerships
     	    	    	   	  

Influencing and Impacting ~\$50Bn of Market Cap

About Us

Investment Philosophy

South Texas Strategy

- KTG Update
- Commonwealth Update

Appendix

- Kimmeridge Strategies
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Upstream Opportunity:

- The Eagle Ford of South Texas is highly disaggregated with multiple subscale players. Kimmeridge believes it can consolidate private and public assets to build a South Texas (“SoTex”) gas champion, similar to what we built in the DJ Basin.
- South Texas Eagle Ford/Austin Chalk gas wells are at the front-end of the North American cost curve and will be pivotal in delivering the supply growth required for growing LNG exports (an incremental 18 bcf/d by 2030).

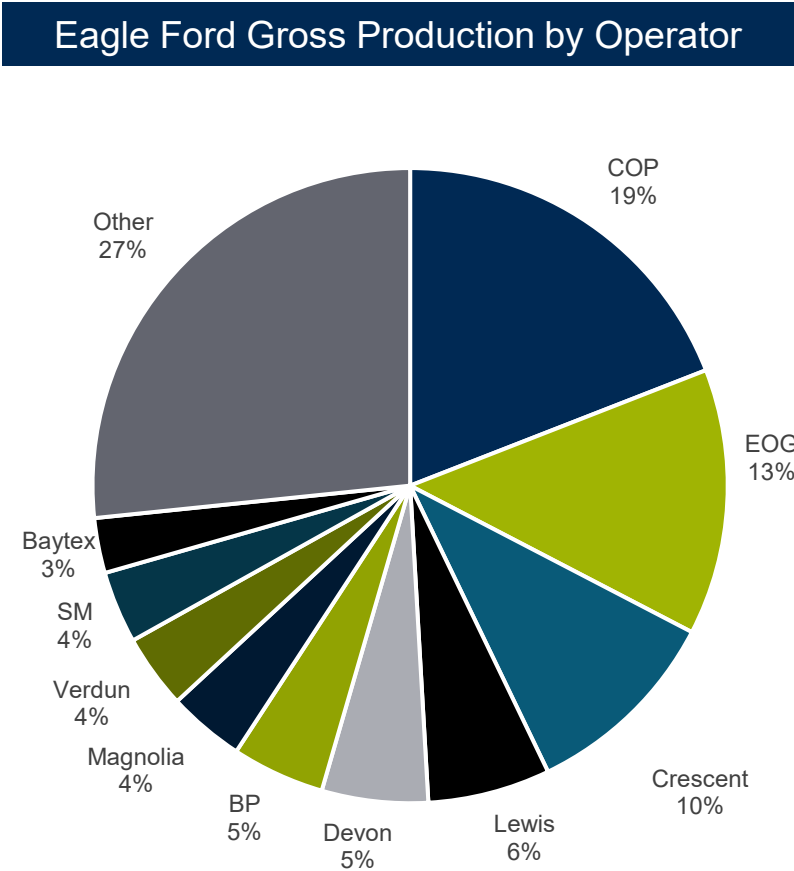
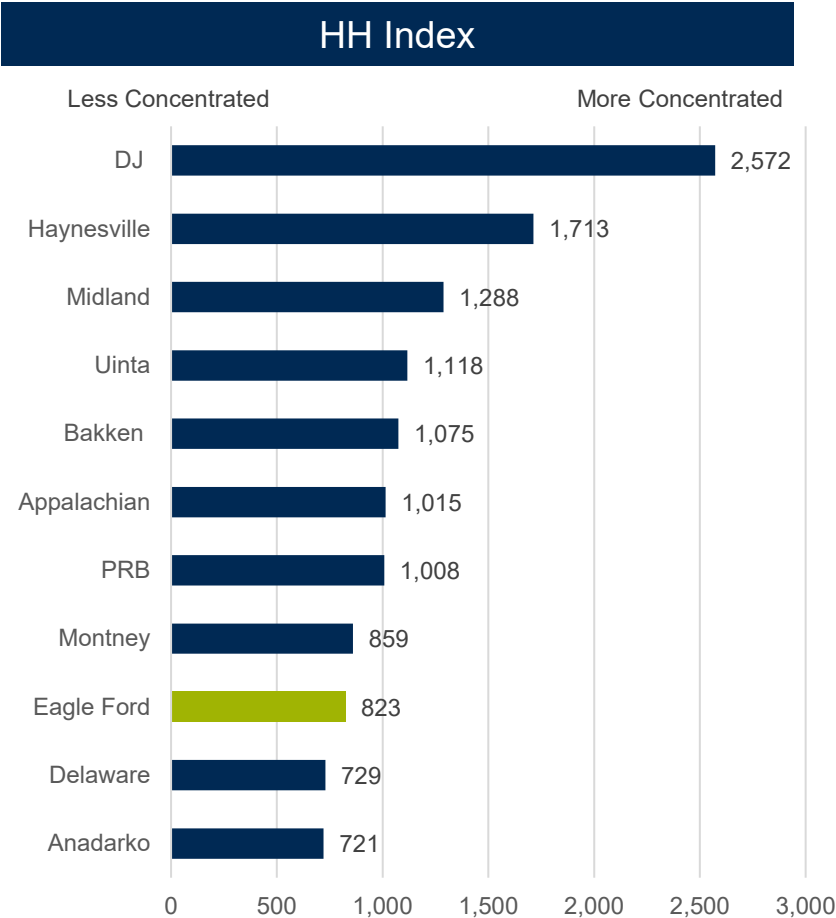
Midstream & LNG Opportunities:

- Kimmeridge is planning to integrate its existing Kimmeridge Texas Gas (“KTG”) upstream assets with Gulf Coast liquefaction capacity.
- Through an agreement with Kinder Morgan, KTG has the ability to deliver volumes across the Gulf Coast at highly competitive rates.
- Integration through to LNG will drive incremental value, allowing Kimmeridge to put gas on the water \$0.70-\$1.20/mcf below the marginal supplier.
- The opportunity also exists to market a net-zero LNG product that can capture a premium in Europe.

The Eagle Ford is Primed for Further Consolidation



The Herfindahl-Hirschman Index (HHI)¹ is a commonly-accepted measure of market concentration (larger numbers indicate higher concentration). HHI-based data demonstrates the Eagle Ford as one of the most disaggregated basins in the U.S., with numerous roll-up options for a consolidator.

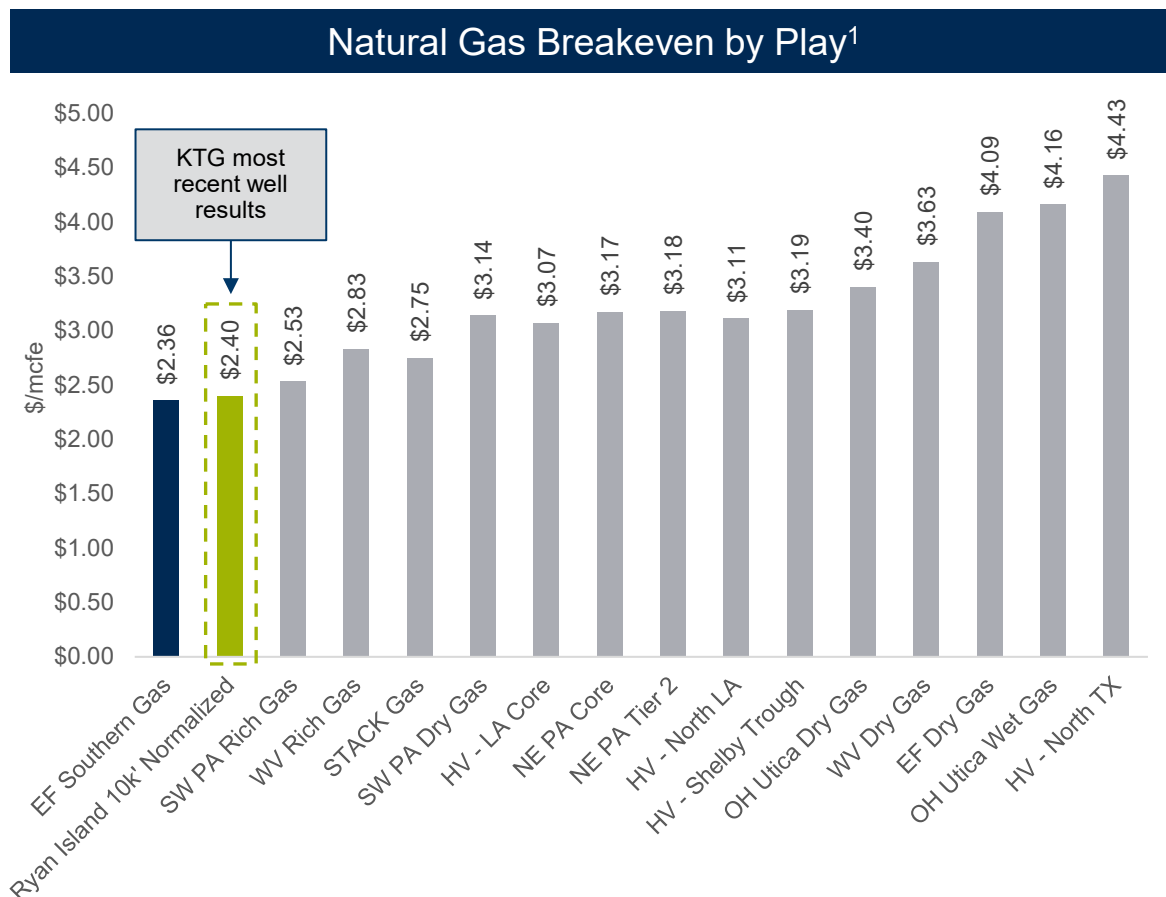


Source: Enverus, Kimmeridge Analysis.
¹ HHI is calculated by squaring the market share of each competitor in the market and then summing the resulting numbers.

The Eagle Ford Sits at the Front End of the Gas Cost Curve

The Eagle Ford gas window – which includes the Middle Austin Chalk (“MAC”), the Lower Austin Chalk (“LAC”), and Lower Eagle Ford (“LEF”) – is recognized as one of the lowest-cost sources of natural gas in North America.

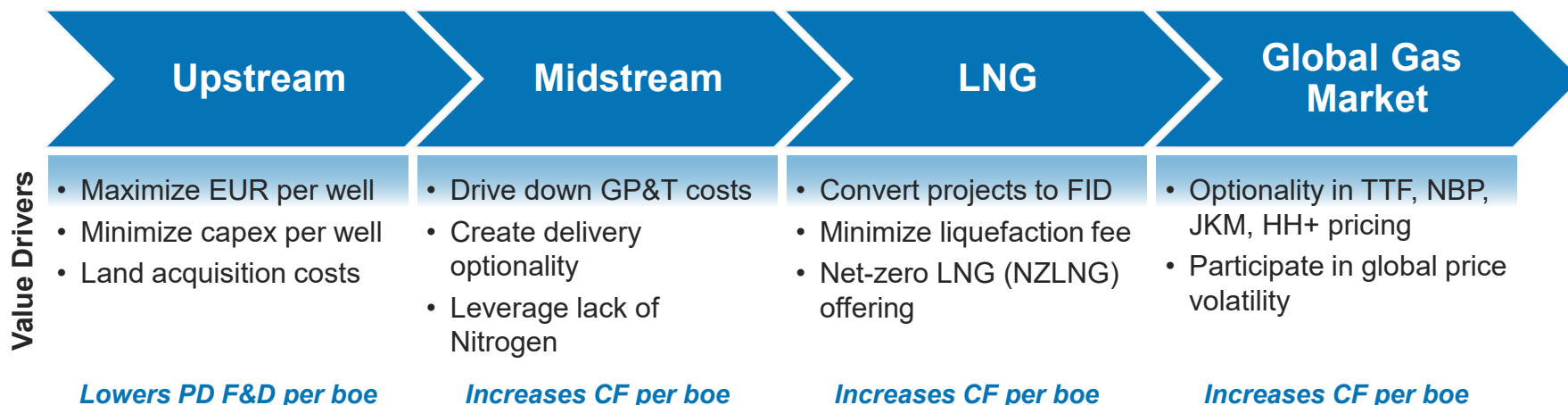
- While early in the play’s development, initial wells have consistently demonstrated strong EURs/ft (up to 2,000 mcf/ft), and relatively low drilling costs per completed lateral foot (\$750-1,000/CLAT).
- Coupled with their proximity to the Gulf Coast and key export markets, the assets sit at the front-end of the North American cost curve.



Building a SoTex Integrated Gas Champion

Kimmeridge strives to repeat British Gas' success in building a scaled integrated LNG operator, maximizing realizations by participating across the value chain and delivering the lowest-cost, highest-margin gas to the global market. KTG seeks to sell up to one third of its gas directly into the international market.

Integrated Value Chain and Value Drivers



$$\text{Recycle Ratio} = \frac{\text{Cash flow per boe}}{\text{PD F\&D per boe}^1}$$

¹ PD F&D is calculated taking the capex per well divided by the EUR per well to get a \$ / unit of production.

About Us

Investment Philosophy

South Texas Strategy

- KTG Update
- Commonwealth Update

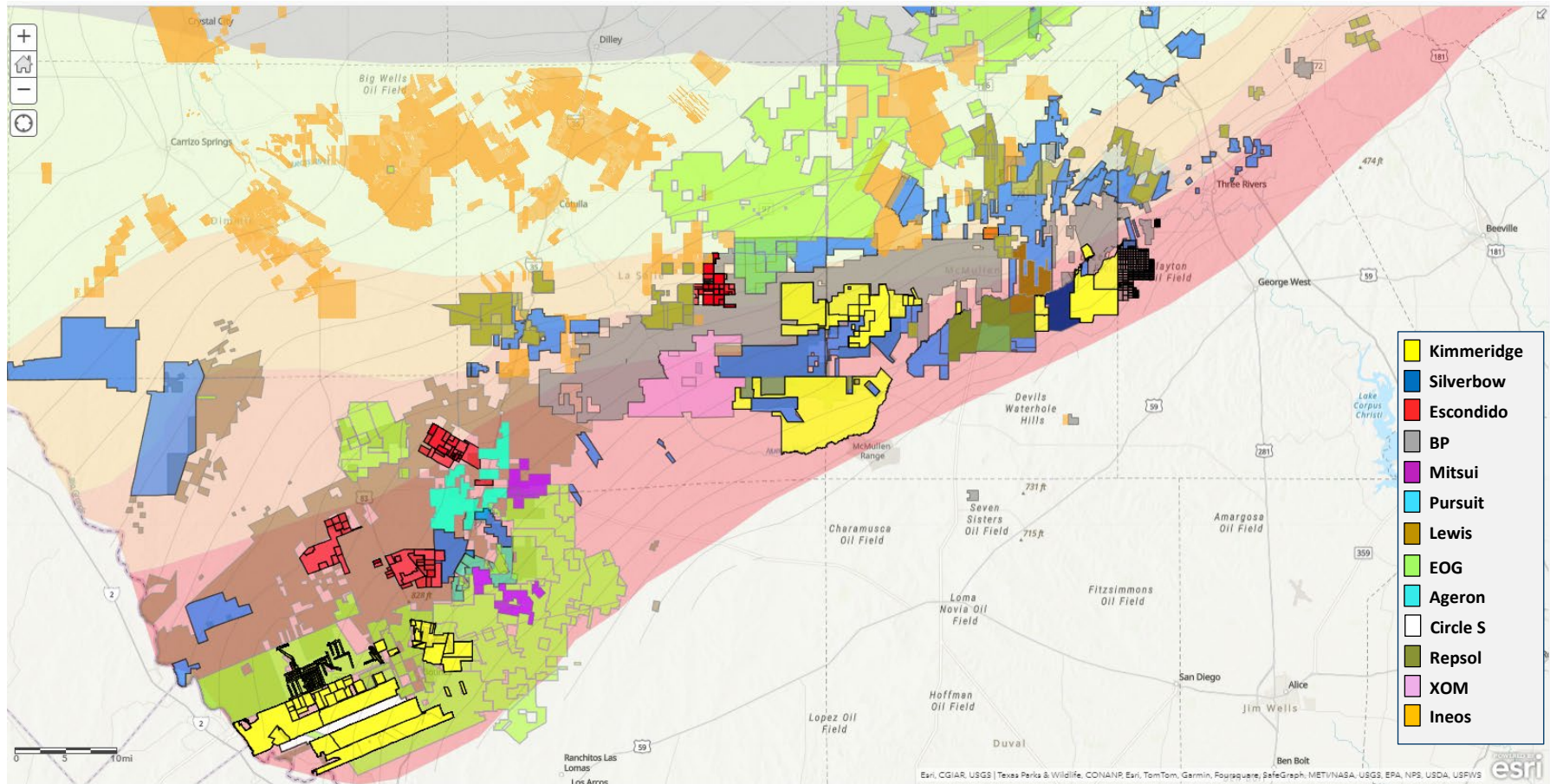
Appendix

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- Kimmeridge is building a SoTex gas champion, with scale assets at the front-end of the cost curve and access to international gas markets. Through KTG, Kimmeridge has been executing its upstream consolidation thesis.
- KTG's progress to date:
 - Organically leased ~59k net mineral acres in McMullen and La Salle Counties
 - Acquired Laredo Energy's assets in Webb County
 - Acquired BlackBrush Oil & Gas' assets in McMullen, La Salle and Karnes Counties
 - Grew production to ~400 mmcfe/d by operating a 2-3 rig program and a frac crew for the past ~2 years
- KTG's near-term focus:
 - Continue to improve well economics by quickening D&C cycle times, high-grading economic wells in the development plan and capturing cost savings, driving down F&D cost to ~\$1/mcf
 - Develop the highly-economic, deep gas acreage in McMullen County
 - Further integrate into LNG by delivering gas to the international market with costs of ~\$5/mcf
- Total equity invested to date in this play concept is ~\$1.1Bn split between Fund V, Fund VI and the SoTex Co-Invest.
- KTG has a path to aggregating ~1 bcfe/d of net production by 2028 through organic leasing and development and the potential to expand to >1.5 bcfe/d of net production through further acquisitions.

KTG Assets Today (August 2024)

Since 2022, KTG has increased its leasehold organically and through an additional acquisition. Today, it has ~148,000 net acres, ~400 mmcf/d (83% gas, 10% oil, 7% NGL), and is growing production with 2-3 rigs and a frac crew. KTG has drilled 70 wells and completed 66 wells since September 2022.



KTG Management Team

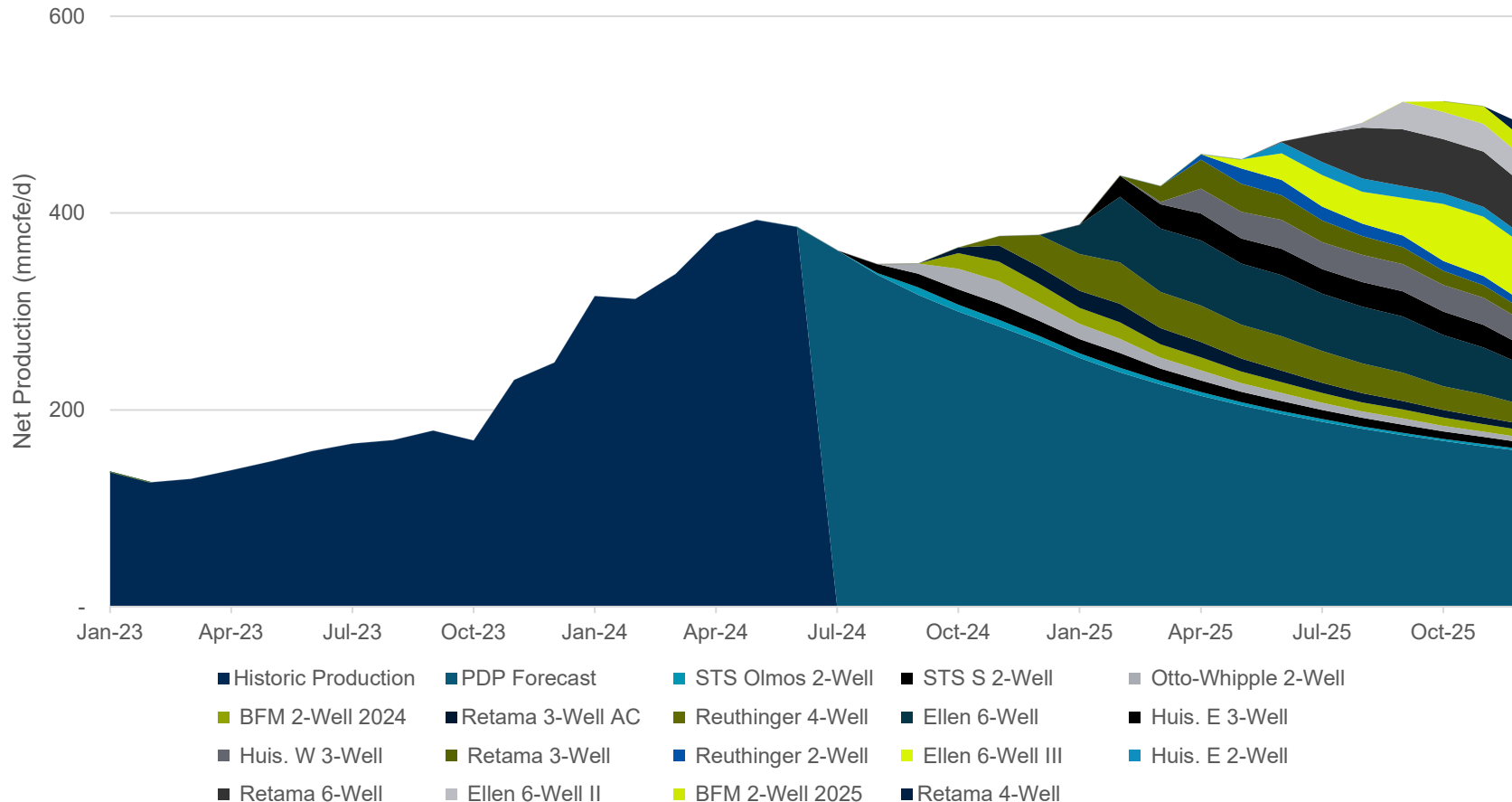


KTG's management team has deep expertise in large-scale, unconventional resource development, and has established a culture of operational excellence.

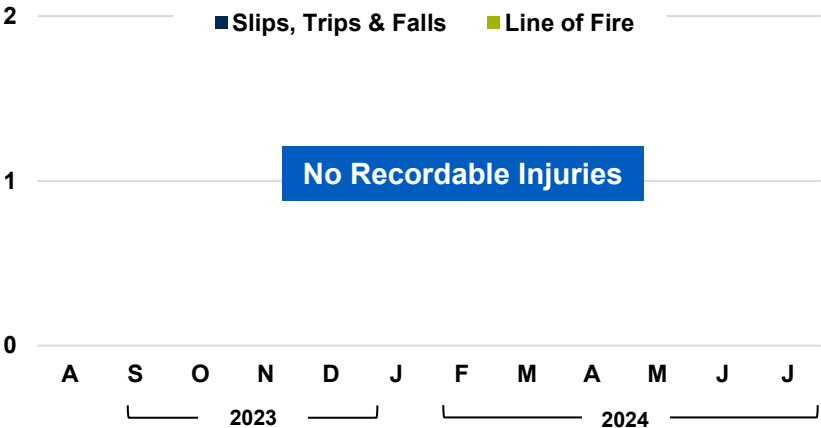
Name	Position	Prior Selected Experience	Years in Industry
David Lawler	CEO	    	31
Robby McDaniel	COO	   	20
Bryan Gunderson	CFO	   	18
Matthew Pierce	VP, Corporate Development	   	16
Tanner Sykes	VP, Land & Legal	   	16
Octavio Saenz	VP, Accounting	   	23
Jake Folz	VP, Drilling	   	15

KTG Production and 2024-2025 Plan

KTG currently plans to turn-in-line (“TIL”) an incremental six pads consisting of 15 wells by year-end 2024. Production growth in 2025 is driven by 11 pads consisting of 43 wells inclusive of larger developments, up to six wells on one pad.



OSHA Recordable Injuries & Cause (#)

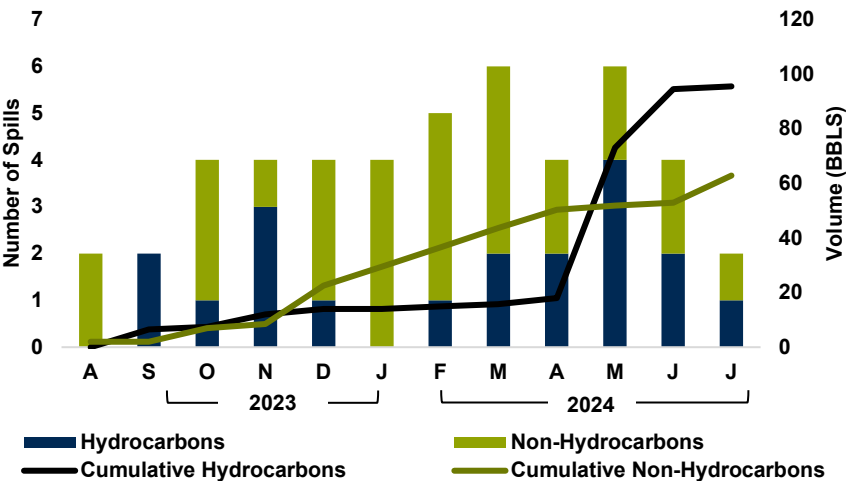


Summary



- **Maintaining an exemplary safety record**
 - 12 consecutive months with ZERO OSHA-recordable injuries
- LTM Reportable Spills
 - 2 Reportable Spills
 - › 50 Bbls OBM released when transferring mud between storage tanks on the drilling rig
 - › 18 Bbls of produced oil released due to storage tank overflow

Spill Incidents (Count & Volume)



2024 Emissions Mitigation Plan



Initiatives		Updates
Pneumatic Replacement	In 2024, we plan to replace BBOG intermediate bleed pneumatic devices, which potentially drives a ~13,000 MT CO2e reduction on an annualized basis (target completion MY24), potentially saving ~\$300k-\$400k per year in carbon credit purchases	Replaced all standard and high-bleed pneumatic devices to low or no-bleed actuators Impact: Reduces emissions by an estimated 291 MT CH4 (7,200 MT CO2e)
Combustion – Available Today	- Continue running dual-fuel frac fleets, which substitute diesel for natural gas - Evaluate turbine/electric rigs	Used dual-fuel frac spreads on four pads Impact: Displaces 2.7M gallons of diesel and reduces emissions by an estimated 7,189 MT CO2e
Combustion – Early Stage	- Kimmeridge Solar Expert collaborating with KTG to analyze combustion replacement with solar/battery - Foresee most economic solution will be grid power	Ongoing internal evaluation of potential to deploy renewable power
Find & Fix	- Prioritize reducing fugitive emissions for 25x greater impact, increased sales, reduced exposure to super-emitter penalties, and lower cost vs. combustion changes. It's also a focus of certification programs. - BBOG assets were not in compliance with Quad-O reporting requirements. Therefore, we expect an increase in 2024 emissions associated with leak detection	Achieved a 15% reduction in total leak count across legacy BlackBrush assets from March to July 2024 Updated and finalized all SPCC plans for KTG East facilities Acquired OGI camera, enhancing LDAR program effectiveness
Predict & Prevent	- Can we combine operational information and monitoring information to predict trends and identify when to adjust operating practices/conditions to prevent emissions events - Leverage detection learnings to prevent emissions	

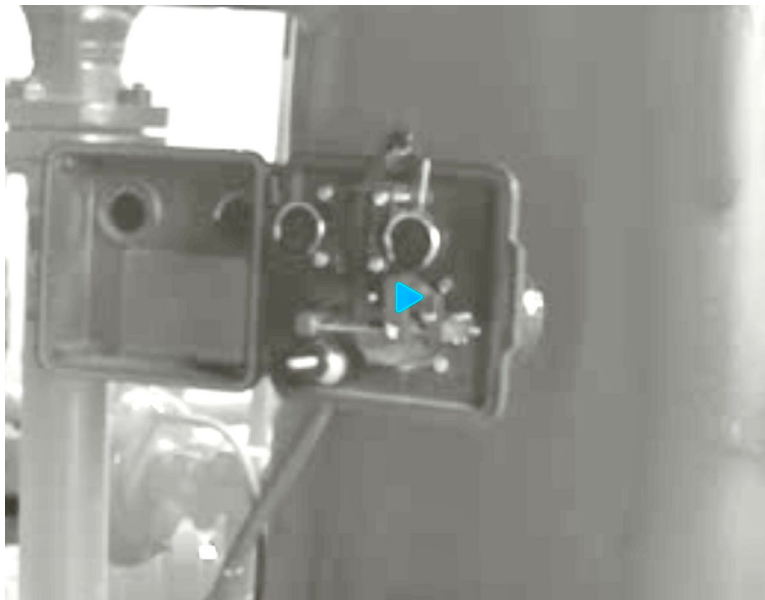
2024 Emissions Mitigation Plan

Test Driving New Hardware

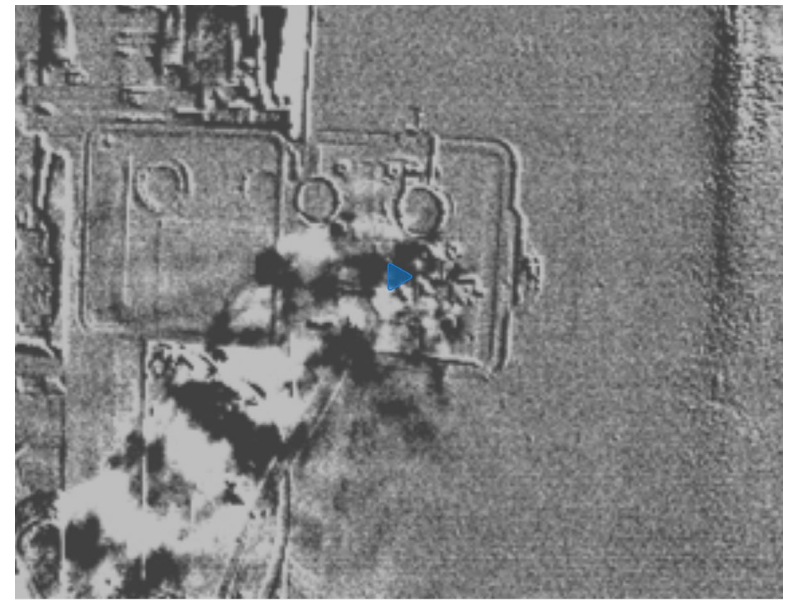


KTG recently invested in an OGI camera to enhance the company's LDAR program. The camera allows for increased inspection frequency and improved verification of repair effectiveness. The team conducted an initial test during the week of August 12. Below are two images of a detected leak, showcasing views both with and without the gas imaging mode activated. These images provide a good representation of the camera's ability to identify emissions that are invisible to the naked eye.

OGI – No Gas Imaging



OGI + Gas Imaging



- ☑ Enhanced leak detection and source identification: Identified leaks from expected sources (e.g., thief hatches) and previously undocumented sources (e.g., level controls on compressors)
- ☑ Verified repair effectiveness: Conducted follow-up inspection and confirmed successful repairs and no emissions
- ☑ Increased frequency of surveys: Scanned sections of equipment and preliminary findings indicate no detectable leaks

The Oil & Gas Methane Partnership 2.0 (OGMP 2.0)

Aiming for Methane Measurement Precision



OGMP 2.0 is a United Nations Environment Program initiative that guides O&G companies toward more accurate methane emissions measurement, reporting, and reduction. Participants follow a 5-tier framework, progressing from estimates to direct measurement of methane emissions while setting and reporting their own absolute or intensity-based reduction targets. **OGMP 2.0 member companies represent:**

>40% of global O&G production

>70% of LNG flows

>20% of NG transmission & distribution pipelines

>10% of global storage capacity

Members report across 5 levels, each advancing measurement precision

Level 1: Venture or asset reporting

- Single, consolidated reported emissions number
- Based on generic emissions factors

Level 2: Emissions category

- Emissions reported based on IOGP-defined categories
- Based on generic emissions factors

Level 3: Generic emissions source level

- Emissions reported by detailed source type
- Based on generic emissions factors

Level 4: Company-specific emissions source level

- Emissions reported by detailed source type using company-specific emissions & activity factors
- Based on **direct measurement**

Level 5: Level 4 + Site-level measurement reconciliation

- Integrate bottom-up source-level reporting (L4) with independent site-level measurements
- Direct measurement technology at the site or facility level *on a representative sample of facilities*

"Gold Standard" achieved when L4/5 are reconciled

Members have 3 years to achieve "Gold Standard" for operated assets & 5 years for non-op assets

Year 0

Join OGMP 2.0

Year 1

Submit first report by May 31 based on prior year data

Year 3

Achieve Gold Standard by reporting all material assets at Level 4 & Level 5

Year 5

Achieve gold standard reporting for non-op when all material assets are reported at Level 4 & Level 5

OGMP 2.0 Reporting requirements

- Define & disclose methane reduction targets & progress towards achieving targets
- Submit implementation plan on pathway to Gold Standard
- Report annually on methane emissions (& total emissions) from operated & non-op assets

About Us

Investment Philosophy

South Texas Strategy

- KTG Update
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Appendix

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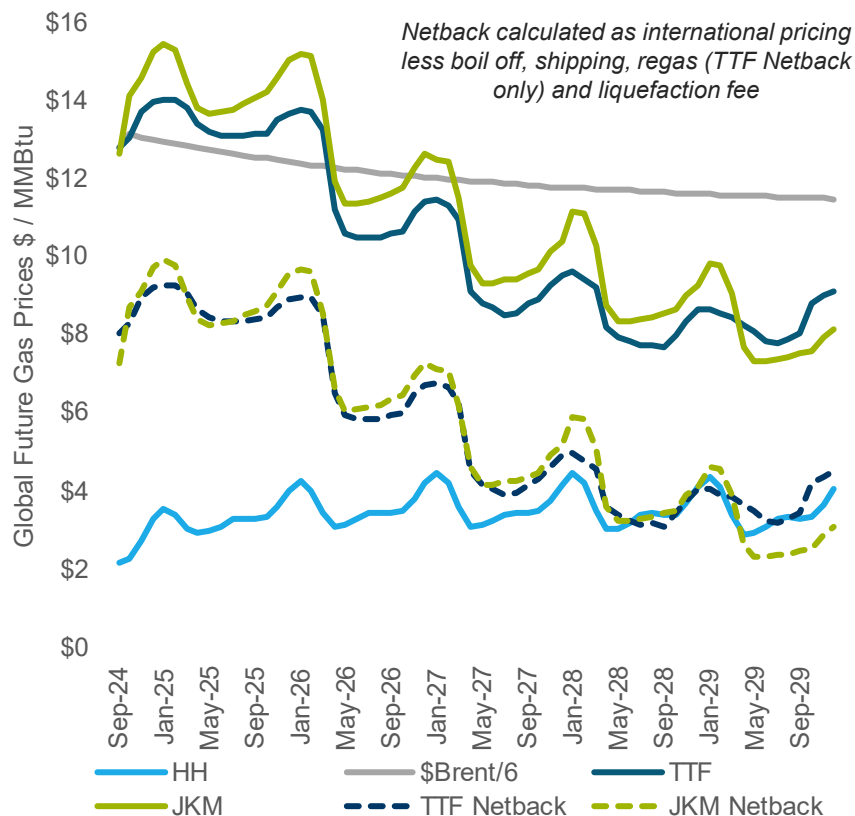
Kimmeridge strives to repeat British Gas' success in building a scale, integrated LNG operator, maximizing realizations by participating across the value chain and delivering the lowest-cost, highest-margin gas to the global market.

- Kimmeridge recently closed a follow-on control investment in Commonwealth LNG (~9.5 MTPA gross) to secure liquefaction capacity at the front end of the cost curve.
- We view Commonwealth as a high-quality project with a strong probability of achieving FID.
 - Proceeds will support the project through anticipated FID in 1H 2025.
 - The team is led by seasoned management team with experience developing, building and operating LNG projects.
 - Kimmeridge views Commonwealth as a project advantaged by a modular design, which reduces capex per tonne and accelerates speed to market.
 - Commonwealth has strong commercial momentum with ~9.0 MTPA under term sheet or binding agreement, as well as active discussions with high-quality counterparties.
- There is a further opportunity for KTG and Commonwealth to deliver a net-zero LNG product that captures a premium for sustainability-minded offtakers

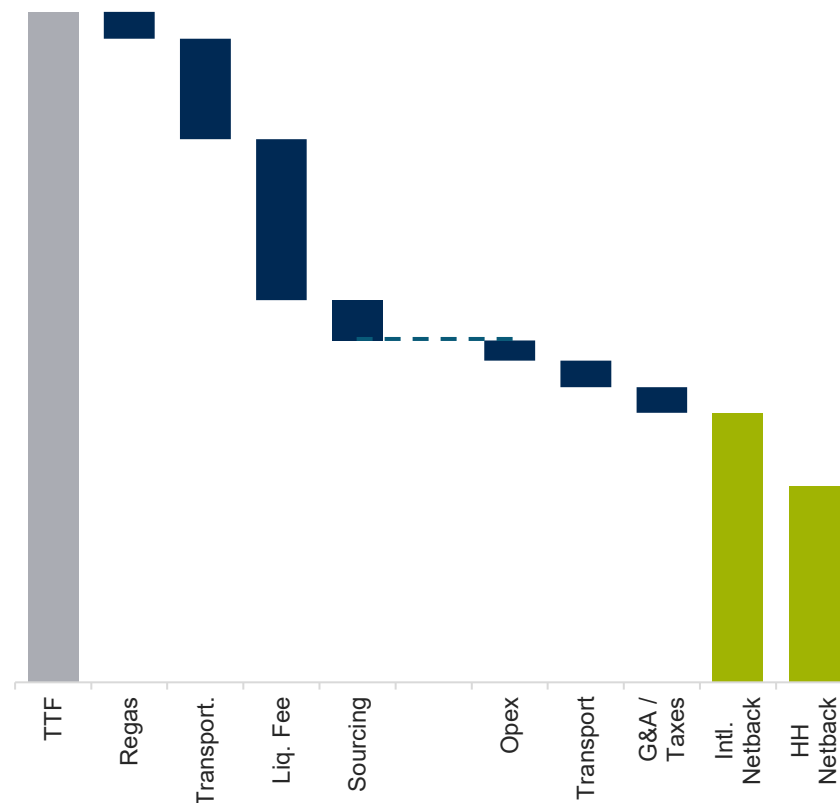
Direct Offtake: Price Convergence and Margin Integration

Domestic U.S. gas prices are converging to global gas markets. However, they are being priced at the marginal cost of U.S. LNG supply (~\$2.50/mmbtu + liquefaction). By being lower cost than peers, Kimmeridge can generate additional margin on its throughput with limited risk.

Global Gas Price Convergence

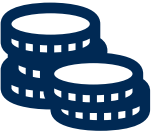
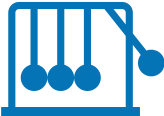
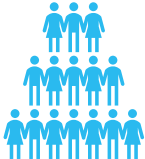


Integrated Margin Opportunity (\$/mmbtu)



Commonwealth: Front-End of the Cost Curve LNG

Kimmeridge partnered with Commonwealth because of its low-cost design, speed to market, commercial momentum and strong management team.

	Project Cost	Commonwealth's modular design utilizes offshore vendor and labor, avoiding inflationary pressures from Gulf Coast labor shortages that have hindered the development of Gulf Coast LNG projects.
	Speed to Market	Modular design allows for parallel processes and shorter construction period than stick-built facilities. Additionally, Commonwealth is considered 'first-in-line' to receive a non-FTA permit once pause is lifted.
	Commercial Momentum	Plan to contract 8.0 MTPA of capacity under long-term offtake agreements; currently, ~9.0 MTPA under term sheet or binding agreement plus additional active discussions with investment-grade offtakers.
	Team	Former BG Group, Cameron LNG and Sempra employees in key roles (CEO and COO) that have the experience and knowledge to develop, build and operate an LNG project.

Commonwealth: Management Team and Board of Directors



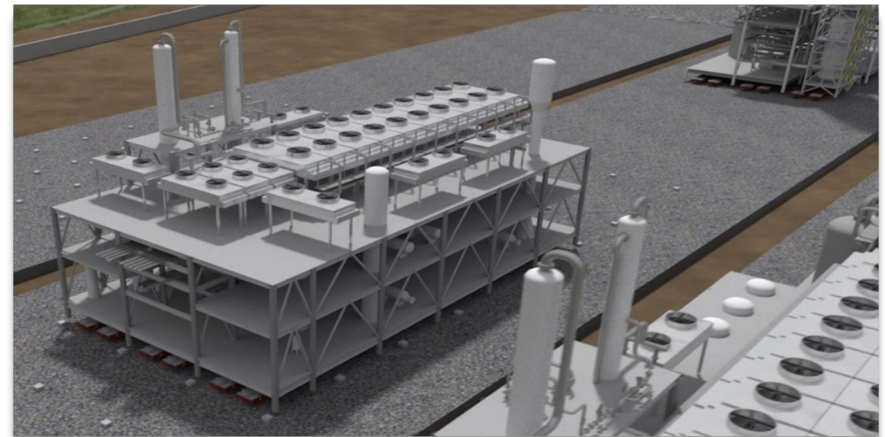
Management Team				
Name	Position	Prior Selected Experience		Years in Industry
Farhad Ahrabi	President and CEO	 Cameron LNG	 BG GROUP	25+
Nick Eusepi	Chief Financial Officer	 Crowe	 FRK & CO	15
Jamie Gray	Chief Operating Officer	 SEMPRA™	 Cameron LNG	25+
TBD	Chief Commercial Officer	Search in Progress		
Board of Directors				
Ben Dell	Farhad Ahrabi	David Lawler	Emily Mills	Open Seat To Be Filled

Commonwealth has selected Technip to construct a low-cost, fully modular Gulf Coast liquefaction facility.

Overview

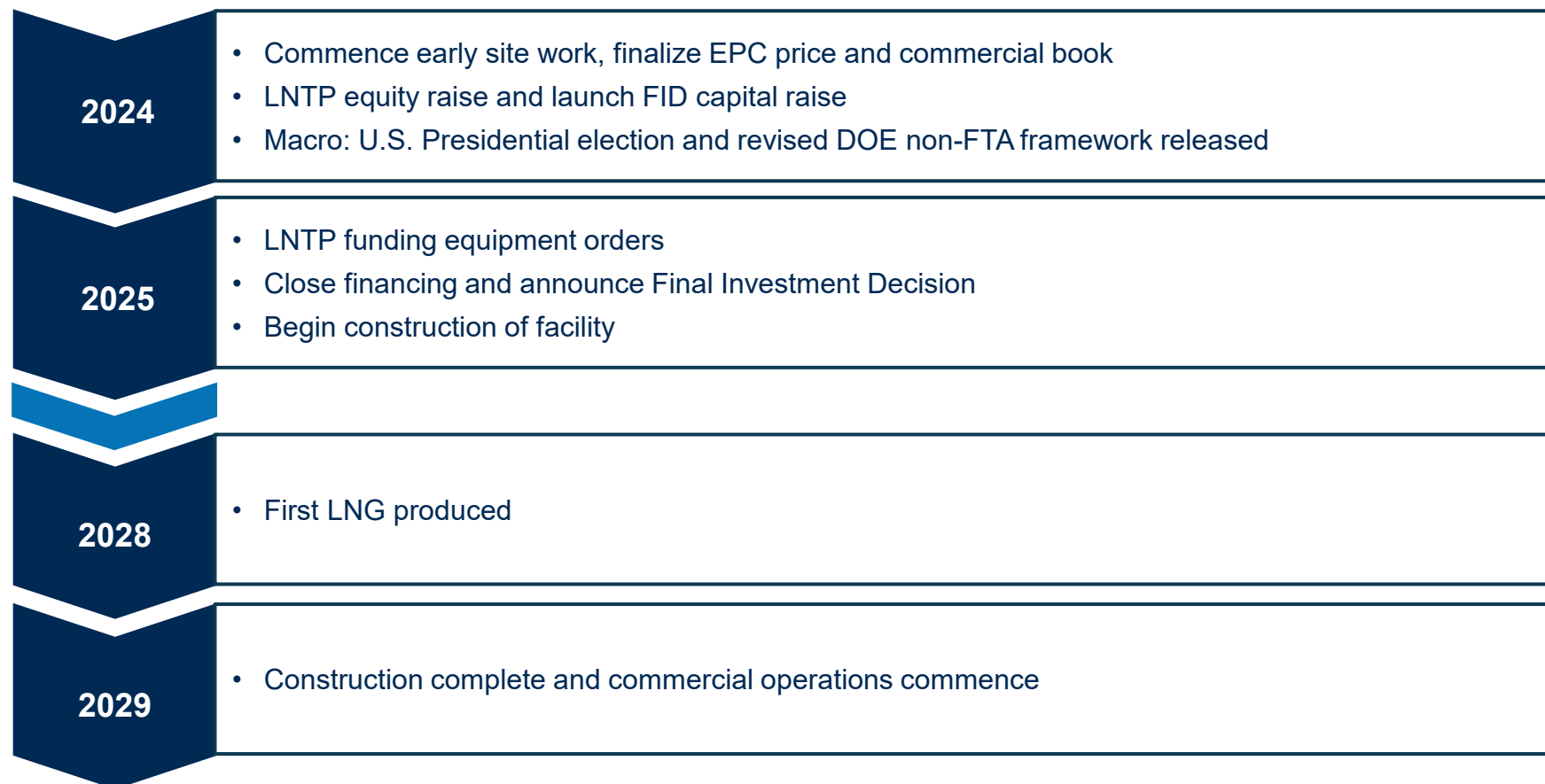
- Commonwealth LNG will employ a fully modular design and construction approach for liquefaction trains and auxiliary equipment
 - ✓ Provides greater cost certainty and schedule control
 - ✓ Reduces labor on-site, transferred to Asian and U.S. fabrication yards
 - ✓ Smaller tank configuration provides greater reliability
- EPC contractor Technip delivered Yamal LNG on schedule and within budget using the same modular approach
 - In March 2024, ADNOC selected Technip as EPC lead for its Modular Ruwais LNG project

Liquefaction Modules



Commonwealth: Project Timeline

The Commonwealth and Kimmeridge teams are currently focused on commercial efforts to high-grade offtake contracts and convert HOAs to SPAs.



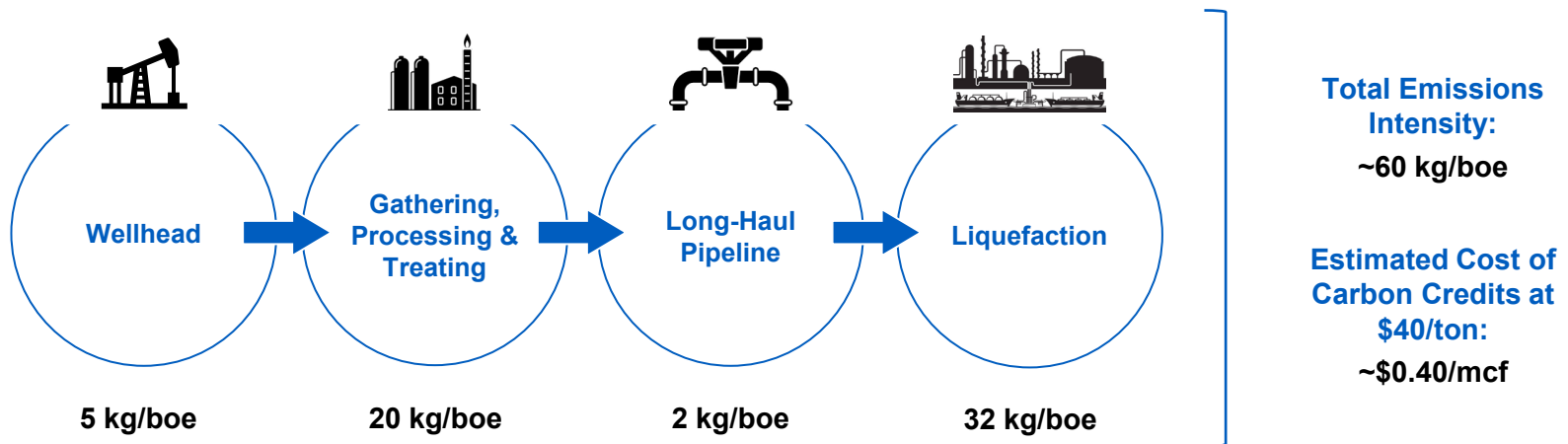
LNG is an Essential Decarbonization Lever

Kimmeridge recognizes LNG as one of the most effective tools for reducing global emissions, while providing affordable and reliable energy.

We are strategically investing across the LNG value chain to deliver net-zero LNG. Our approach includes:

- Developing a robust emissions management program to measure and verify emissions accurately
- Leveraging our unique expertise in carbon management
- Offsetting unavoidable emissions through the procurement of verified carbon credits, at a cost to the buyer of \$0.40/mcf.

Emissions Intensity Across LNG Value Chain



Pursuing Initiatives to Reduce GHG Emissions

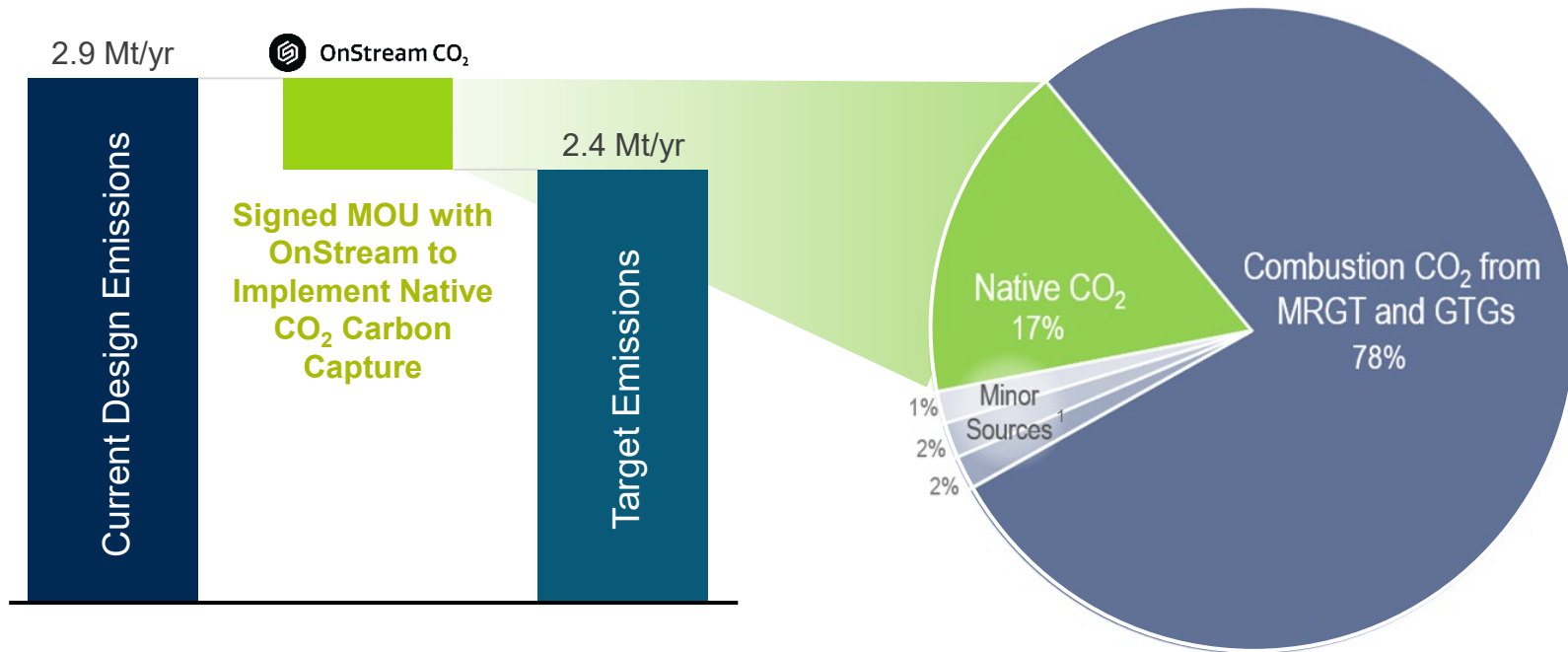
Commonwealth is using the best available technology as part of the low-emission design philosophy.

Current Design

- ✓ High efficiency drivers (LM9000, T-350)
- ✓ Waste Heat Recovery
- ✓ N₂ as flare purge instead of fuel gas
- ✓ No Scope 2 emissions

Target Emissions

Commonwealth can further reduce GHG emissions by partnering with a third party to capture, treat and sequester native pipeline CO₂.



OnStream CO₂ is a JV between Carbonvert and Castex; they will design and operate capture equipment offsite

¹ "Minor Sources" includes fugitive methane emissions, flare pilots, emergency flaring, and thermal oxidizer combustion gas.

About Us

Investment Philosophy

South Texas Strategy

- KTG Update
- Commonwealth Update

Appendix

- Kimmeridge Strategies
- Sustainability at Kimmeridge
- Partner Biographies

Strategy Overview

Kimmeridge's investment philosophy is underpinned by the belief that generating strong returns through the cycle depends on your position on the cost curve. We employ a direct investment model, leveraging our in-house technical team, which enables in-depth and differentiated analyses and gives us greater control over decision making. Across our Flagship Funds, we have taken a best ideas approach to investing in upstream assets with a path to control through varied instruments (e.g., private acquisitions, organic leasing & development, royalties, public equities, debt, etc.).



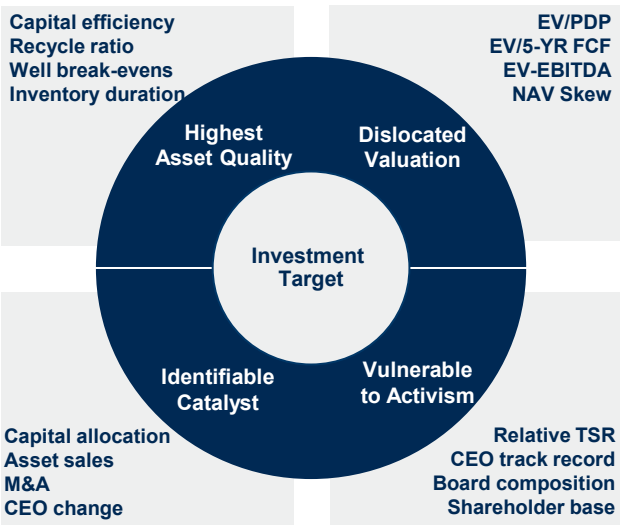
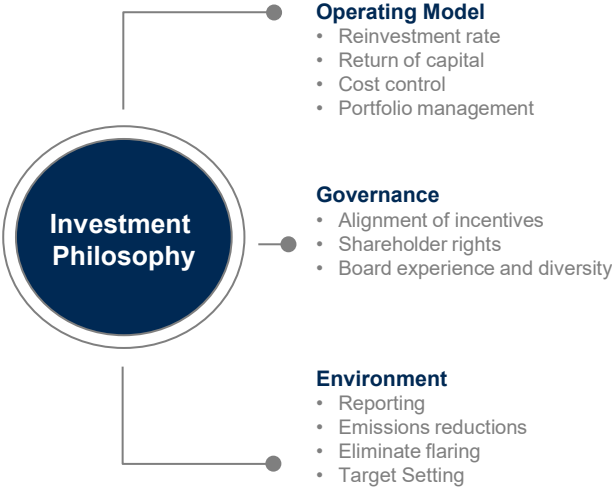
Fund VI Investment Opportunity Set

Fund VI is opportunistic in identifying high-quality oil and gas assets that are trading at depressed multiples, have high free cash flow yields with upside to unpriced inventory and have potential to scale with consolidation.

- The lack of capital flow into the upstream oil and gas sector should lead to elevated returns due to a **dearth of investment into new supply**.
- We believe the **future for natural gas remains strong** due to limited capital availability, declining capital efficiency and demand growth drivers such as growth in LNG exports, continued coal-to-gas switching and expansion of **power generation needs** due to AI/data centers.
- The current environment is echoing the noughties with **a focus on returns, returning cash, consolidation and limited growth**. Fund VI will be well-positioned for an active M&A market of large cap buying SMID cap due to limited inventory and a wide multiple spread that makes transactions accretive.
- We expect the Fund to have 3-5 investments and present a **mix of oil/gas exposure**, with a macro view more heavily weighted towards natural gas.

Strategy Overview

The KEEP strategy was launched in 2020 to reposition E&Ps for the energy transition and identify catalysts for unlocking shareholder value through engagement and, if necessary, activism to generate differentiated returns. Our investment philosophy is based on three areas of reform and targets investments with four key characteristics. We utilize a closed-end, drawdown structure to invest in public equities, allowing us to take advantage of their inherent volatility in the sector.



KEEP III Investment Opportunity Set

Energy remains out-of-favor, with a historical valuation gap vs. the broader market. Energy is only 4% of the S&P 500 but 12% of expected free cash flow¹. Within this dislocated sector, we see compelling opportunities around four main themes:



Improving industry structure through **consolidation**



Natural Gas demand growth from LNG exports and AI/data centers



Reforming capital allocation and governance among **Canadian E&Ps**



Dislocated **energy transition** opportunities

Source: Mizuho Research
Note: S&P 500 weighting of 4.1% as of 4/30/24 but expected to represent 12% of 2025 FCF

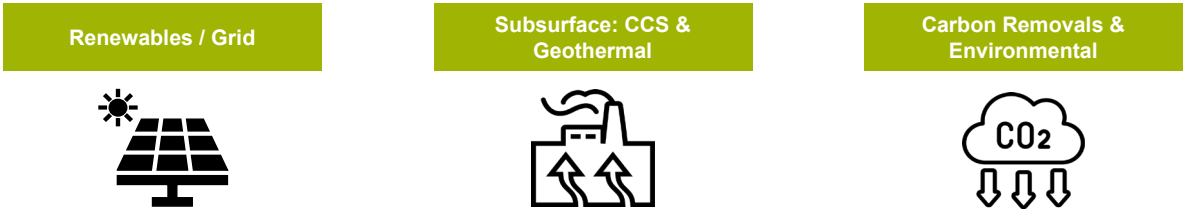
Strategy Overview

The Kimmeridge Carbon Solutions strategy is premised on delivering reliable, low-cost energy, with zero net carbon footprint. Kimmeridge is advantaged by its exceptional understanding of the energy sector with its proprietary cost curves, deep expertise in commodity markets, land aggregation experience and proven, flexible approach that allows it to take advantage of repricing/restructuring opportunities.

Investment Approach	Types of Deals
- Investing in small and mid-cap energy companies that are driving global decarbonization - Uncovering areas out of favor and generating deal flow outside of the traditional investment banks - Focus on renewable development – an area largely neglected by other institutional capital providers - Finding “picks and shovels” businesses that will benefit from multi-decade tailwinds - Relentless focus on areas that sit at the front-end of the carbon abatement curve	✓ \$20-100M majority and minority equity deals ✓ Credit deals (privately negotiated or through public markets; e.g., loan-to-own/distressed debt to equity) ✓ Take privates and roll-up opportunities
	What We Are NOT Doing
	✗ Investing in syndicated late-stage venture / growth equity deals ✗ Taking significant tech risk ✗ Investing in areas on the high-end of the carbon abatement cost curve

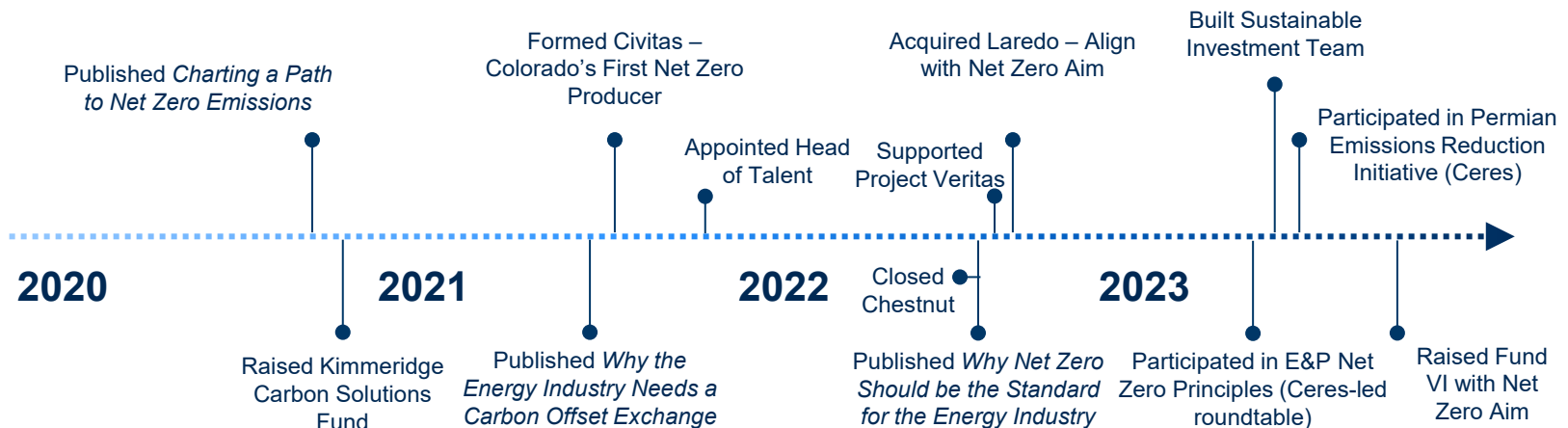
KCS II Investment Opportunity Set

The energy transition represents a generational investment opportunity, propelled by tailwinds such as net zero commitments, federal and state mandates and IRA incentives. We believe the fund has potential to generate outsized returns by investing in underappreciated areas of the transition. Kimmeridge’s focus on carbon abatement cost curves enables us to “see the whole field” and pick our spots wisely. Key areas include:



At Kimmeridge, we believe sustainability can enhance overall performance. The firm has an established track record of cultivating best practices across our operations while also defining how the industry manages and communicates its environmental footprint and commitments.

- We believe a pragmatic and inclusive approach is essential amid a complex energy landscape. Our commitment to advancing sustainability, whether through asset transformations, new technologies or enhanced measurement and monitoring, remains central to our continued success.
- Kimmeridge formed a dedicated Sustainable Investment Team to embed sustainability across our public and private investment strategies and align our upstream operating assets with our net zero aim. By formalizing a dedicated team, the firm has established the necessary foundation for achieving our dual mandate of delivering attractive risk-adjusted returns and accelerating sustainability progress.



Ben Dell, Managing Partner

Ben Dell is a Managing Partner of Kimmeridge and oversees investment activity across the firm. He is closely involved in the screening of new geological opportunities and in the negotiation and execution of investment strategies.

Prior to founding Kimmeridge, Mr. Dell was a Senior Equity Research Analyst for Oil and Gas Exploration and Production (E&P) at Sanford C. Bernstein, where he was ranked first three times in the Institutional Investor Research Survey for coverage of E&Ps. Mr. Dell was also ranked for Natural Gas and for Oil Services and Equipment coverage. Mr. Dell joined Sanford C. Bernstein in 2003. Prior to joining Bernstein, Mr. Dell was employed at British Petroleum (BP) in its M&A and finance group. Before moving into the finance field, Mr. Dell also held positions as an exploration geologist and geophysicist across several of BP's regional business units.

Mr. Dell is currently CEO of Chestnut Carbon, a nature-based carbon removal developer and is on the Board of Kimmeridge Texas Gas ("KTG"), a large private natural gas producer in South Texas. He previously held positions as Chairman of the Board and interim CEO of Civitas Resources, Inc. ("Civitas"), a company that formed from the merger of Extraction Oil & Gas, Inc. and Bonanza Creek Energy, Inc. Mr. Dell earned an undergraduate degree and a master's degree in Earth Sciences from St. Peter's College, Oxford.

Henry Makansi, Managing Partner

Henry Makansi is a Managing Partner at Kimmeridge. Prior to his tenure at Kimmeridge, Mr. Makansi had a decade of experience as a principal investor in private equity with Warburg Pincus, and three years in M&A and capital markets with Lehman Brothers and GP Bullhound, a London investment bank. He served in a variety of roles at Warburg Pincus, where he was head of the European Energy Practice, responsible for investments in exploration and production, oil services and alternative energy.

He served in a variety of roles at Warburg Pincus, where he was head of the European Energy Practice, responsible for investments in exploration and production, oil services and alternative energy.

Mr. Makansi is on the Board of Chestnut Carbon, a nature-based carbon removal developer and US Light Energy (USLE), a distributed generation solar developer, specializing in community solar projects. Mr. Makansi holds a Master's degree from Erasmus University Rotterdam in economic theory and mathematical economics, and completed accredited Master's courses in game theory, macroeconomics, and international economics from the London School of Economics and Political Science.

Neil McMahon, Ph.D., Managing Partner

Neil McMahon serves as Managing Partner at Kimmeridge and is responsible for developing Kimmeridge's geological research and screening capabilities. Prior to this role, Dr. McMahon was a Senior Equity Research Analyst for the Global Integrated Oils at Sanford C. Bernstein, where he was ranked first three times in the Institutional Investor Research Survey. Dr. McMahon covered 18 of the largest integrated oils and refiners. He joined Sanford C. Bernstein in 2002.

Before joining Sanford C. Bernstein, Dr. McMahon was an Engagement Manager at McKinsey, based in both Houston and London, where he had been since 1999. At McKinsey he mainly advised petroleum and electric power and natural gas clients and undertook proprietary research within McKinsey's industry practices. Prior to McKinsey, Dr. McMahon worked in the oil industry as a geoscientist with British Petroleum (BP) and British Gas (BG) before moving into consulting with Arthur D. Little where he became a manager in its Global Energy Practice.

Dr. McMahon is an advisor and Board observer to Common Energy, a community solar subscription platform and project manager. Dr. McMahon received an honors degree from The University of Edinburgh in Geology and Geophysics where he later undertook further research to complete a BP-sponsored Ph.D. in 1995. Dr. McMahon has published a number of technical and management-oriented papers in leading oil and gas industry journals.

Noam Lockshin, Partner

Noam Lockshin is a Partner at Kimmeridge, responsible for management of investments. Prior to joining Kimmeridge, Mr. Lockshin was a Vice President in Alliance Bernstein's Energy Investing Group. Mr. Lockshin previously worked as Senior Research Associate at Sanford C. Bernstein, with Ben Dell, on the #1 ranked E&P research team.

Mr. Lockshin is currently the Chairman of the Board of Sitio Royalties Corp. ("Sitio"), a publicly listed minerals company formed through a reverse merger between Desert Peak Minerals and Falcon Minerals. Mr. Lockshin holds a B.A. in Mathematics from York University.

Alex Inkster, Partner

Alex Inkster is a Partner at Kimmeridge, responsible for screening new opportunities and managing the firm's investments in South Texas and the Rockies.

Prior to this, Mr. Inkster was a Vice President in Alliance Bernstein's Energy Investing Group. Mr. Inkster previously worked as a Senior Equity Research Associate for Global Integrated Oils at Sanford C. Bernstein, covering 18 of the largest integrated oil companies and refiners, and prior to that he worked at General Electric, completing the company's financial management program and working in the Energy and Oil & Gas divisions.

Mr. Inkster is on the board of Kimmeridge Texas Gas, a large private natural gas producer in South Texas. Mr. Inkster holds a first class honors degree in Economics from University College London and is a CFA Charterholder.

Neda Jafar, Partner

Neda Jafar is a Partner at Kimmeridge, responsible for investor relations and business development. Ms. Jafar joined Kimmeridge in 2013, leading the firm's fundraising efforts and advancing the firm's growth to date. Prior to joining Kimmeridge, Ms. Jafar was an Assistant Vice President at HSBC on the New York Credit Trading desk and spent two summers with General Electric in the company's Financial Management Program.

Ms. Jafar is on the Board of Chestnut Carbon, a nature-based carbon removal developer. Ms. Jafar is an alumna of the Cornell University chapter of Alpha Kappa Psi and graduated summa cum laude with a B.S. from New York University.

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