

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024  
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-41537

GRANITE RIDGE RESOURCES, INC.  
( Exact Name of Registrant as Specified in Its Charter )

Delaware  
(State or other jurisdiction of  
incorporation or organization)

1311  
(Primary Standard Industrial  
Classification Code Number)

88-2227812  
(I.R.S. Employer  
Identification Number)

5217 McKinney Ave, Suite 400  
Dallas, TX 75205  
(Address of principal executive offices)  
(214) 396-2850  
(Registrant’s telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)

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

| Title of each class                        | Trading Symbol | Name of each exchange on which registered |
|--------------------------------------------|----------------|-------------------------------------------|
| Common Stock, par value \$0.0001 per share | GRNT           | New York Stock Exchange                   |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☒  
Emerging growth company ☒

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of May 6, 2024, there were 130,743,952 shares of our common stock, par value \$0.0001, outstanding.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We are including the following discussion to inform our existing and potential security holders generally of some of the risks and uncertainties that can affect our company and to take advantage of the “safe harbor” protection for forward-looking statements that applicable federal securities law afford.

From time to time, our management or persons acting on our behalf may make "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to inform existing and potential security holders about our company. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q (this "Report"), including, without limitation, statements regarding our financial position, operating and financial performance, business strategy, plans and objectives of management for future operations, industry conditions, indebtedness covenant compliance, capital expenditures, production, cash flow, borrowing base under our Credit Agreement (as defined below), and impairment are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as “estimate,” “project,” “predict,” “believe,” “expect,” “continue,” “anticipate,” “target,” “could,” “plan,” “intend,” “seek,” “goal,” “will,” “should,” “may” or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about actual or potential future production, sales, market size, collaborations, cash flows, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties, and important factors (many of which are beyond our company’s control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following:

- changes in current or future commodity prices and interest rates;
- supply chain disruptions;
- infrastructure constraints and related factors affecting our properties;
- our ability to acquire additional development opportunities and potential or pending acquisition transactions, as well as the effects of such acquisitions on our company’s cash position and levels of indebtedness;
- changes in our reserves estimates or the value thereof;
- operational risks including, but not limited to, the pace of drilling and completions activity on our properties;
- changes in the markets in which Granite Ridge competes;
- geopolitical risk and changes in applicable laws, legislation, or regulations, including those relating to environmental matters;
- cyber-related risks;
- the fact that reserve estimates depend on many assumptions that may turn out to be inaccurate and that any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves;
- the outcome of any known and unknown litigation and regulatory proceedings;
- limited liquidity and trading of Granite Ridge’s securities;
- acts of war, terrorism or uncertainty regarding the effects and duration of global hostilities, including the Israel-Hamas conflict, the Russia-Ukraine war, continued instability in the Middle East, including from the Houthi rebels in Yemen, and any associated armed conflicts or related sanctions which may disrupt commodity prices and create instability in the financial markets;

- market conditions and global, regulatory, technical, and economic factors beyond Granite Ridge’s control, including the potential adverse effects of world health events, such as the COVID-19 pandemic, affecting capital markets, general economic conditions, global supply chains and Granite Ridge’s business and operations;
- increasing regulatory and investor emphasis on, and attention to, environmental, social, and governance matters;
- our ability to establish and maintain effective internal control over financial reporting; and
- other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") under “Risk Factors,” as updated by any subsequent Quarterly Reports on Form 10-Q, including this Report, which we file with the United States Securities and Exchange Commission (“SEC”).

We have based any forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

Reserve engineering is a process of estimating underground accumulations of natural gas and oil that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data, and the price and cost assumptions made by reservoir engineers. In addition, the results of drilling, testing and production activities, or changes in commodity prices, may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas and oil that are ultimately recovered.

You should carefully consider the statements in “Item 1A. Risk Factors” of our 2023 Form 10-K and other sections of this Report, which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Our company does not undertake, and specifically disclaims, any obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of such statements, other than as may be required by applicable law or regulation.

**TABLE OF CONTENTS**

|                                                                                                                               | <b>PAGE</b> |
|-------------------------------------------------------------------------------------------------------------------------------|-------------|
| <a href="#">CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</a>                                                          | 2           |
| <a href="#">PART I – FINANCIAL INFORMATION</a>                                                                                | 5           |
| <a href="#">Item 1.</a> <a href="#">Financial Statements</a>                                                                  | 5           |
| <a href="#">Condensed Consolidated Balance Sheets</a>                                                                         | 5           |
| <a href="#">Condensed Consolidated Statements of Operations</a>                                                               | 6           |
| <a href="#">Condensed Consolidated Statements of Changes in Equity</a>                                                        | 7           |
| <a href="#">Condensed Consolidated Statements of Cash Flows</a>                                                               | 8           |
| <a href="#">Notes to Condensed Consolidated Financial Statements</a>                                                          | 9           |
| <a href="#">Item 2.</a> <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a> | 28          |
| <a href="#">Item 3.</a> <a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>                            | 38          |
| <a href="#">Item 4.</a> <a href="#">Controls and Procedures</a>                                                               | 39          |
| <a href="#">PART II – OTHER INFORMATION</a>                                                                                   | 40          |
| <a href="#">Item 1.</a> <a href="#">Legal Proceedings</a>                                                                     | 40          |
| <a href="#">Item 1A.</a> <a href="#">Risk Factors</a>                                                                         | 40          |
| <a href="#">Item 2.</a> <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>                           | 40          |
| <a href="#">Item 3.</a> <a href="#">Defaults Upon Senior Securities</a>                                                       | 40          |
| <a href="#">Item 4.</a> <a href="#">Mine Safety Disclosures</a>                                                               | 40          |
| <a href="#">Item 5.</a> <a href="#">Other Information</a>                                                                     | 40          |
| <a href="#">Item 6.</a> <a href="#">Exhibits</a>                                                                              | 41          |
| <a href="#">Signatures</a>                                                                                                    | 42          |

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### GRANITE RIDGE RESOURCES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS Unaudited

(in thousands, except par value and share data)

|                                                                                                                                                           | March 31, 2024 | December 31, 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|
| <b>ASSETS</b>                                                                                                                                             |                |                   |
| Current assets:                                                                                                                                           |                |                   |
| Cash                                                                                                                                                      | \$ 20,782      | \$ 10,430         |
| Revenue receivable                                                                                                                                        | 64,831         | 72,934            |
| Advances to operators                                                                                                                                     | 15,207         | 4,928             |
| Prepaid and other expenses                                                                                                                                | 2,737          | 1,716             |
| Derivative assets - commodity derivatives                                                                                                                 | 7,094          | 11,117            |
| Equity investments                                                                                                                                        | 58,207         | 50,427            |
| Total current assets                                                                                                                                      | 168,858        | 151,552           |
| Property and equipment:                                                                                                                                   |                |                   |
| Oil and gas properties, successful efforts method                                                                                                         | 1,301,346      | 1,236,683         |
| Accumulated depletion                                                                                                                                     | (508,307)      | (467,141)         |
| Total property and equipment, net                                                                                                                         | 793,039        | 769,542           |
| Long-term assets:                                                                                                                                         |                |                   |
| Derivative assets - commodity derivatives                                                                                                                 | —              | 1,189             |
| Other long-term assets                                                                                                                                    | 4,785          | 4,821             |
| Total long-term assets                                                                                                                                    | 4,785          | 6,010             |
| Total assets                                                                                                                                              | \$ 966,682     | \$ 927,104        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                               |                |                   |
| Current liabilities:                                                                                                                                      |                |                   |
| Accrued expenses                                                                                                                                          | \$ 62,028      | \$ 60,875         |
| Other liabilities                                                                                                                                         | 4,081          | 1,204             |
| Total current liabilities                                                                                                                                 | 66,109         | 62,079            |
| Long-term liabilities:                                                                                                                                    |                |                   |
| Long-term debt                                                                                                                                            | 137,500        | 110,000           |
| Derivative liabilities - commodity derivatives                                                                                                            | 657            | —                 |
| Asset retirement obligations                                                                                                                              | 9,589          | 9,391             |
| Deferred tax liability                                                                                                                                    | 78,809         | 73,989            |
| Total long-term liabilities                                                                                                                               | 226,555        | 193,380           |
| Total liabilities                                                                                                                                         | 292,664        | 255,459           |
| Stockholders' Equity:                                                                                                                                     |                |                   |
| Common stock, \$0.0001 par value, 431,000,000 shares authorized, 136,424,207 and 136,040,777 issued at March 31, 2024 and December 31, 2023, respectively | 14             | 14                |
| Additional paid-in capital                                                                                                                                | 653,686        | 653,174           |
| Retained earnings                                                                                                                                         | 56,660         | 54,782            |
| Treasury stock, at cost, 5,680,255 and 5,677,627 shares at March 31, 2024 and December 31, 2023, respectively                                             | (36,342)       | (36,325)          |
| Total stockholders' equity                                                                                                                                | 674,018        | 671,645           |
| Total liabilities and stockholders' equity                                                                                                                | \$ 966,682     | \$ 927,104        |

The accompanying notes are an integral part to these condensed consolidated financial statements.

**GRANITE RIDGE RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Unaudited**

| <i>(in thousands, except per share data)</i>                                                                                                                   | <b>Three Months Ended March 31,</b> |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                                                                                                | <b>2024</b>                         | <b>2023</b>      |
| <b>Revenues:</b>                                                                                                                                               |                                     |                  |
| Oil and natural gas sales                                                                                                                                      | \$ 88,996                           | \$ 91,310        |
| <b>Operating costs and expenses:</b>                                                                                                                           |                                     |                  |
| Lease operating expenses                                                                                                                                       | 15,479                              | 13,772           |
| Production and ad valorem taxes                                                                                                                                | 5,749                               | 5,717            |
| Depletion and accretion expense                                                                                                                                | 40,941                              | 33,852           |
| Impairments of unproved properties                                                                                                                             | 732                                 | —                |
| General and administrative (including non-cash stock-based compensation of \$512 and \$1,059 for the three months ended March 31, 2024 and 2023, respectively) | 6,492                               | 8,579            |
| Total operating costs and expenses                                                                                                                             | 69,393                              | 61,920           |
| Net operating income                                                                                                                                           | 19,603                              | 29,390           |
| <b>Other income (expense):</b>                                                                                                                                 |                                     |                  |
| Gain (loss) on derivatives - commodity derivatives                                                                                                             | (3,161)                             | 13,323           |
| Interest expense                                                                                                                                               | (3,159)                             | (339)            |
| Gain on derivatives - common stock warrants                                                                                                                    | —                                   | 5,278            |
| Gain on equity investments                                                                                                                                     | 7,779                               | —                |
| Other                                                                                                                                                          | 2                                   | —                |
| Total other income                                                                                                                                             | 1,461                               | 18,262           |
| <b>Income before income taxes</b>                                                                                                                              | 21,064                              | 47,652           |
| Income tax expense                                                                                                                                             | 4,837                               | 10,786           |
| <b>Net income</b>                                                                                                                                              | <u>\$ 16,227</u>                    | <u>\$ 36,866</u> |
| <b>Net income per share:</b>                                                                                                                                   |                                     |                  |
| Basic                                                                                                                                                          | \$ 0.12                             | \$ 0.28          |
| Diluted                                                                                                                                                        | \$ 0.12                             | \$ 0.28          |
| <b>Weighted-average number of shares outstanding:</b>                                                                                                          |                                     |                  |
| Basic                                                                                                                                                          | 130,136                             | 133,002          |
| Diluted                                                                                                                                                        | 130,160                             | 133,002          |

The accompanying notes are an integral part to these condensed consolidated financial statements.

**GRANITE RIDGE RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**Unaudited**

| <b>Three Months Ended March 31, 2024</b>          |                            |               |                                           |                              |                       |                    |                                       |
|---------------------------------------------------|----------------------------|---------------|-------------------------------------------|------------------------------|-----------------------|--------------------|---------------------------------------|
| <i>(in thousands)</i>                             | <b>Common Stock Issued</b> |               | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Treasury Stock</b> |                    | <b>Total Stockholders'<br/>Equity</b> |
|                                                   | <b>Shares</b>              | <b>Amount</b> |                                           |                              | <b>Shares</b>         | <b>Amount</b>      |                                       |
| <b>As of January 1, 2024</b>                      | 136,041                    | \$ 14         | \$ 653,174                                | \$ 54,782                    | (5,678)               | \$ (36,325)        | \$ 671,645                            |
| Grants of restricted stock                        | 383                        | —             | —                                         | —                            | —                     | —                  | —                                     |
| Stock-based compensation                          | —                          | —             | 512                                       | —                            | —                     | —                  | 512                                   |
| Purchase of treasury stock                        | —                          | —             | —                                         | —                            | (2)                   | (17)               | (17)                                  |
| Common stock dividend declared (\$0.11 per share) | —                          | —             | —                                         | (14,349)                     | —                     | —                  | (14,349)                              |
| Net income                                        | —                          | —             | —                                         | 16,227                       | —                     | —                  | 16,227                                |
| <b>As of March 31, 2024</b>                       | <u>136,424</u>             | <u>\$ 14</u>  | <u>\$ 653,686</u>                         | <u>\$ 56,660</u>             | <u>(5,680)</u>        | <u>\$ (36,342)</u> | <u>\$ 674,018</u>                     |

| <b>Three Months Ended March 31, 2023</b>          |                            |               |                                           |                              |                       |                   |                                       |
|---------------------------------------------------|----------------------------|---------------|-------------------------------------------|------------------------------|-----------------------|-------------------|---------------------------------------|
| <i>(in thousands)</i>                             | <b>Common Stock Issued</b> |               | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Treasury Stock</b> |                   | <b>Total Stockholders'<br/>Equity</b> |
|                                                   | <b>Shares</b>              | <b>Amount</b> |                                           |                              | <b>Shares</b>         | <b>Amount</b>     |                                       |
| <b>As of December 31, 2022</b>                    | 133,295                    | \$ 13         | \$ 590,232                                | \$ 32,388                    | (26)                  | \$ (229)          | \$ 622,404                            |
| Adoption of ASU No. 2016-13 (Note 2)              | —                          | —             | —                                         | (118)                        | —                     | —                 | (118)                                 |
| <b>As of January 1, 2023</b>                      | 133,295                    | 13            | 590,232                                   | 32,270                       | (26)                  | (229)             | 622,286                               |
| Grants of restricted stock                        | 403                        | —             | —                                         | —                            | —                     | —                 | —                                     |
| Cancellation of vesting shares                    | (221)                      | —             | —                                         | —                            | —                     | —                 | —                                     |
| Vesting shares                                    | —                          | —             | 1,287                                     | —                            | —                     | —                 | 1,287                                 |
| Stock-based compensation                          | —                          | —             | 1,059                                     | —                            | —                     | —                 | 1,059                                 |
| Purchase of treasury stock                        | —                          | —             | —                                         | —                            | (285)                 | (1,801)           | (1,801)                               |
| Common stock dividend declared (\$0.11 per share) | —                          | —             | —                                         | (14,640)                     | —                     | —                 | (14,640)                              |
| Net income                                        | —                          | —             | —                                         | 36,866                       | —                     | —                 | 36,866                                |
| <b>As of March 31, 2023</b>                       | <u>133,477</u>             | <u>\$ 13</u>  | <u>\$ 592,578</u>                         | <u>\$ 54,496</u>             | <u>(311)</u>          | <u>\$ (2,030)</u> | <u>\$ 645,057</u>                     |

The accompanying notes are an integral part to these condensed consolidated financial statements.

**GRANITE RIDGE RESOURCES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Unaudited**

| <i>(in thousands)</i>                                                                    | <b>Three Months Ended March 31,</b> |                  |
|------------------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                          | <b>2024</b>                         | <b>2023</b>      |
| <b>Operating activities:</b>                                                             |                                     |                  |
| Net income                                                                               | \$ 16,227                           | \$ 36,866        |
| Adjustments to reconcile net income to net cash provided by operating activities:        |                                     |                  |
| Depletion and accretion expense                                                          | 40,941                              | 33,852           |
| Impairments of unproved properties                                                       | 732                                 | —                |
| (Gain) loss on derivatives - commodity derivatives                                       | 3,161                               | (13,323)         |
| Net cash receipts from commodity derivatives                                             | 2,708                               | 6,386            |
| Stock-based compensation                                                                 | 512                                 | 1,059            |
| Amortization of deferred financing costs                                                 | 295                                 | 163              |
| Gain on derivatives - common stock warrants                                              | —                                   | (5,278)          |
| Gain on equity investments                                                               | (7,779)                             | —                |
| Deferred income taxes                                                                    | 4,820                               | 9,964            |
| Other                                                                                    | (17)                                | (137)            |
| Increase (decrease) in cash attributable to changes in operating assets and liabilities: |                                     |                  |
| Revenue receivable                                                                       | 8,103                               | 6,433            |
| Accrued expenses                                                                         | (3,213)                             | 4,609            |
| Other receivable                                                                         | 530                                 | (260)            |
| Prepaid and other expenses                                                               | (1,551)                             | 325              |
| Other payable                                                                            | 3,187                               | 815              |
| Net cash provided by operating activities                                                | 68,656                              | 81,474           |
| <b>Investing activities:</b>                                                             |                                     |                  |
| Capital expenditures for oil and natural gas properties                                  | (69,660)                            | (105,556)        |
| Acquisition of oil and natural gas properties                                            | (2,627)                             | (24,370)         |
| Refund of advances to operators                                                          | 1,282                               | —                |
| Net cash used in investing activities                                                    | (71,005)                            | (129,926)        |
| <b>Financing activities:</b>                                                             |                                     |                  |
| Proceeds from borrowing on credit facilities                                             | 27,500                              | 25,000           |
| Deferred financing costs                                                                 | (32)                                | —                |
| Payment of expenses related to formation of Granite Ridge Resources, Inc.                | —                                   | (43)             |
| Purchase of treasury shares                                                              | (418)                               | (1,768)          |
| Payment of dividends                                                                     | (14,349)                            | (14,640)         |
| Net cash provided by financing activities                                                | 12,701                              | 8,549            |
| <b>Net change in cash and restricted cash</b>                                            | <b>10,352</b>                       | <b>(39,903)</b>  |
| Cash and restricted cash at beginning of period                                          | 10,730                              | 51,133           |
| <b>Cash and restricted cash at end of period</b>                                         | <b>\$ 21,082</b>                    | <b>\$ 11,230</b> |
| <b>Supplemental disclosure of non-cash investing activities:</b>                         |                                     |                  |
| Oil and natural gas property development costs in accrued expenses                       | \$ 9,168                            | \$ 3,412         |
| Advances to operators applied to development of oil and natural gas properties           | \$ 23,294                           | \$ 26,299        |
| <b>Cash and restricted cash:</b>                                                         |                                     |                  |
| Cash                                                                                     | \$ 20,782                           | \$ 10,930        |
| Restricted cash included in other long-term assets                                       | 300                                 | 300              |
| <b>Cash and restricted cash</b>                                                          | <b>\$ 21,082</b>                    | <b>\$ 11,230</b> |

The accompanying notes are an integral part to these condensed consolidated financial statements.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

## **1. Organization and Nature of Operations**

Granite Ridge Resources, Inc. (together with its consolidated subsidiaries, “Granite Ridge” or the “Company”) is a Delaware corporation, initially formed in May 2022, whose common stock is listed and traded on the New York Stock Exchange (“NYSE”). The Company was created for the purpose of the Business Combination (as defined below), and following the Business Combination, for the purpose of purchasing non-operated oil and natural gas assets in multiple basins in North America and realizing profits through participation in oil and natural gas wells.

On October 24, 2022, the Business Combination closed and was accounted for as a reverse recapitalization and Grey Rock Energy Fund III (as defined below) was determined to be the accounting acquirer and Predecessor (as defined below).

### *Business Combination*

On October 24, 2022 (the “Closing Date”), Granite Ridge and Executive Network Partnering Corporation, a Delaware corporation (“ENPC”), consummated the Business Combination pursuant to the terms of the Business Combination Agreement, dated as of May 16, 2022 (the “Business Combination Agreement”), by and among ENPC, Granite Ridge, ENPC Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Granite Ridge (“ENPC Merger Sub”), GREP Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Granite Ridge (“GREP Merger Sub”), and Granite Ridge Holdings, LLC, a Delaware limited liability company formerly known as GREP Holdings, LLC (“GREP”).

Pursuant to the Business Combination Agreement, on the Closing Date, (i) ENPC Merger Sub merged with and into ENPC (the “ENPC Merger”), with ENPC surviving the ENPC Merger as a wholly-owned subsidiary of Granite Ridge and (ii) GREP Merger Sub merged with and into GREP (the “GREP Merger,” and together with the ENPC Merger, the “Mergers”), with GREP surviving the GREP Merger as a wholly-owned subsidiary of Granite Ridge (the transactions contemplated by the foregoing clauses (i) and (ii) the “Business Combination,” and together with the other transactions contemplated by the Business Combination Agreement, the “Transactions”).

Immediately prior to the closing of the Transactions, the net assets of Grey Rock Energy Fund, L.P., a Delaware limited partnership (“Fund I”), Grey Rock Energy Fund II, L.P., a Delaware limited partnership (“Fund II-A”), Grey Rock Energy Fund II-B, L.P., a Delaware limited partnership (“Fund II-B”), and Grey Rock Energy Fund II-B Holdings, L.P., a Delaware limited partnership (“Fund II-B Holdings”, and together with Fund II-A and Fund II-B, collectively, “Fund II”), and Grey Rock Energy Fund III-A, L.P., a Delaware limited partnership (“Fund III-A”), Grey Rock Energy Partners Fund III-B, L.P., a Delaware limited partnership (“Fund III-B”), and Grey Rock Energy Fund III-B Holdings, L.P., a Delaware limited partnership (“Fund III-B Holdings” and together with Fund III-A and Fund III-B, collectively, “Fund III” or “Predecessor”) were transferred (through various intermediary entities) to GREP (the “GREP Formation Transaction”). Fund I, Fund II and Fund III are collectively referred to herein as the “Funds”.

At the special meeting of ENPC stockholders held in connection with the Business Combination, of the 41,400,000 shares of ENPC Class A common stock, public stockholders of 39,343,496 shares of ENPC Class A common stock exercised their rights to have those shares redeemed for cash at a redemption price of approximately \$10.07 per share, or an aggregate of approximately \$396.1 million. The holders of membership interests in GREP (the “Existing GREP Members”) and their direct and indirect members were issued 130.0 million shares of Granite Ridge common stock at the closing. Upon consummation of the Business Combination, each public stockholder’s ENPC common stock and ENPC warrants were automatically converted into an equivalent number of shares of Granite Ridge common stock and Granite Ridge warrants as a result of the Transactions. At the effective time of the Mergers, (i) 495,357 shares of ENPC Class F common stock were converted to 1,238,393 shares of ENPC Class A common stock (of which an aggregate of 220,348 shares were subsequently forfeited pursuant to the terms of the Sponsor Agreement, dated as of May 16, 2022, by and among ENPC, Granite Ridge, and certain other parties thereto (the “Sponsor Agreement”)) and the remaining shares of ENPC Class F common stock outstanding were automatically cancelled for no consideration (the “ENPC Class F Conversion”) (ii) all other remaining shares of ENPC Class A common stock automatically cancelled without any conversion, payment or distribution (the “Sponsor Share Cancellation”) and (iii) all shares of ENPC Class B common stock outstanding were deemed transferred to ENPC and surrendered and forfeited for no consideration (the “ENPC Class B Contribution”). In January 2023, 220,348 of the 371,518 shares subject to vesting and forfeiture provisions under the terms of the Sponsor Agreement were forfeited.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

Following the ENPC Class F Conversion, the Sponsor Share Cancellation, the ENPC Class B Contribution and the separation of the securities offered in ENPC's initial public offering, which consisted of one share of Class A common stock and one-quarter of one ENPC warrant ("CAPS™ Separation"), each share of ENPC Class A common stock outstanding was automatically converted into one share of Granite Ridge common stock. Total aggregate investment by ENPC was \$6.8 million, which amount represents total risk capital contributed by ENPC, including working capital loans that were forgiven.

#### *Warrant Exchange*

On October 24, 2022, in connection with the Business Combination, the Company issued 10,349,975 common stock warrants. On June 22, 2023, the Company completed an offer to holders of its outstanding warrants which provided such holders the opportunity to receive 0.25 shares of the Company's common stock in exchange for each warrant tendered by such holders (the "Offer"). This Offer coincided with a solicitation of consents from holders of the warrants to amend the warrant agreement governing such warrants to permit the Company to require that each warrant that remained outstanding upon the closing of the Offer be exchanged for 0.225 shares of the Company's common stock (together with the Offer, the "Warrant Exchange"). On June 22, 2023, the Company issued 2,471,738 shares of common stock in exchange for 9,887,035 warrants tendered in the Offer, with a minimal cash settlement in lieu of partial shares. In July 2023, each remaining outstanding warrant was converted into 0.225 shares of the Company's common stock, and subsequently, no warrants remained outstanding. See Note 9 for further discussion of the Warrant Exchange.

## **2. Summary of Significant Accounting Policies**

A complete discussion of the Company's significant accounting policies is included in the 2023 Form 10-K.

#### *Principles of Consolidation*

The accompanying condensed consolidated financial statements include the accounts of the Company and all other wholly owned subsidiaries created in connection with the Business Combination. References to the "Company" prior to October 24, 2022 refer to the combined business of the Funds and references after October 24, 2022 refer to the consolidated business of Granite Ridge Resources, Inc. All intercompany balances and transactions have been eliminated in consolidation.

#### *Basis of Presentation*

The condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company operates in one operating segment, which is oil and natural gas development, exploration and production. All of our operations are conducted in the geographic area of the United States. The Company's chief operating decision maker manages operations on a consolidated basis for purposes of evaluating operations and allocating resources.

#### *Use of Estimates*

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates of reserves are used to determine depletion and to conduct impairment analysis. Estimating reserves is inherently uncertain, including the projection of future rates of production and the timing of development expenditures.

The Company's estimates of oil and natural gas reserves are, by necessity, projections based on geologic and engineering data, and there are uncertainties inherent in the interpretation of such data as well as the projection of future rates of production and the timing of development expenditures. Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that are difficult to measure. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. Estimates of economically recoverable oil and natural gas reserves and future net cash flows necessarily depend upon a number of variable factors and assumptions, such as historical production from the area compared with production from other producing areas, the assumed effect of regulations by governmental agencies, and assumptions governing future oil and

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

natural gas prices, future operating costs, severance taxes, development costs and workover costs, all of which may in fact vary considerably from actual results. The future drilling costs associated with reserves assigned to proved undeveloped locations may ultimately increase to the extent that these reserves are later to be determined to be uneconomic. For these reasons, estimates of the economically recoverable quantities of expected oil and natural gas attributable to any particular group of properties, classifications of such reserves based on risk of recovery, and estimates of the future net cash flows may vary substantially. Any significant variance in the assumptions could materially affect the estimated quantity of the reserves, which could affect the carrying value of the Company's oil and natural gas properties and/or the rate of depletion related to the oil and natural gas properties.

Additional significant estimates include, but are not limited to, fair value of derivative financial instruments, fair value of equity investments, fair value of business combinations, asset retirement obligations, revenue receivable and income taxes. Actual results could differ from those estimates.

#### *Reclassifications*

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

#### *Interim financial statements*

The accompanying condensed consolidated financial statements of the Company have not been audited by the Company's independent registered public accounting firm, except that the condensed consolidated balance sheet at December 31, 2023 is derived from audited consolidated financial statements. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments necessary to present fairly the Company's condensed consolidated financial statements. All such adjustments are of a normal, recurring nature. In preparing the accompanying condensed consolidated financial statements, management has made certain estimates and assumptions that affect reported amounts in the condensed consolidated financial statements. Actual results may differ from those estimates. The results for interim periods are not necessarily indicative of annual results.

Certain disclosures have been condensed in or omitted from these condensed consolidated financial statements. Accordingly, these notes to the condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's 2023 Form 10-K.

#### *Revenue Receivable*

Revenue receivable is comprised of accrued oil and natural gas sales. The operators remit payment for production directly to the Company. In the event of complete non-performance by the Company's customers, the maximum exposure to the Company is the outstanding revenue receivable balance at the date of non-performance. The Company monitors this exposure primarily by reviewing credit ratings, financial statements and payment history. Revenue receivables are generally unsecured and typically received from the operator one to three months after production. The Company had an allowance for expected credit losses of \$0.2 million at March 31, 2024 and \$0.2 million at December 31, 2023, which was based on a historical loss rate.

The Company considers forecasts of future economic conditions in the estimate of its expected credit losses, in particular whether there is an increase in the probability that the Company's counterparties are unable to pay their obligations when due, and adjusts its allowance for expected credit losses, when necessary.

#### *Advance to Operators*

The Company participates in the drilling of oil and natural gas wells with other working interest partners. Due to the capital-intensive nature of oil and natural gas drilling activities, our partner operators may request advance payments from working interest partners for their share of the costs. The Company expects such advances to be applied by these operators against joint interest billings for its share of drilling operations within 90 days from when the advance is paid. Changes in advances to operators are presented as an investing outflow within capital expenditures for oil and natural gas properties on the condensed consolidated statements of cash flows.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

### *Oil and Natural Gas Properties*

The Company uses the successful efforts method of accounting for oil and gas producing activities, as further defined under Accounting Standards Codification ("ASC") 932, *Extractive Activities - Oil and Gas* ("ASC 932"). Costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory leases that find proved reserves, and to drill and equip development leases and related asset retirement costs are capitalized. Costs to drill exploratory wells are capitalized pending determinations of whether the wells have proved reserves. If the Company determines that the wells do not have proved reserves, the costs are charged to expense.

Capitalized leasehold costs relating to proved properties are depleted using the unit-of-production method based on proved reserves. The depletion of capitalized drilling and development costs and integrated assets is based on the unit-of-production method using proved developed reserves. The Company recognized depletion expense of \$40.8 million and \$33.8 million for the three months ended March 31, 2024 and 2023, respectively.

The Company reviews its long-lived assets to be held and used, including proved oil and natural gas properties, whenever events or circumstances indicate that the carrying value of those assets may not be recoverable; for instance, when there are declines in commodity prices or well performance. An impairment loss is indicated if the sum of the expected undiscounted future net cash flows is less than the carrying amount of the assets. For each property determined to be impaired, an impairment loss equal to the difference between the carrying value of the properties and the estimated fair market value as determined by discounted future cash flows using a discount rate similar to that used by market participants, or comparable market value if available, is recognized at that time. Estimating future cash flows involves the use of judgments, including estimation of the proved and risk-adjusted unproved oil and natural gas reserve quantities, timing of development and production, expected future commodity prices, capital expenditures and production costs and cash flows from integrated assets. There was no proved property impairment recorded for the three months ended March 31, 2024 or 2023.

Unproved oil and natural gas properties are periodically assessed for impairment by considering future drilling and exploration plans, results of exploration activities, commodity price outlooks, planned future sales and expiration of all or a portion of the projects. The Company recorded unproved property impairment of \$0.7 million for the three months ended March 31, 2024 in the Permian Basin as the operator no longer intends to drill certain locations. There was no unproved property impairment recorded for the three months ended March 31, 2023.

### *Derivative Instruments- Commodity Derivatives*

The Company recognizes its derivative instruments as either assets or liabilities measured at fair value. The Company nets the fair value of the derivative instruments by counterparty in the accompanying condensed consolidated balance sheets when the right of offset exists. The Company does not have any derivatives designated as fair value or cash flow hedges.

### *Derivative Instruments- Common Stock Warrants*

Prior to the Warrant Exchange, the Company accounted for warrants as liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480") and ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The warrants were required to be recorded at their initial fair value on the date of issuance and each balance sheet date thereafter. Changes in the estimated fair value of the warrants were recognized as a non-operating gain or loss in the condensed consolidated statements of operations. For the period during which the Company's common stock was publicly traded, the fair value of the warrants was based on quoted prices in an active market.

On June 22, 2023, the Company issued 2,471,738 shares of common stock in exchange for 9,887,035 warrants tendered in the Offer. In July 2023, each remaining outstanding warrant was converted into 0.225 shares of the Company's common stock, and subsequently, no warrants remained outstanding. See Note 9 for further discussion of the Warrant Exchange.

### *Equity Investments*

In December 2023, the Company completed the sale of certain of its Permian Basin assets to Vital Energy, Inc. ("Vital Energy") for consideration of 561,752 shares of Vital Energy's common stock and 541,155 shares of Vital Energy's 2.0% cumulative mandatorily convertible preferred securities.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

The Company follows the guidance in ASC 321, "Investments - Equity Securities" ("ASC 321") for its investment in the common and preferred stock of Vital Energy. ASC 321 requires equity investments with readily determinable fair values to be measured at fair value, with unrealized holding gains and losses recorded as a gain or loss on the condensed consolidated statements of operations. For the preferred stock that does not have a readily determinable fair value, the Company has not elected the measurement alternative in ASC 321 and instead accounts for the preferred stock at fair value with unrealized gains and losses recorded through net income. For the three months ended March 31, 2024, an unrealized gain of \$7.8 million on the change in fair value of the common and preferred stock is included in the condensed consolidated statements of operations.

*Revenue Recognition*

The Company's revenues are primarily derived from its interests in the sale of oil and natural gas production. The Company recognizes revenue from its interests in the sales of oil and natural gas in the period that its performance obligations are satisfied.

Performance obligations are satisfied when the customer obtains control of the product, when the Company has no further obligations to perform related to the sale, when the transaction price has been determined, and when collectability is probable.

The Company receives payment from the sale of oil and natural gas production from one to three months after delivery. The transaction price is variable as it is based on market prices for oil and natural gas, less revenue deductions such as gathering, transportation, and compression costs. Management has determined that the variable revenue constraint is overcome at the date control passes to the customer since the variable consideration to be received can be reasonably estimated based on daily market prices and historical transportation charges. Revenue is presented net of these costs within the condensed consolidated statements of operations. At the end of each month when the performance obligation is satisfied, the variable consideration can be reasonably estimated and amounts due from customers are accrued in revenue receivable in the condensed consolidated balance sheets. Variances between the Company's estimated revenue and actual payments are recorded in the month the payment is received; however, differences have been and are insignificant.

The Company does not disclose the value of unsatisfied performance obligations under its contracts with customers as it applies the practical expedient in accordance with ASC 606. The expedient, as described in ASC 606-10-50-14(a), applies to variable consideration that is recognized as control of the product is transferred to the customer. Since each unit of product represents a separate performance obligation, future volumes are wholly unsatisfied, and disclosure of the transaction price allocated to remaining performance obligations is not required.

*Non-operated Crude Oil and Natural Gas Revenues*

The Company's proportionate share of production from non-operated properties is generally marketed at the discretion of the operators. For non-operated properties, the Company receives a net payment from the operator representing its proportionate share of sales proceeds which is net of transportation and production tax costs incurred by the operator, if any. Such non-operated revenues are recognized at the net amount of proceeds to be received by the Company during the month in which production occurs and it is probable the Company will collect the consideration it is entitled to receive. Proceeds are generally received by the Company within one to three months after the month in which production occurs.

*Take-in Kind Oil and Natural Gas Revenues*

Under certain arrangements, the Company has the right to take a volume of processed residue gas and/or natural gas liquids ("NGLs") in-kind at the tailgate of the midstream customer's processing plant in lieu of receiving a net payment from the operator representing its proportionate share of its natural gas production. The Company currently takes certain processed gas volumes in kind in lieu of monetary settlement but does not currently take NGL volumes in kind. When the Company elects to take volumes in kind, it pays third parties to transport the processed products it took in-kind to downstream delivery points, where it then sells to customers at prices applicable to those downstream markets. In such situations, revenues are recognized during the month in which control transfers to the customer at the delivery point and it is probable the Company will collect the consideration it is entitled to receive. Sales proceeds are generally received by the Company within one month after the month in which a sale has occurred. In these scenarios, gathering and processing costs and

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

transportation expenses the Company incurs to transport the processed products to downstream customers are recorded in lease operating expenses on the condensed consolidated statements of operations.

The Company's disaggregated revenue has two primary sources: oil sales and natural gas sales. Substantially all of the Company's oil and natural gas sales come from five geographic areas in the United States: the Eagle Ford Basin (Texas), the Permian Basin (Texas/New Mexico), the Haynesville Basin (Texas/Louisiana), the Denver-Julesburg "DJ" Basin (Colorado), and the Bakken Basin (Montana/North Dakota). The following tables present the disaggregation of the Company's oil revenues and natural gas revenues by basin for the three months ended March 31, 2024 and 2023.

| <i>(in thousands)</i> | <b>Three Months Ended March 31,</b> |                  |
|-----------------------|-------------------------------------|------------------|
|                       | <b>2024</b>                         | <b>2023</b>      |
| Oil                   | \$ 75,766                           | \$ 73,475        |
| Natural gas           | 13,230                              | 17,835           |
| <b>Total</b>          | <b>\$ 88,996</b>                    | <b>\$ 91,310</b> |
| Permian               | \$ 49,946                           | \$ 51,810        |
| Eagle Ford            | 13,408                              | 10,962           |
| Bakken                | 13,446                              | 13,075           |
| Haynesville           | 5,236                               | 8,947            |
| DJ                    | 6,960                               | 6,516            |
| <b>Total</b>          | <b>\$ 88,996</b>                    | <b>\$ 91,310</b> |

*Stock-Based Compensation*

Stock-based compensation expense is recognized in the Company's condensed consolidated financial statements on an accelerated basis over the awards' vesting periods based on their grant date fair values. Restricted stock awards are valued at the closing price of the Company's common stock on the date of grant. The Company utilizes the Monte Carlo simulation method to determine the fair value of certain performance stock units ("PSUs"), the Black-Scholes model for options issued at-the-money, and a binomial lattice model for other stock options. The Company recognizes forfeitures of stock-based compensation awards as they occur.

*Recently Issued and Applicable Accounting Pronouncements (Issued and Not Yet Adopted)*

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," ("ASU 2023-07") which requires public entities, including public entities with a single reportable segment, to disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. ASU 2023-07 was effective for annual periods beginning after December 15, 2023, and is effective for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently assessing the effect that ASU 2023-07 will have on its disclosures.

In December 2023, the FASB issued ASU No. 2023-09, "Improvements to Income Tax Disclosures," ("ASU 2023-09") which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company has not early adopted the standard and is currently assessing the effect that ASU 2023-09 will have on its disclosures.

*Recently Issued and Applicable Accounting Pronouncements (Issued and Adopted)*

The FASB issued ASU No. 2016-13, "Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" which replaced the "incurred loss" methodology for recognizing credit losses with an "expected

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

loss” methodology. This new methodology requires that a financial asset measured at amortized cost be presented at the net amount expected to be collected. This standard is intended to provide more timely decision-useful information about the expected credit losses on financial instruments. The adoption of this guidance on January 1, 2023 did not have a material impact on the Company’s condensed consolidated financial statements or related disclosures. Revenue receivables is the primary financial asset that is within the scope of the new guidance. A loss-rate method is applied to the receivables to estimate credit losses. The Company recognized a tax effected \$0.1 million non-cash cumulative effect adjustment to retained earnings on its opening consolidated balance sheet at January 1, 2023 to record an allowance for expected credit losses associated with the Company’s revenue receivables.

In June 2022, the FASB issued ASU No. 2022-03, “Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions,” (“ASU 2022-03”) which clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. ASU 2022-03 also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction and requires specific disclosures for equity securities subject to contractual sale restrictions such as the fair value of equity securities subject to contractual sale restrictions, the nature and remaining duration of the restrictions and the circumstances that could cause a lapse in the restriction. ASU 2022-03 was effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, with early application permitted. The adoption of ASU 2022-03 did not have a significant impact on the Company's condensed consolidated financial statements.

### **3. Derivative Financial Instruments**

The Company uses derivative financial instruments in connection with its oil and natural gas operations to provide an economic hedge of the Company’s exposure to commodity price risk associated with anticipated future oil and natural gas production. The Company does not hold or issue derivative financial instruments for trading purposes.

The Company does not designate its derivative instruments to qualify for hedge accounting. Accordingly, the Company reflects changes in the fair value of its derivative instruments in its condensed consolidated statements of operations as they occur.

#### *Collar Option Contracts and Swaps*

The Company’s derivative financial instruments consist of collar option contracts and swaps.

A collar option is established with the sale of a short call option (ceiling price) and the purchase of a long put option (floor price) set to expire at a predetermined date in the future. The options give the owner the right but not the obligation to exercise the option at the expiration date.

When the settlement price is below the established floor price, the Company receives an amount from its counterparty equal to the difference between the settlement price and the floor price multiplied by the hedged contract volume. When the settlement price is above the established ceiling price, the Company pays its counterparty an amount equal to the difference between the settlement price and the ceiling price multiplied by the hedged contract volume. When the settlement price is between the established floor and the ceiling, no amounts are due to or from the counterparty.

A swap contract allows the Company to receive a fixed price and pay a floating market price to the counterparty for the hedged commodity.

The Company has master netting agreements on individual derivative instruments with its counterparties and therefore certain amounts may be presented on a net basis in the condensed consolidated balance sheets.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

*Volume of Derivative Activities*

The following table sets forth the Company's outstanding commodity derivative contracts as of March 31, 2024.

|                                         | 2024           |               |                | 2025      |           |
|-----------------------------------------|----------------|---------------|----------------|-----------|-----------|
|                                         | Second Quarter | Third Quarter | Fourth Quarter | Total     | Total     |
| <b>Collar (oil)</b>                     |                |               |                |           |           |
| Volume (Bbl)                            | 401,874        | 361,552       | 311,496        | 1,074,922 | 439,852   |
| Weighted-average floor price (\$/Bbl)   | \$ 64.27       | \$ 64.32      | \$ 64.13       | \$ 64.24  | \$ 61.48  |
| Weighted-average ceiling price (\$/Bbl) | \$ 85.11       | \$ 85.24      | \$ 84.97       | \$ 85.11  | \$ 80.65  |
| <b>Swaps (oil)</b>                      |                |               |                |           |           |
| Volume (Bbl)                            | 48,000         | 39,000        | 32,000         | 119,000   | —         |
| Weighted-average price (\$/Bbl)         | \$ 80.00       | \$ 80.00      | \$ 80.00       | \$ 80.00  | —         |
| <b>Collar (natural gas)</b>             |                |               |                |           |           |
| Volume (Mcf)                            | —              | —             | 1,615,000      | 1,615,000 | 2,156,000 |
| Weighted-average floor price (\$/Mcf)   | \$ —           | \$ —          | \$ 3.57        | \$ 3.57   | \$ 3.57   |
| Weighted-average ceiling price (\$/Mcf) | \$ —           | \$ —          | \$ 5.37        | \$ 5.37   | \$ 5.37   |
| <b>Swaps (natural gas)</b>              |                |               |                |           |           |
| Volume (Mcf)                            | 3,236,000      | 2,823,000     | 844,000        | 6,903,000 | 1,612,050 |
| Weighted-average price (\$/Mcf)         | \$ 3.22        | \$ 3.22       | \$ 3.22        | \$ 3.22   | \$ 3.20   |

The following table summarizes the amounts reported in the condensed consolidated statements of operations related to the commodity derivative instruments for the three months ended March 31, 2024 and 2023:

| <i>(in thousands)</i>                | Three Months Ended March 31, |           |
|--------------------------------------|------------------------------|-----------|
|                                      | 2024                         | 2023      |
| Gain (loss) on commodity derivatives |                              |           |
| Oil derivatives                      | \$ (21,062)                  | \$ 15,097 |
| Natural gas derivatives              | 17,901                       | (1,774)   |
| Total                                | \$ (3,161)                   | \$ 13,323 |

The following table represents the Company's net cash receipts (payments on) commodity derivatives for the three months ended March 31, 2024 and 2023:

| <i>(in thousands)</i>                        | Three Months Ended March 31, |          |
|----------------------------------------------|------------------------------|----------|
|                                              | 2024                         | 2023     |
| Net cash receipts from commodity derivatives |                              |          |
| Oil derivatives                              | \$ 96                        | \$ 1,953 |
| Natural gas derivatives                      | 2,612                        | 4,433    |
| Total                                        | \$ 2,708                     | \$ 6,386 |

*Common Stock Warrants*

On October 24, 2022, in connection with the Business Combination, the Company issued 10,349,975 common stock warrants. Each warrant entitled the holder to purchase one share of Granite Ridge's common stock at an exercise price of \$11.50 per share. The common stock warrants became exercisable 30 days after the completion of the Business Combination and 461 common stock warrants were exercised during the period they were outstanding.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

The Company recorded a gain of \$5.3 million during the three months ended March 31, 2023 from the change in fair value of the warrant liability in the condensed consolidated statements of operations. On June 22, 2023, the Company issued 2,471,738 shares of common stock in exchange for 9,887,035 warrants tendered in the Offer, with a minimal cash settlement in lieu of partial shares. In July 2023, each remaining outstanding warrant was converted into 0.225 shares of the Company's common stock, and subsequently, no warrants remained outstanding. The warrants exchanged in the Offer were marked to fair value on the date of settlement, and the liability of \$17.0 million and \$0.7 million related to the exchanged common stock warrants was removed from the consolidated balance sheet in June 2023 and July 2023, respectively, and the issuance of shares of the Company's common stock was reflected in stockholders' equity. See Note 9 for further discussion of the Warrant Exchange.

#### 4. Fair Value Measurements

The Company has adopted and follows ASC 820, *Fair Value Measurements and Disclosures*, for measurement and disclosures about fair value of its financial instruments. ASC 820 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by ASC 820 are:

Level 1 — Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 — Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model. Valuation of instruments includes unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

As defined by ASC 820, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale, which was further clarified as the price that would be received to sell an asset or paid to transfer a liability ("an exit price") in an orderly transaction between market participants at the measurement date.

As required, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

The following table presents the carrying amounts and fair values of the Company's financial instruments as of March 31, 2024 and December 31, 2023:

| (in thousands)                                 | March 31, 2024 |            | December 31, 2023 |            |
|------------------------------------------------|----------------|------------|-------------------|------------|
|                                                | Carrying Value | Fair Value | Carrying Value    | Fair Value |
| <b>Assets:</b>                                 |                |            |                   |            |
| Derivative instruments - commodity derivatives | \$ 7,094       | \$ 7,094   | \$ 12,306         | \$ 12,306  |
| Equity investments                             | \$ 58,207      | \$ 58,207  | \$ 50,427         | \$ 50,427  |
| <b>Liabilities:</b>                            |                |            |                   |            |
| Revolving credit facilities                    | \$ 137,500     | \$ 137,500 | \$ 110,000        | \$ 110,000 |
| Derivative instruments - commodity derivatives | \$ 657         | \$ 657     | \$ —              | \$ —       |

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

*Revolving credit facilities* — The carrying amounts of the revolving credit facilities approximate their fair values, as the applicable interest rates are variable and reflective of market rates.

*Other financial assets and liabilities* — The carrying amounts of the Company's other financial assets and liabilities, such as revenue receivable and accrued expenses due to sellers, approximate their fair values because of the short maturity of these instruments.

*Derivative instruments - commodity derivatives* — The fair value of the Company's derivative instruments is estimated by management considering various factors, including closing exchange and over-the-counter quotations and the time value of the underlying commitments. The fair value of the Company's commodity derivative instruments is considered to be a Level 2 measurement. Substantially all of these inputs are observable in the marketplace throughout the full term of the derivative instrument, can be derived from observable data, or supported by observable levels at which transactions are executed in the marketplace. The Company's valuation models are primarily industry-standard models that consider various inputs including: (i) quoted forward prices for commodities, (ii) current market and contractual prices for the underlying instruments, (iii) applicable credit-adjusted risk-free rate curves, as well as other relevant economic measures.

*Equity investments* — The fair value of the Company's investment in Vital Energy's common stock was valued using the instrument's publicly listed trading price, which is considered to be a Level 1 measurement due to the use of an observable market quote in an active market. The fair value of the Company's investment in Vital Energy's preferred stock is estimated by management considering various factors, including the publicly listed trading price of Vital Energy's common shares and the present value of expected dividends prior to the conversion of the preferred shares. The fair value of the investment in preferred stock is considered to be a Level 2 measurement. Substantially all of these inputs are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

The Vital Energy common and preferred shares are subject to certain restrictions. Upon approval by holders of a majority of the issued and outstanding shares of Vital Energy common stock eligible to vote, which vote will take place at a meeting of Vital Energy's stockholders on May 23, 2024, the preferred stock is to be converted into common shares. Prior to this stockholder approval, the common shares owned by the Company are not entitled to vote and bear a restricted legend to that effect. For each share of preferred stock being converted, the Company shall receive a number of common shares in aggregate equal to the conversion rate. The initial conversion rate is one share of common stock per share of preferred stock. The conversion rate is adjusted upon the occurrence of events such as Vital Energy's issuance of common stock as a dividend, the issuance of common stock warrants or similar rights to all the common stockholders, the distribution of shares of its capital stock to acquire its capital stock or other securities, or if Vital Energy makes a cash distribution, except if it elects to give a dividend to the preferred stock in lieu of an adjustment to the conversion price.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels. The following tables summarize (i) the valuation of each of the Company's financial instruments by required fair value hierarchy levels and (ii) the gross fair value by the appropriate balance sheet classification even when the derivative instruments are subject to netting arrangements and qualify for net presentation in the Company's condensed

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

consolidated balance sheets as of March 31, 2024 and December 31, 2023. The Company nets the fair value of commodity derivative instruments by counterparty in the Company's condensed consolidated balance sheets.

| March 31, 2024                             |                              |                  |             |           |                  |                                                                  |                                                                      |
|--------------------------------------------|------------------------------|------------------|-------------|-----------|------------------|------------------------------------------------------------------|----------------------------------------------------------------------|
| (in thousands)                             | Fair Value Measurement Using |                  |             |           | Total Fair Value | Gross Amounts Offset in the Condensed Consolidated Balance Sheet | Net Fair Value Presented in the Condensed Consolidated Balance Sheet |
|                                            | Level 1                      | Level 2          | Level 3     |           |                  |                                                                  |                                                                      |
| Equity investments - common stock          | \$ 29,515                    | \$ —             | \$ —        | \$        | 29,515           | \$ —                                                             | \$ 29,515                                                            |
| Equity investments - preferred stock       | —                            | 28,692           | —           |           | 28,692           | —                                                                | 28,692                                                               |
| Total equity investments                   | <u>\$ 29,515</u>             | <u>\$ 28,692</u> | <u>\$ —</u> | <u>\$</u> | <u>58,207</u>    | <u>\$ —</u>                                                      | <u>\$ 58,207</u>                                                     |
| Assets (at fair value):                    |                              |                  |             |           |                  |                                                                  |                                                                      |
| Commodity derivatives – current portion    | \$ —                         | \$ 11,767        | \$ —        | \$        | 11,767           | \$ (4,673)                                                       | \$ 7,094                                                             |
| Commodity derivatives – noncurrent portion | —                            | 625              | —           |           | 625              | (625)                                                            | —                                                                    |
| Liabilities (at fair value):               |                              |                  |             |           |                  |                                                                  |                                                                      |
| Commodity derivatives – current portion    | —                            | (4,673)          | —           |           | (4,673)          | 4,673                                                            | —                                                                    |
| Commodity derivatives – noncurrent portion | —                            | (1,282)          | —           |           | (1,282)          | 625                                                              | (657)                                                                |
| Net derivative instruments                 | <u>\$ —</u>                  | <u>\$ 6,437</u>  | <u>\$ —</u> | <u>\$</u> | <u>6,437</u>     | <u>\$ —</u>                                                      | <u>\$ 6,437</u>                                                      |
| December 31, 2023                          |                              |                  |             |           |                  |                                                                  |                                                                      |
| (in thousands)                             | Fair Value Measurement Using |                  |             |           | Total Fair Value | Gross Amounts Offset in the Condensed Consolidated Balance Sheet | Net Fair Value Presented in the Condensed Consolidated Balance Sheet |
|                                            | Level 1                      | Level 2          | Level 3     |           |                  |                                                                  |                                                                      |
| Equity investments - common stock          | \$ 25,554                    | \$ —             | \$ —        | \$        | 25,554           | \$ —                                                             | \$ 25,554                                                            |
| Equity investments - preferred stock       | —                            | 24,873           | —           |           | 24,873           | —                                                                | 24,873                                                               |
| Total equity investments                   | <u>\$ 25,554</u>             | <u>\$ 24,873</u> | <u>\$ —</u> | <u>\$</u> | <u>50,427</u>    | <u>\$ —</u>                                                      | <u>\$ 50,427</u>                                                     |
| Assets (at fair value):                    |                              |                  |             |           |                  |                                                                  |                                                                      |
| Commodity derivatives – current portion    | \$ —                         | \$ 14,202        | \$ —        | \$        | 14,202           | \$ (3,085)                                                       | \$ 11,117                                                            |
| Commodity derivatives – noncurrent portion | —                            | 2,534            | —           |           | 2,534            | (1,345)                                                          | 1,189                                                                |
| Liabilities (at fair value):               |                              |                  |             |           |                  |                                                                  |                                                                      |
| Commodity derivatives – current portion    | —                            | (3,085)          | —           |           | (3,085)          | 3,085                                                            | —                                                                    |
| Commodity derivatives – noncurrent portion | —                            | (1,345)          | —           |           | (1,345)          | 1,345                                                            | —                                                                    |
| Net derivative instruments                 | <u>\$ —</u>                  | <u>\$ 12,306</u> | <u>\$ —</u> | <u>\$</u> | <u>12,306</u>    | <u>\$ —</u>                                                      | <u>\$ 12,306</u>                                                     |

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

**Fair Values – Non Recurring**

*Asset retirement obligations* — The fair value measurements of asset retirement obligations are measured on a nonrecurring basis when a well is drilled or acquired or when production equipment and facilities are installed or acquired using a discounted cash flow model based on inputs that are not observable in the market and therefore represent Level 3 inputs. Significant inputs to the fair value measurement of asset retirement obligations include estimates of the costs of plugging and abandoning oil and natural gas wells, removing production equipment and facilities and restoring the surface of the land as well as estimates of the economic lives of the oil and natural gas wells and future inflation rates.

**5. Acquisitions and Divestitures**

*2024 Acquisitions*

During the three months ended March 31, 2024, the Company acquired various oil and natural gas properties, all of which qualified as asset acquisitions. During the three months ended March 31, 2024, the Company closed an acquisition of proved and unproved oil and natural gas properties for a total purchase price of \$2.0 million in the Permian Basin as well as various acquisitions of interests in producing properties totaling \$0.3 million.

In addition, during the quarter, the Company recorded closing adjustments that reduced the acquisition price of business combinations completed during 2023 by \$1.1 million.

*2023 Acquisitions*

During the three months ended March 31, 2023, the Company acquired various oil and natural gas properties, all of which qualified as asset acquisitions. These included the following transactions:

Permian Basin - During the three months ended March 31, 2023, the Company closed on various acquisitions of unproved oil and natural gas properties for a total purchase price of \$9.6 million.

DJ Basin - During the three months ended March 31, 2023, the Company closed on an acquisition of proved developed producing oil and natural gas properties in the DJ Basin. As consideration for the entire acquisition, the Company paid \$16.6 million in cash, after closing adjustments, of which \$1.9 million was held in escrow and paid during 2022. Asset retirement obligations incurred and acquired were \$0.9 million.

**6. Stock Incentive Plan**

The Granite Ridge Resources, Inc. 2022 Omnibus Incentive Plan (the “Plan”) provides the Company the ability to grant, among other award types, stock options, restricted stock awards, and PSUs to directors, officers, employees and consultants or advisors employed by or providing service to the Company.

During the first quarter of 2024, the Company granted restricted stock awards, stock options, and PSUs. During the first quarter of 2023, the Company granted restricted stock awards, fully vested stock awards, stock options, and PSUs. Stock-based compensation expense during the three months ended March 31, 2024 and 2023 was \$0.5 million and \$1.1 million, respectively.

*Restricted Stock Awards* - The Company has granted restricted stock awards to certain of its employees and consultants under the Plan. Restricted stock awards are valued at the closing price of the Company's common stock on the date of grant. All restricted shares are legally issued and outstanding. If an employee terminates employment prior to the restriction lapse date, the awarded shares are forfeited and canceled and are no longer considered issued and outstanding. The holders of unvested restricted stock awards have voting rights and the right to receive dividends. The restricted stock awards generally vest ratably over a period of three years. The Company recognizes compensation expense utilizing graded vesting whereby compensation expense is recognized over the service period for each separately vesting tranche.

*PSUs* - The Company has granted PSUs to certain of its officers under the Plan. The PSUs cliff vest at the end of three years, generally subject to continued employment through the performance period. The total number of shares eligible to be earned may range from zero to 200% of the target number of PSUs granted, determined based upon achievement of certain

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

"financial performance" and "market performance" criteria for the Company and individual performance criteria for the officers awarded PSUs. Financial performance is based on the Company's financial performance at the end of the applicable performance period, while market performance is based on the relative standing of total shareholder return achieved by the Company compared to a predetermined group of peer companies at the end of the applicable performance period. Individual performance criteria is based on the officers' performance relative to individual performance goals at the end of the performance period. The Company utilizes the Monte Carlo simulation method to determine the fair value of the PSUs based on market performance, while the PSUs based on financial performance are valued based on the closing price of the Company's common stock on the date of grant.

*Stock Options* - The Company has granted stock options to certain of its officers under the Plan. The Company's outstanding stock options expire in 10 years following the date of grant. Pursuant to the stock options granted under the Plan, 33% of the options vest immediately with an additional 33% to vest on each of the next two anniversaries of the date of the grant, generally subject to continued employment through each such vesting date. During the three months ended March 31, 2024, the Company granted 134,375 stock options with an exercise price of \$6.06 per share. During the three months ended March 31, 2023, the Company granted 72,108 stock options with an exercise price per share of \$5.02 and 320,000 stock options with an exercise price per share of \$9.22.

*Stock Awards* - The Company may issue other awards to its employees and consultants under the Plan. During the first quarter of 2023, the Company issued 94,007 fully vested stock awards as other awards to certain of its employees and consultants under the Plan. Weighted average grant date fair value of other awards was \$8.51.

A summary of the Company's activity under the Plan for the restricted stock awards, PSUs and stock options for the three months ended March 31, 2024 is presented below:

|                                                             | Restricted Stock<br>Awards | Performance Stock<br>Units | Stock Options |
|-------------------------------------------------------------|----------------------------|----------------------------|---------------|
| Outstanding at December 31, 2023                            | 295,990                    | 26,574                     | 392,108       |
| Awards granted (1)                                          | 383,430                    | 70,958                     | 134,375       |
| Awards vested (2)                                           | (139,790)                  | —                          | —             |
| Options exercised                                           | —                          | —                          | —             |
| Outstanding at March 31, 2024                               | 539,630                    | 97,532                     | 526,483       |
| (1) Weighted average grant date fair value per share / unit | \$ 6.07                    | \$ 8.64                    | \$ 1.38       |

(2) Represents restricted stock and PSUs vested during the period. During the three months ended March 31, 2024, 175,493 stock options vested. As of March 31, 2024, there were a total of 306,195 stock options exercisable.

A summary of the Company's activity under the Plan for the restricted stock awards, PSUs and stock options for the three months ended March 31, 2023 is presented below:

|                                                             | Restricted Stock<br>Awards | Performance Stock<br>Units | Stock Options |
|-------------------------------------------------------------|----------------------------|----------------------------|---------------|
| Outstanding at December 31, 2022                            | —                          | —                          | —             |
| Awards granted (1)                                          | 308,938                    | 26,574                     | 392,108       |
| Awards vested (2)                                           | —                          | —                          | —             |
| Options exercised                                           | —                          | —                          | —             |
| Outstanding at March 31, 2023                               | 308,938                    | 26,574                     | 392,108       |
| (1) Weighted average grant date fair value per share / unit | \$ 5.72                    | \$ 6.01                    | \$ 0.82       |

(2) Represents restricted stock and PSUs vested during the period. During the three months ended March 31, 2023, 130,702 stock options vested and were exercisable as of March 31, 2023.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

## **7. Income Taxes**

In 2022, the Company became the sole owner of GREP. GREP is a disregarded entity for U.S. federal income tax purposes. As a result of the Business Combination, the Funds' net assets were transferred to the Company resulting in carryover tax basis of those assets. The Company is a C corporation and subject to U.S. federal income tax and state and local income taxes.

The Company records income taxes through the use of an estimated annual effective tax rate and specific events that are discretely recognized as they occur. For the three months ended March 31, 2024 and 2023, the Company recorded income tax expense of \$4.8 million and \$10.8 million, respectively.

At the end of each interim period, the Company applies an estimated annualized effective tax rate to the current period income or loss before income taxes, which can produce interim effective tax rate fluctuations. The Company's effective income tax rate was 23.0% and 22.6% for the three months ended March 31, 2024 and 2023, respectively. The effective tax rate differs from the enacted statutory rate of 21% primarily due to the impact of certain discrete items and state income taxes.

The Company has evaluated all tax positions for which the statute of limitations remains open and believes that the material positions taken would more likely than not be sustained upon examination. Therefore, as of March 31, 2024 and December 31, 2023, the Company had no unrecognized tax benefits and did not recognize any interest or penalties during those respective periods related to unrecognized tax benefits.

On August 16, 2022, the Inflation Reduction Act (the "IRA") was enacted into law and includes significant changes related to tax, climate change, energy and health care. The provisions within IRA, among other things, include (i) a new 15% corporate alternative minimum tax on certain large corporations, (ii) a new nondeductible 1% excise tax on the value of certain stock that a company repurchases, and (iii) various tax incentives for energy and climate initiatives. Each of these provisions were effective for tax years beginning after December 31, 2022. The Department of Treasury is expected to continue to publish regulations relevant to many aspects of the IRA. The Company currently does not believe that there will be a material impact on its cash taxes or income tax expense for the 2024 tax year or future periods but will continue to monitor.

## **8. Debt**

The carrying value of the Company's total debt was \$137.5 million and \$110.0 million at March 31, 2024 and December 31, 2023, respectively.

### *Granite Ridge Credit Agreement*

On October 24, 2022, Granite Ridge entered into a senior secured revolving credit agreement (as amended, the "Credit Agreement") among Granite Ridge, as borrower, Texas Capital Bank, as administrative agent, and the lenders from time to time party thereto. The Credit Agreement has a maturity date of five years from the effective date thereof.

The Credit Agreement initially provided for aggregate elected commitments of \$150.0 million, an initial borrowing base of \$325.0 million and an aggregate maximum revolving credit amount of \$1.0 billion. The borrowing base is redetermined semiannually on or about April 1 and October 1 of each calendar year, and is subject to additional adjustments from time to time, including for asset sales, elimination or reduction of hedge positions and incurrence of other debt. On November 7, 2023, Granite Ridge entered into a First Amendment to the Credit Agreement (the "First Amendment") which, among other things, decreased the borrowing base from \$325.0 million to \$275.0 million and increased the aggregate elected commitments from \$150.0 million to \$240.0 million. This borrowing base decrease was a result of the disposition of certain assets in the Permian Basin to Vital Energy. On April 1, 2024, the Company entered into the Resignation, Appointment, Assignment and Third Amendment to Credit Agreement (the "Third Amendment") by and among the Company, as borrower, Texas Capital Bank, as resigning administrative agent, Bank of America, N.A. ("Bank of America"), as successor administrative agent, and the lenders from time to time party thereto. The Third Amendment, among other things, (a) appointed Bank of America as administrative agent and L/C Issuer (as defined therein), replacing Texas Capital Bank, (b) increased the size of the lender group by adding nine new banks, with one bank exiting the facility,

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

(c) increased the borrowing base from \$275.0 million to \$300.0 million, and (d) increased the aggregate elected commitments from \$240.0 million to \$300.0 million.

The Company and the Required Lenders (as defined in the Credit Agreement) may request one unscheduled redetermination of the borrowing base between each scheduled redetermination. The amount of the borrowing base is determined by the lenders in their sole discretion and consistent with the oil and gas lending criteria of the lenders at the time of the relevant redetermination. The amount the Company is able to borrow under the Credit Agreement is subject to compliance with the financial covenants, satisfaction of various conditions precedent to borrowing and other provisions of the Credit Agreement.

At March 31, 2024, the Company had outstanding borrowings of \$137.5 million and \$0.3 million of letters of credit issued and outstanding under the Credit Agreement, resulting in availability of \$102.2 million. The Credit Agreement is guaranteed by the restricted subsidiaries of Granite Ridge and is secured by a first priority mortgage and security interest in substantially all of the Company's and its restricted subsidiaries' assets.

Borrowings under the Credit Agreement may be base rate loans or secured overnight financing rate ("SOFR") loans. Interest is payable quarterly for base rate loans and at the end of the applicable interest period for SOFR loans. Prior to the First Amendment, SOFR loans accrued interest at SOFR plus an applicable margin ranging from 250 to 350 basis points, depending on the percentage of the borrowing base utilized, plus an additional 10, 15 or 20 basis point credit spread adjustment for a one, three or six month interest period, respectively. Base rate loans accrued interest at a rate per annum equal to the greatest of: (i) the U.S. prime rate as published by the Wall Street Journal; (ii) the federal funds effective rate plus 50 basis points; and (iii) the adjusted SOFR rate for a one-month interest period plus 100 basis points, plus, in the case of this clause (iii) an additional 10 basis point credit spread adjustment, plus, in the case of any base rate loan, an applicable margin ranging from 150 to 250 basis points, depending on the percentage of the borrowing base utilized.

As a result of the First Amendment, SOFR loans now bear interest at SOFR plus an applicable margin ranging from 300 to 400 basis points, depending on the percentage of the borrowing base utilized, plus an additional 10, 15 or 20 basis point credit spread adjustment for a one, three or six month interest period, respectively. Base rate loans now bear interest at a rate per annum equal to the greatest of: (i) the U.S. prime rate as published by the Wall Street Journal; (ii) the federal funds effective rate plus 50 basis points; and (iii) the adjusted SOFR rate for a one-month interest period plus 100 basis points, plus, in the case of this clause (iii) an additional 10 basis point credit spread adjustment, plus, in the case of any base rate loan, an applicable margin ranging from 200 to 300 basis points, depending on the percentage of the borrowing base utilized.

The Company also pays a commitment fee on unused elected commitment amounts under its facility of 50 basis points. The Company may repay any amounts borrowed under the Credit Agreement prior to the maturity date without any premium or penalty.

The Credit Agreement contains certain financial covenants, including the maintenance of the following financial ratios:

- (i) a leverage ratio, which is the ratio of Consolidated Total Debt to EBITDAX (each as defined in the Credit Agreement), of not greater than 3.00 to 1.00 as of the last day of any fiscal quarter, and
- (ii) a Current Ratio (as defined in the Credit Agreement), of not less than 1.00 to 1.00 as of the last day of each fiscal quarter.

At March 31, 2024, the Company was in compliance with all covenants required by the Credit Agreement.

## **9. Equity**

*Warrant Exchange* - On June 22, 2023, the Company completed an Offer to holders of its outstanding warrants which provided such holders the opportunity to receive 0.25 shares of the Company's common stock in exchange for each warrant tendered by such holders. This Offer coincided with a solicitation of consents from holders of the warrants to amend the warrant agreement to permit the Company to require that each warrant that remained outstanding upon the closing of the Offer be exchanged for 0.225 shares of the Company's common stock. On June 22, 2023, the Company issued 2,471,738 shares of common stock in exchange for 9,887,035 warrants tendered in the Offer, with a minimal cash settlement in lieu of

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

partial shares. In July 2023, each remaining outstanding warrant was converted into 0.225 shares of the Company's common stock, and subsequently, no warrants remained outstanding.

The warrants exchanged in the Offer were marked to fair value on the date of settlement, which was recorded in gain on derivatives - common stock warrants on the condensed consolidated statements of operations. Upon exchange, the liability of \$17.0 million and \$0.7 million related to the exchanged common stock warrants in June 2023 and July 2023, respectively, was removed from the consolidated balance sheet and the issuance of shares of the Company's common stock was reflected in stockholders' equity.

*Common Stock Dividends* - The Company paid dividends of \$14.3 million, or \$0.11 per share during the three months ended March 31, 2024. The Company paid dividends of \$14.6 million, or \$0.11 per share, during the three months ended March 31, 2023. Any payment of future dividends will be at the discretion of the Company's Board of Directors.

*Stock Repurchase Program* - In December 2022, the Company announced that its Board of Directors approved a stock repurchase program for up to \$50.0 million of the Company's common stock through December 31, 2023. Under the stock repurchase program, the Company was permitted to repurchase shares of its common stock from time to time in open market transactions or in privately negotiated transactions as permitted under applicable rules and regulations. The stock repurchase program terminated on December 31, 2023.

During the three months ended March 31, 2023, the Company repurchased 273,017 shares under the program at an aggregate cost of \$1.7 million.

#### *Vesting Shares*

As discussed in Note 1, 495,357 shares of Class F common stock of ENPC were converted into 1,238,393 shares of Class A common stock of ENPC, 371,518 of which became subject to certain vesting and forfeiture provisions upon their conversion to the Company's common stock in accordance with the Business Combination Agreement (the "Vesting Shares"). Based on an assessment of the Vesting Shares, the Company considered ASC 480 and accounted for the Vesting Shares as a liability. The Company recorded a liability related to the Vesting Shares of \$1.3 million as of December 31, 2022. In January 2023, the Company reversed this liability and the related additional paid-in capital when 151,170 of these shares vested. The remaining shares were forfeited.

### **10. Related Party Transactions**

On the Closing Date of the Business Combination, Grey Rock Administration, LLC (the "Manager") entered into a Management Services Agreement with Granite Ridge (the "MSA"). Under the MSA, the Manager provides general management, administrative, and operating services covering the oil and gas assets and other properties of the Company and other day-to-day business and affairs of the Company. In accordance with the MSA, the Company pays the Manager an annual services fee of \$10.0 million and reimburses the Manager for certain Granite Ridge group costs related to the operation of the Company's assets (including for third party costs allocated or attributable to the assets of the Company). The initial term of the MSA expires on April 30, 2028; however, the MSA will automatically renew for additional consecutive one-year renewal terms until terminated in accordance with its terms. Upon any termination of the MSA, the Manager shall provide transition services for a period of up to 90 days.

For the three months ended March 31, 2024 and 2023, service fees for the Company under the MSA were approximately \$2.5 million for each period and are included in general and administrative expenses within the accompanying condensed consolidated statements of operations.

### **11. Risk Concentrations**

As a non-operator, 100% of the Company's wells are operated by third-party operating partners. As a result, the Company is highly dependent on the success of these third-party operators. If they are not successful in the development, exploitation, production and exploration activities relating to the Company's leasehold interests, or are unable or unwilling to perform, the Company's financial condition and results of operations could be adversely affected. These risks are heightened in a low commodity price environment, which may present significant challenges to these third-party operators. The Company's third-party operators will make decisions in connection with their operations that may not be in the

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

Company's best interests, and the Company may have little or no ability to exercise influence over the operational decisions of its third-party operators.

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

*Derivative Counterparties* - The Company uses credit and other financial criteria to evaluate the creditworthiness of counterparties to its derivative instruments. The Company believes that all of its derivative counterparties are currently acceptable credit risks. All of the Company's outstanding derivative instruments are covered by either International Swap Dealers Association Master Agreements ("ISDAs") entered into with parties that are also lenders under the Company's Credit Agreement or parties under the intercreditor agreement related to the Credit Agreement. The Company's obligations under the derivative instruments are secured pursuant to the Credit Agreement, and no additional collateral has been posted by the Company.

## 12. Earnings Per Share

The Company uses the two-class method of calculating earnings per share because certain of the Company's unvested stock-based awards qualify as participating securities.

The Company's basic earnings (loss) per share attributable to common stockholders is computed as (i) net income (loss) as reported, (ii) less participating basic earnings (iii) divided by weighted average basic common shares outstanding. The Company's diluted earnings (loss) per share attributable to common stockholders is computed as (i) basic earnings (loss) attributable to common stockholders, (ii) plus reallocation of participating earnings (iii) divided by weighted average diluted common shares outstanding.

The following table presents the basic and diluted earnings per share computations for the three months ended March 31, 2024 and 2023:

| (in thousands)                                       | Three Months Ended March 31, |           |
|------------------------------------------------------|------------------------------|-----------|
|                                                      | 2024                         | 2023      |
| Net income                                           | \$ 16,227                    | \$ 36,866 |
| Participating basic earnings (a)                     | (41)                         | (22)      |
| Basic earnings attributable to common stockholders   | 16,186                       | 36,844    |
| Reallocation of participating earnings               | —                            | —         |
| Diluted earnings attributable to common stockholders | \$ 16,186                    | \$ 36,844 |
| Weighted average common shares outstanding:          |                              |           |
| Weighted average common shares outstanding – basic   | 130,136                      | 133,002   |
| Dilutive performance stock units                     | 17                           | —         |
| Dilutive stock options                               | 7                            | —         |
| Weighted average common shares outstanding – diluted | 130,160                      | 133,002   |
| Net income per common share:                         |                              |           |
| Basic                                                | \$ 0.12                      | \$ 0.28   |
| Diluted                                              | \$ 0.12                      | \$ 0.28   |

(a) Unvested restricted stock awards represent participating securities because they participate in nonforfeitable dividends or distributions with the common equity holders of the Company. Participating earnings represent the distributed and undistributed earnings of the Company attributable to the participating securities. Unvested restricted stock awards do not participate in undistributed net losses as they are not contractually obligated to do so.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

Prior to the Warrant Exchange, the warrants were out-of-the-money and were not included in the computation of the diluted earnings per share. As a result of the Warrant Exchange, no warrants remained outstanding at March 31, 2024. Diluted net earnings per share for the three months ended March 31, 2023 excluded 10,349,975 common stock warrants outstanding.

The following table is a summary of the PSUs and stock options, which were not included in the computation of diluted earnings per share, as inclusion of these items would be antidilutive.

|                                       | Three Months Ended March 31, |        |
|---------------------------------------|------------------------------|--------|
|                                       | 2024                         | 2023   |
| Number of antidilutive common shares: |                              |        |
| Antidilutive performance stock units  | 49,713                       | 4,796  |
| Antidilutive stock options            | 423,538                      | 47,924 |
| Total antidilutive common shares      | 473,251                      | 52,720 |

### 13. Subsequent Events

#### *Third Amendment to Credit Agreement*

On April 1, 2024, the Company entered into the Third Amendment by and among the Company, as borrower, Texas Capital Bank, as resigning administrative agent, Bank of America, as successor administrative agent, and the lenders from time to time party thereto.

The Third Amendment, among other things, (a) appointed Bank of America as administrative agent and L/C Issuer (as defined therein), replacing Texas Capital Bank, (b) increased the size of the lender group by adding nine new banks, with one bank exiting the facility, (c) increased the borrowing base from \$275.0 million to \$300.0 million, and (d) increased the aggregate elected commitments from \$240.0 million to \$300.0 million.

Other than the foregoing, the material terms of the Credit Agreement remain unchanged.

**GRANITE RIDGE RESOURCES, INC.**  
**Notes to Condensed Consolidated Financial Statements**

*New Commodity Derivative Contracts*

In April 2024, the Company entered into the following oil and natural gas derivative contracts to hedge additional amounts of estimated future production.

|                                         | 2024          |                |           | 2025      | 2026      |
|-----------------------------------------|---------------|----------------|-----------|-----------|-----------|
|                                         | Third Quarter | Fourth Quarter | Total     | Total     | Total     |
| <b>Collars (oil)</b>                    |               |                |           |           |           |
| Volume (Bbl)                            | —             | —              | —         | 276,887   | —         |
| Weighted-average floor price (\$/Bbl)   | \$ —          | \$ —           | \$ —      | \$ 64.00  | \$ —      |
| Weighted-average ceiling price (\$/Bbl) | \$ —          | \$ —           | \$ —      | \$ 84.20  | \$ —      |
| <b>Swaps (oil)</b>                      |               |                |           |           |           |
| Volume (Bbl)                            | —             | —              | —         | —         | —         |
| Weighted-average price (\$/Bbl)         | \$ —          | \$ —           | \$ —      | \$ —      | \$ —      |
| <b>Collars (natural gas)</b>            |               |                |           |           |           |
| Volume (Mcf)                            | —             | —              | —         | 6,572,829 | 7,171,176 |
| Weighted-average floor price (\$/Mcf)   | \$ —          | \$ —           | \$ —      | \$ 3.00   | \$ 3.25   |
| Weighted-average ceiling price (\$/Mcf) | \$ —          | \$ —           | \$ —      | \$ 3.75   | \$ 4.00   |
| <b>Swaps (natural gas)</b>              |               |                |           |           |           |
| Volume (Mcf)                            | 1,296,952     | 1,051,588      | 2,348,540 | —         | —         |
| Weighted-average price (\$/Mcf)         | \$ 3.81       | \$ 3.81        | \$ 3.81   | \$ —      | \$ —      |

#### 14. Supplementary Data

*Capitalized Costs*

| (in thousands)                                           | March 31, 2024    | December 31, 2023 |
|----------------------------------------------------------|-------------------|-------------------|
| <b>Oil and natural gas properties:</b>                   |                   |                   |
| Proved                                                   | \$ 1,266,101      | \$ 1,198,845      |
| Unproved                                                 | 35,245            | 37,838            |
| Less: accumulated depletion                              | (508,307)         | (467,141)         |
| Net capitalized costs for oil and natural gas properties | <u>\$ 793,039</u> | <u>\$ 769,542</u> |

*Costs Incurred for Oil and Natural Gas Producing Activities*

| (in thousands)                                          | Three Months Ended March 31, |                   |
|---------------------------------------------------------|------------------------------|-------------------|
|                                                         | 2024                         | 2023              |
| Property acquisition costs:                             |                              |                   |
| Proved                                                  | \$ 1,147                     | \$ 17,989         |
| Unproved                                                | 1,481                        | 9,630             |
| Development costs                                       | 62,639                       | 98,606            |
| Total costs incurred for oil and natural gas properties | <u>\$ 65,267</u>             | <u>\$ 126,225</u> |

## **Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q.*

*The following discussion contains "forward-looking statements" reflecting our current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors. Factors that could cause or contribute to such differences include, but are not limited to, market prices for oil and natural gas, capital expenditures, economic and competitive conditions, regulatory changes and other uncertainties, as well as those factors discussed below and elsewhere in this report. Please read "Cautionary Note Regarding Forward-Looking Statements." Also, please read the risk factors and other cautionary statements described under "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") and elsewhere in this report. We assume no obligation to update any of these forward-looking statements, except as required by applicable law.*

### **Overview**

Granite Ridge is a scaled, non-operated oil and gas exploration and production company. We own a portfolio of wells and top-tier acreage across the Permian and four other prolific unconventional basins across the United States. Rather than drill wells ourselves, we increase asset diversity and decrease overhead by investing in a smaller piece of a larger number of high-graded wells drilled by proven public and private operators. As a non-operating partner, we pay our pro rata share of expenses, but we are not burdened by long-term contracts and drilling obligations common to operators.

### **Business Combination**

On October 24, 2022 (the "Closing Date"), Granite Ridge and ENPC consummated the business combination pursuant to the terms of the Business Combination Agreement, dated as of May 16, 2022 (the "Business Combination Agreement"), by and among ENPC, Granite Ridge, ENPC Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Granite Ridge ("ENPC Merger Sub"), GREP Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Granite Ridge ("GREP Merger Sub"), and Granite Ridge Holdings, LLC, a Delaware limited liability company formerly known as GREP Holdings, LLC ("GREP").

Pursuant to the Business Combination Agreement, on the Closing Date, (i) ENPC Merger Sub merged with and into ENPC (the "ENPC Merger"), with ENPC surviving the ENPC Merger as a wholly-owned subsidiary of Granite Ridge and (ii) GREP Merger Sub merged with and into GREP (the "GREP Merger," and together with the ENPC Merger, the "Mergers"), with GREP surviving the GREP Merger as a wholly-owned subsidiary of Granite Ridge (the transactions contemplated by the foregoing clauses (i) and (ii) the "Business Combination," and together with the other transactions contemplated by the Business Combination Agreement, the "Transactions").

For additional information on the Business Combination, see Note 1 of the Notes to Condensed Consolidated Financial Statements.

### **Selected Factors That Affect Our Operating Results**

Our revenues, cash flows from operations and future growth depend substantially upon:

- the timing and success of drilling and production activities by our operating partners;
- the prices and the supply and demand for oil and natural gas;
- the quantity of oil and natural gas production from the wells in which we participate;
- changes in the fair value of the derivative instruments we use to reduce our exposure to fluctuations in the price of oil and natural gas;
- our ability to continue to identify and acquire high-quality acreage and drilling opportunities; and

- the level of our operating expenses.

In addition to the factors that affect companies in our industry generally, the location of substantially all of our acreage in the Eagle Ford, Permian, Bakken, Haynesville and Denver-Julesburg Basins subjects our operating results to factors specific to these regions. These factors include the potential adverse impact of weather on drilling, production and transportation activities, particularly during the winter and spring months, as well as infrastructure limitations, transportation capacity, regulatory matters, and other factors that may specifically affect one or more of these regions.

The price of oil and natural gas can vary depending on the market in which it is sold and the means of transportation used to transport the oil and natural gas to market.

The price at which our oil and natural gas production is sold typically reflects either a premium or discount to the NYMEX benchmark price. Thus, our operating results are also affected by changes in the oil and natural gas price differentials between the applicable benchmark and the sales prices we receive for our oil and natural gas production.

Our oil price differential to the NYMEX benchmark price during the three months ended March 31, 2024 and 2023 was a premium of \$0.67 per barrel and \$0.15 per barrel, respectively. Our natural gas price differential to the average NYMEX price during the three months ended March 31, 2024 and 2023 was a discount of \$(0.31) per Mcf and \$(0.12) per Mcf, respectively.

**Market Conditions**

The price that we receive for the oil and natural gas our operators produce is largely a function of market supply and demand. Because our oil and natural gas revenues are heavily weighted toward oil, we are more significantly impacted by changes in oil prices than by changes in the price of natural gas. Worldwide supply in terms of output, especially production from properties within the United States, the production quota set by OPEC, and the strength of the U.S. dollar can adversely impact oil prices.

Historically, commodity prices have been volatile, and we expect that volatility to continue in the future.

Although we cannot predict the occurrence of events that may affect future commodity prices, or the degree to which these prices will be affected, the prices for any commodity that we produce will generally approximate current market prices in the geographic region of the production. From time to time, we expect that we may hedge a portion of our commodity price risk to mitigate the impact of price volatility on our business.

Prices for various quantities of natural gas and oil that we produce significantly impact our revenues and cash flows. The following table lists average NYMEX prices for oil and natural gas for the three months ended March 31, 2024 and 2023.

|                          | Three Months Ended March 31, |          |
|--------------------------|------------------------------|----------|
|                          | 2024                         | 2023     |
| Average NYMEX Prices (1) |                              |          |
| Oil (per Bbl)            | \$ 77.50                     | \$ 75.99 |
| Natural gas (per Mcf)    | 2.15                         | 2.77     |

(1) Based on average NYMEX closing prices.

For the three months ended March 31, 2024, the average NYMEX oil pricing was \$77.50 per barrel of oil, or 2% higher than the average NYMEX price per barrel for the three months ended March 31, 2023. Our settled derivatives increased our realized oil price per barrel by \$0.10 for the three months ended March 31, 2024 and increased our realized oil price per barrel by \$2.02 for the three months ended March 31, 2023. For the three months ended March 31, 2024, our average realized oil price per barrel after reflecting settled derivatives was \$78.27 compared to \$78.16 for the three months ended March 31, 2023.

For the three months ended March 31, 2024, the average NYMEX natural gas pricing was \$2.15 per Mcf, or 22% lower than the average NYMEX price per Mcf for the three months ended March 31, 2023. Our settled derivatives increased our realized natural gas price per Mcf by \$0.36 for three months ended March 31, 2024 and increased our realized natural gas price per Mcf by \$0.66 for the three months ended March 31, 2023. For the three months ended March

31, 2024, our average realized natural gas price per Mcf after reflecting settled derivatives was \$2.20 compared to \$3.31 for the three months ended March 31, 2023.

## Results of Operations

The following table sets forth summary production and operating data for the periods indicated. Because of normal production declines, increased or decreased drilling activities, fluctuations in commodity prices and the effects of acquisitions and divestitures, the historical information presented below should not be interpreted as being indicative of future results.

|                                                                              | Three months ended March 31, |           |
|------------------------------------------------------------------------------|------------------------------|-----------|
|                                                                              | 2024                         | 2023      |
| <b>Net Sales (in thousands):</b>                                             |                              |           |
| Oil sales                                                                    | \$ 75,766                    | \$ 73,475 |
| Natural gas and related product sales                                        | 13,230                       | 17,835    |
| Total revenues                                                               | 88,996                       | 91,310    |
| <b>Net Production:</b>                                                       |                              |           |
| Oil (MBbl)                                                                   | 969                          | 965       |
| Natural gas (MMcf)                                                           | 7,203                        | 6,720     |
| Total (MBoe) <sup>(1)</sup>                                                  | 2,170                        | 2,085     |
| <b>Average Daily Production:</b>                                             |                              |           |
| Oil (Bbl)                                                                    | 10,650                       | 10,722    |
| Natural gas (Mcf)                                                            | 79,151                       | 74,667    |
| Total (Boe) <sup>(1)</sup>                                                   | 23,842                       | 23,167    |
| <b>Average Sales Prices:</b>                                                 |                              |           |
| Oil (per Bbl)                                                                | \$ 78.17                     | \$ 76.14  |
| Effect of gain on settled oil derivatives on average price (per Bbl)         | 0.10                         | 2.02      |
| Oil net of settled oil derivatives (per Bbl) (2)                             | 78.27                        | 78.16     |
| Natural gas sales (per Mcf)                                                  | 1.84                         | 2.65      |
| Effect of gain on settled natural gas derivatives on average price (per Mcf) | 0.36                         | 0.66      |
| Natural gas sales net of settled natural gas derivatives (per Mcf) (2)       | 2.20                         | 3.31      |
| Realized price on a Boe basis excluding settled commodity derivatives        | 41.02                        | 43.79     |
| Effect of gain on settled commodity derivatives on average price (per Boe)   | 1.25                         | 3.06      |
| Realized price on a Boe basis including settled commodity derivatives (2)    | 42.27                        | 46.85     |
| <b>Operating Expenses (in thousands):</b>                                    |                              |           |
| Lease operating expenses                                                     | \$ 15,479                    | \$ 13,772 |
| Production and ad valorem taxes                                              | 5,749                        | 5,717     |
| Depletion and accretion expense                                              | 40,941                       | 33,852    |
| General and administrative                                                   | 6,492                        | 8,579     |
| <b>Costs and Expenses (per Boe):</b>                                         |                              |           |
| Lease operating expenses                                                     | \$ 7.13                      | \$ 6.61   |
| Production and ad valorem taxes                                              | 2.65                         | 2.74      |
| Depletion and accretion                                                      | 18.87                        | 16.24     |
| General and administrative                                                   | 2.99                         | 4.11      |
| <b>Net Producing Wells at Period-End:</b>                                    | 181.34                       | 152.18    |

- (1) Natural gas is converted to Boe using the ratio of one barrel of oil to six Mcf of natural gas.
- (2) The presentation of realized prices including settled commodity derivatives is a result of including the net cash receipts from (payments on) commodity derivatives that are presented in our condensed consolidated statements of cash flows. This presentation of average prices with derivatives is a means by which to reflect the actual cash performance of our commodity derivatives for the respective periods and presents oil and natural gas prices with derivatives in a manner consistent with the presentation generally used by the investment community.

### ***Oil, Natural Gas and Related Product Sales***

Our revenues vary from year to year primarily due to changes in realized commodity prices and production volumes. Our oil and natural gas sales for the three months ended March 31, 2024 decreased 3% from the same period in 2023, driven by the decrease in realized prices, excluding the effect of settled commodity derivatives, partially offset by the increase in production. The lower average realized prices were driven by lower average NYMEX natural gas prices, partially offset by increased NYMEX oil prices.

Production from oil and gas properties increased because of drilling success and the acquisition of additional net revenue interests. This increase in production is offset by the natural decline of the production rate of existing oil and natural gas wells as well as the sale of certain of our Permian Basin assets to Vital Energy, Inc. ("Vital Energy") in December 2023. The number of wells we participated in increased from 152.18 net wells on March 31, 2023 to 181.34 net wells on March 31, 2024.

### ***Lease Operating Expenses***

Lease operating expenses were \$15.5 million (\$7.13 per Boe) for the three months ended March 31, 2024, an increase of 12% from \$13.8 million (\$6.61 per Boe) during the same period in 2023. The increase was primarily due to an increase in well count due to acquisitions and additional wells successfully drilled and completed, higher repair and maintenance costs, higher saltwater disposal costs and overall increased cost of services. The increase in lease operating expenses per Boe was primarily due to higher repair and maintenance costs, saltwater disposal costs, and compression costs, partially offset by the increase in production.

### ***Production and Ad Valorem Taxes***

We generally pay production taxes based on realized oil and natural gas sales. Production taxes were \$4.3 million (\$1.98 per Boe) for the three months ended March 31, 2024 compared to \$5.1 million (\$2.44 per Boe) during the same period in 2023. As a percentage of oil and natural gas sales, our production taxes were 5% and 6% during the three months ended March 31, 2024 and 2023, respectively.

Production taxes fluctuate with the market value of our production sold, while ad valorem taxes are generally based on the valuation of our oil and natural gas properties at the beginning of the year, which vary across the different areas in which we operate.

Ad valorem taxes increased by \$0.8 million during the three months ended March 31, 2024 as compared to the same period in 2023, primarily due to additional wells drilled and completed and new wells acquired.

### ***Depletion and Accretion***

Depletion and accretion was \$40.9 million (\$18.87 per Boe) for the three months ended March 31, 2024, an increase of 21% from \$33.9 million (\$16.24 per Boe) during the same period in 2023. The increase in depletion and accretion expense was primarily due to the increase in depletion expense resulting from the increase in production and depletion rate.

### ***Impairment of Unproved Properties***

For the three months ended March 31, 2024, we recognized impairment expense of \$0.7 million on unproved properties in the Permian Basin as the operator no longer intends to drill certain locations.

### General and Administrative

The following table provides components of our general and administrative expenses for the three months ended March 31, 2024 and 2023:

| (in thousands)                            | Three months ended March 31, |                 |
|-------------------------------------------|------------------------------|-----------------|
|                                           | 2024                         | 2023            |
| General and administrative expenses       | \$ 5,980                     | \$ 7,520        |
| Non-cash stock-based compensation         | 512                          | 1,059           |
| Total general and administrative expenses | <u>\$ 6,492</u>              | <u>\$ 8,579</u> |

Total general and administrative expenses were \$6.5 million (\$2.99 per Boe) for the three months ended March 31, 2024, a decrease of 24% from \$8.6 million (\$4.11 per Boe) during the same period in 2023. The decrease was primarily due to lower stock-based compensation expense of \$0.5 million for the three months ended March 31, 2024 as compared to \$1.1 million for the same period of 2023 as well as lower professional services and legal costs for the comparative period in 2024.

### Gain/(Loss) on Derivatives – Commodity Derivatives

The following table sets forth the gain (loss) on derivatives for the three months ended March 31, 2024 and 2023:

| (in thousands)                       | Three Months Ended March 31, |                  |
|--------------------------------------|------------------------------|------------------|
|                                      | 2024                         | 2023             |
| Gain (loss) on commodity derivatives |                              |                  |
| Oil derivatives                      | \$ (21,062)                  | \$ 15,097        |
| Natural gas derivatives              | 17,901                       | (1,774)          |
| Total                                | <u>\$ (3,161)</u>            | <u>\$ 13,323</u> |

The following table represents our net cash receipts from derivatives for the three months ended March 31, 2024 and 2023:

| (in thousands)                               | Three Months Ended March 31, |                 |
|----------------------------------------------|------------------------------|-----------------|
|                                              | 2024                         | 2023            |
| Net cash receipts from commodity derivatives |                              |                 |
| Oil derivatives                              | \$ 96                        | \$ 1,953        |
| Natural gas derivatives                      | 2,612                        | 4,433           |
| Total                                        | <u>\$ 2,708</u>              | <u>\$ 6,386</u> |

Our earnings are affected by the changes in the value of our derivatives portfolio between periods and the related cash settlements of those derivatives, which could be significant. To the extent the future commodity price outlook declines between measurement periods, we will have mark-to-market gains; while to the extent future commodity price outlook increases between measurement periods, we will have mark-to-market losses.

### Interest Expense

Interest expense was \$3.2 million for the three months ended March 31, 2024 compared to \$0.3 million for the three months ended March 31, 2023. The increase in interest expense during the three months ended March 31, 2024 as compared to 2023 was primarily due to an increase in the average outstanding balance on the revolving credit facility, an increase in interest rates and an increase in amortization of deferred financing costs.

### ***Gain on Derivatives – Common Stock Warrants***

We recorded a gain of \$5.3 million during three months ended March 31, 2023 from the change in fair value of the warrant liability. See Note 3 and Note 9 of the Notes to Condensed Consolidated Financial Statements for additional information on the common stock warrants and the Warrant Exchange.

### ***Gain on Equity Investments***

We recorded a gain of \$7.8 million for the three months ended March 31, 2024 from the change in fair value of the common and preferred stock of Vital Energy. See Note 4 of the Notes to Condensed Consolidated Financial Statements for additional information on the common and preferred stock of Vital Energy owned as of March 31, 2024.

### ***Income Tax Expense***

We recorded income tax expense of \$4.8 million for the three months ended March 31, 2024 compared to \$10.8 million for the three months ended March 31, 2023. The effective income tax rate differs from the statutory rate primarily due to the impact of certain discrete items and state income taxes. See Note 7 of the Notes to Condensed Consolidated Financial Statements for additional discussion of income taxes.

### ***Liquidity and Capital Resources***

Our main sources of liquidity and capital resources as of the periods covered by this report have been internally generated cash flow from operations and credit facility borrowings. Our primary use of capital has been for the development and acquisition of oil and natural gas properties. We continually monitor potential capital sources for opportunities to enhance liquidity or otherwise improve our financial position.

As of March 31, 2024, we had \$137.5 million of debt outstanding under our Credit Agreement (as defined below). We had \$123.0 million of liquidity as of March 31, 2024, consisting of \$102.2 million of committed borrowing availability under the Credit Agreement and \$20.8 million of cash on hand. On April 1, 2024, the Company entered into the Resignation, Appointment, Assignment and Third Amendment to Credit Agreement (the “Third Amendment”) by and among the Company, as borrower, Texas Capital Bank, as resigning administrative agent, Bank of America, N.A. (“Bank of America”), as successor administrative agent, and the lenders from time to time party thereto. The Third Amendment, among other things, increased the borrowing base from \$275.0 million to \$300.0 million, and increased the aggregate elected commitments from \$240.0 million to \$300.0 million. See Note 8 of the Notes to Condensed Consolidated Financial Statements for additional information.

With our cash on hand, cash flow from operations, and borrowing capacity under the Credit Agreement, we believe that we will have sufficient cash flow and liquidity to fund our budgeted capital expenditures and operating expenses for at least the next twelve months. However, we may seek additional access to capital and liquidity. We cannot assure you that any additional capital will be available to us on favorable terms or at all.

### ***Capital Commitments***

Our recent capital commitments have been to fund the development and acquisition of oil and natural gas properties. We expect to fund our near-term capital requirements and working capital needs with cash on hand, cash flows from operations and available borrowing capacity under our Credit Agreement. Our capital expenditures could be curtailed if our cash flows decline from expected levels.

### ***Common Stock Dividends***

We paid dividends of \$14.3 million, or \$0.11 per share, and \$14.6 million, or \$0.11 per share, during the first quarter of 2024 and 2023, respectively. Any payment of future dividends will be at the discretion of the Company’s Board of Directors.

### ***Stock Repurchase Program***

In December 2022, we announced that our Board of Directors approved a stock repurchase program for up to \$50 million of our common stock through December 31, 2023. Under the stock repurchase program, we repurchased shares of

our common stock from time to time in open market transactions or in privately negotiated transactions as permitted under applicable rules and regulations. The stock repurchase program terminated on December 31, 2023.

During the three months ended March 31, 2023, we repurchased 273,017 shares under the program at an aggregate cost of \$1.7 million.

### ***Cash Flows***

The following table summarizes our changes in cash and restricted cash for the three months ended March 31, 2024 and 2023:

| <i>(in thousands)</i>                     | <b>Three Months Ended March 31,</b> |             |
|-------------------------------------------|-------------------------------------|-------------|
|                                           | <b>2024</b>                         | <b>2023</b> |
| Net cash provided by operating activities | \$ 68,656                           | \$ 81,474   |
| Net cash used in investing activities     | (71,005)                            | (129,926)   |
| Net cash provided by financing activities | 12,701                              | 8,549       |
| Net change in cash and restricted cash    | \$ 10,352                           | \$ (39,903) |

### ***Cash Flows from Operating Activities***

The primary factors impacting our cash flows from operating activities generally include: (i) levels of production from our oil and natural gas properties, (ii) prices we receive from sales of oil and natural gas production, including settlement proceeds or payments related to our commodity derivatives, (iii) operating costs of our oil and natural gas properties, (iv) costs of our general and administrative activities and (v) interest expense. Our cash flows from operating activities have historically been impacted by fluctuations in oil and natural gas prices and our production volumes.

The \$12.8 million decrease in operating cash flows during the three months ended March 31, 2024 as compared to the same period in 2023 was primarily due to the decrease in oil and natural gas sales and higher operating costs as well as a decrease in settlements received from commodity derivatives. Settlements received during the three months ended March 31, 2024 were \$2.7 million as compared to \$6.4 million of settlements received on commodity derivatives during the same period in 2023.

Our net cash provided by operating activities included a benefit of \$7.1 million and a benefit of \$11.9 million for the three months ended March 31, 2024 and 2023, respectively, associated with changes in working capital items. Changes in working capital items adjust for the timing of receipts and payments of actual cash.

### ***Cash Flows from Investing Activities***

For the three months ended March 31, 2024, our net cash used in investing activities was \$71.0 million, which consisted primarily of \$69.7 million of capital expenditures for oil and natural gas properties and \$2.6 million of acquisitions of oil and natural gas properties.

For the three months ended March 31, 2023, our net cash used in investing activities was \$129.9 million, which consisted primarily of \$105.6 million of capital expenditures for oil and natural gas properties and \$24.4 million of acquisitions of oil and natural gas properties.

### ***Cash Flows from Financing Activities***

For the three months ended March 31, 2024, our net cash provided by financing activities was \$12.7 million, primarily due to \$27.5 million of borrowings under our Credit Agreement (as defined below), partially offset by \$14.3 million of dividends paid on our common stock and \$0.4 million of common stock repurchases.

For the three months ended March 31, 2023, our net cash provided by financing activities was \$8.5 million, primarily due to \$25.0 million of borrowings under our Credit Agreement, partially offset by \$14.6 million of dividends paid on our common stock and \$1.8 million of common stock repurchases.

### ***Granite Ridge Credit Agreement***

On October 24, 2022, Granite Ridge entered into a senior secured revolving credit agreement (as amended, the “Credit Agreement”) among Granite Ridge, as borrower, Texas Capital Bank, as administrative agent, and the lenders from time to time party thereto. The Credit Agreement has a maturity date of five years from the effective date thereof.

The Credit Agreement initially provided for aggregate elected commitments of \$150.0 million, an initial borrowing base of \$325.0 million and an aggregate maximum revolving credit amount of \$1.0 billion. The borrowing base is redetermined semiannually on or about April 1 and October 1 of each calendar year, and is subject to additional adjustments from time to time, including for asset sales, elimination or reduction of hedge positions and incurrence of other debt. On November 7, 2023, Granite Ridge entered into a First Amendment to the Credit Agreement (the “First Amendment”) which, among other things, decreased the borrowing base from \$325.0 million to \$275.0 million and increased the aggregate elected commitments from \$150.0 million to \$240.0 million. This borrowing base decrease was a result of the disposition of certain assets in the Permian Basin to Vital Energy, Inc. On April 1, 2024, the Company entered into the Resignation, Appointment, Assignment and Third Amendment to Credit Agreement (the “Third Amendment”) by and among the Company, as borrower, Texas Capital Bank, as resigning administrative agent, Bank of America, N.A. (“Bank of America”), as successor administrative agent, and the lenders from time to time party thereto. The Third Amendment, among other things, (a) appointed Bank of America as administrative agent and L/C Issuer (as defined therein), replacing Texas Capital Bank, (b) increased the size of the lender group by adding nine new banks, with one bank exiting the facility, (c) increased the borrowing base from \$275.0 million to \$300.0 million, and (d) increased the aggregate elected commitments from \$240.0 million to \$300.0 million.

At March 31, 2024, the Company had outstanding borrowings of \$137.5 million and \$0.3 million of outstanding letters of credit issued and outstanding under the Credit Agreement, resulting in availability of \$102.2 million. The Credit Agreement is guaranteed by the restricted subsidiaries of Granite Ridge and is secured by a first priority mortgage and security interest in substantially all assets of the Company and its restricted subsidiaries.

Borrowings under the Credit Agreement may be base rate loans or secured overnight financing rate (“SOFR”) loans. Interest is payable quarterly for base rate loans and at the end of the applicable interest period for SOFR loans. Prior to the First Amendment, SOFR loans accrued interest at SOFR plus an applicable margin ranging from 250 to 350 basis points, depending on the percentage of the borrowing base utilized, plus an additional 10, 15 or 20 basis point credit spread adjustment for a one, three or six month interest period, respectively. Base rate loans accrued interest at a rate per annum equal to the greatest of: (i) the U.S. prime rate as published by the Wall Street Journal; (ii) the federal funds effective rate plus 50 basis points; and (iii) the adjusted SOFR rate for a one-month interest period plus 100 basis points, plus, in the case of this clause (iii) an additional 10 basis point credit spread adjustment, plus, in the case of any base rate loan, an applicable margin ranging from 150 to 250 basis points, depending on the percentage of the borrowing base utilized.

As a result of the First Amendment, SOFR loans now bear interest at SOFR plus an applicable margin ranging from 300 to 400 basis points, depending on the percentage of the borrowing base utilized, plus an additional 10, 15 or 20 basis point credit spread adjustment for a one, three or six month interest period, respectively. Base rate loans now bear interest at a rate per annum equal to the greatest of: (i) the U.S. prime rate as published by the Wall Street Journal; (ii) the federal funds effective rate plus 50 basis points; and (iii) the adjusted SOFR rate for a one-month interest period plus 100 basis points, plus, in the case of this clause (iii) an additional 10 basis point credit spread adjustment, plus, in the case of any base rate loan, an applicable margin ranging from 200 to 300 basis points, depending on the percentage of the borrowing base utilized.

The Company also pays a commitment fee on unused elected commitment amounts under its facility of 50 basis points. The Company may repay any amounts borrowed under the Credit Agreement prior to the maturity date without any premium or penalty.

The Credit Agreement contains certain financial covenants, including the maintenance of the following financial ratios:

- (i) a leverage ratio, which is the ratio of Consolidated Total Debt to EBITDAX (each as defined in the Credit Agreement), of not greater than 3.00 to 1.00 as of the last day of any fiscal quarter, and
- (ii) a Current Ratio (as defined in the Credit Agreement), of not less than 1.00 to 1.00 as of the last day of each fiscal quarter.

The Credit Agreement contains additional restrictive covenants that limit our ability and our restricted subsidiaries to, among other things, incur additional indebtedness, incur additional liens, enter into mergers and acquisitions, make or declare dividends, repurchase or redeem junior debt, make investments and loans, engage in transactions with affiliates, sell assets and enter into certain hedging transactions. In addition, the Credit Agreement is subject to customary events of default, including a change in control. If an event of default occurs and is continuing, the administrative agent may, with the consent of majority lenders, or shall, at the direction of the majority lenders, accelerate any amounts outstanding and terminate lender commitments.

At March 31, 2024, we were in compliance with all covenants required by the Credit Agreement.

### ***Known Contractual and Other Obligations; Planned Capital Expenditures***

#### ***Contractual and Other Obligations***

Our contractual obligations include long-term debt, cash interest expense on debt, derivative liabilities, asset retirement obligations and an annual service fee to the Manager. Since December 31, 2023, there have been no material changes in our contractual obligations, other than the \$27.5 million increase in long-term debt due to borrowings under the Credit Agreement.

#### ***Planned Capital Expenditures***

For 2024, we are budgeting for approximately \$265 million to \$285 million in total planned capital expenditures, including approximately \$35 million of acquisitions of oil and natural gas properties. Our costs incurred on oil and natural gas properties, excluding acquisitions, during the three months ended March 31, 2024 and 2023 totaled \$62.6 million and \$98.6 million, respectively. Our capital expenditures for the three months ended March 31, 2024 were primarily funded with cash flows from operations and borrowings under the Credit Agreement. We expect to fund planned capital expenditures with cash generated from operations and, if required, borrowings under our Credit Agreement.

The amount, timing and allocation of capital expenditures are largely discretionary and subject to change based on a variety of factors. If oil and natural gas prices decline below our acceptable levels, or costs increase above our acceptable levels, we may choose to defer a portion of our budgeted capital expenditures until later periods to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate near-term cash flow. We may also increase our capital expenditures significantly to take advantage of opportunities we consider to be attractive. We will carefully monitor and may adjust our projected capital expenditures in response to changes in prices, availability of financing, drilling and acquisition costs, industry conditions, the timing of regulatory approvals, contractual obligations, internally generated cash flow, and other factors both within and outside our control.

#### ***Acquisitions***

The following table reflects our expenditures for acquisitions of proved and unproved properties for the three months ended March 31, 2024 and 2023:

| <i>(in thousands)</i>            | Three Months Ended March 31, |                  |
|----------------------------------|------------------------------|------------------|
|                                  | 2024                         | 2023             |
| Property acquisition costs:      |                              |                  |
| Proved                           | \$ 1,147                     | \$ 17,989        |
| Unproved                         | 1,481                        | 9,630            |
| Total property acquisition costs | <u>\$ 2,628</u>              | <u>\$ 27,619</u> |

### ***Satisfaction of Our Cash Obligations for the Next Twelve Months***

With our Credit Agreement and our positive cash flows from operations, we believe we will have sufficient capital to meet our drilling commitments, expected general and administrative expenses, and other cash needs for the next twelve months. Nonetheless, any strategic acquisition of assets or increase in drilling activity may lead us to seek additional capital. We may also choose to seek additional capital rather than utilize our credit to fund accelerated or continued drilling at the discretion of management and depending on prevailing market conditions. We will evaluate any potential

opportunities for acquisitions as they arise. However, there can be no assurance that any additional capital will be available to us on favorable terms or at all.

### ***Effects of Inflation and Pricing***

The oil and natural gas industry is typically very cyclical and the demand for goods and services of oilfield companies, suppliers and others associated with the industry put extreme pressure on the economic stability and pricing structure within the industry. Typically, as prices for oil and natural gas increase, so do all associated costs. Conversely, in a period of declining prices, associated cost declines are likely to lag and may not adjust downward in proportion.

Material changes in prices also impact our current revenue stream, estimates of future reserves, borrowing base calculations of bank loans, impairment assessments of oil and natural gas properties, and values of properties in purchase and sale transactions. Material changes in prices can impact the value of oil and natural gas companies and their ability to raise capital, borrow money and retain personnel. Higher prices for oil and natural gas could result in increases in the costs of materials, services and personnel.

### **Critical Accounting Estimates**

The establishment and consistent application of accounting policies is a vital component of accurately and fairly presenting our financial statements in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), as well as ensuring compliance with applicable laws and regulations governing financial reporting. While there are rarely alternative methods or rules from which to select in establishing accounting and financial reporting policies, proper application often involves significant judgment regarding a given set of facts and circumstances and a complex series of decisions. Further, these estimates and other factors, including those outside of management’s control, could have significant adverse impact to the financial condition and results of operations.

In management’s opinion, the more significant reporting areas impacted by management’s judgments and estimates are the choice of accounting method for oil and natural gas activities, oil and natural gas reserve estimation, asset retirement obligations, revenue recognition, impairment of long-lived assets and valuation of financial derivatives.

There have been no material changes in our critical accounting policies and procedures during the three months ended March 31, 2024. See our disclosure of critical accounting policies in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8. Financial Statements and Supplementary Data” of our 2023 Form 10-K.

### **Recently Issued or Adopted Accounting Pronouncements**

For discussion of recently issued or adopted accounting pronouncements, see Note 2 of the Notes to Condensed Consolidated Financial Statements.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

### **Item 3. *Quantitative and Qualitative Disclosures about Market Risk***

#### ***Commodity Price Risk***

We are exposed to market risk as the prices of our commodities are subject to fluctuations resulting from changes in supply and demand. To reduce our exposure to changes in the prices of our commodities, we have entered into, and may in the future enter into, additional commodity price risk management arrangements for a portion of our oil and natural gas production. The agreements that we have entered into generally have the effect of providing us with a fixed price for a portion of our expected future oil and natural gas production over a fixed period of time. Our commodity price risk management arrangements are recorded at fair value and thus changes to the future commodity prices will have an impact on our earnings. For the three months ended March 31, 2024, a 10% increase in average commodity prices would have decreased the fair value of commodity derivatives by \$10.5 million. We may incur significant unrealized losses in the

future from our use of derivative financial instruments to the extent market prices increase and our derivatives contracts remain in place.

We generally use derivatives to economically hedge a portion of our anticipated future production. Any payments due to counterparties under our derivative contracts are funded by proceeds received from the sale of our production. Production receipts, however, lag payments to the counterparties. Any interim cash needs are funded by cash from operations or borrowings under our Credit Agreement.

#### ***Interest Rate Risk***

At March 31, 2024, our exposure to interest rate changes related primarily to the borrowings under the Credit Agreement. The interest we pay on these borrowings is set periodically based upon market rates. We had total indebtedness of \$137.5 million outstanding under our Credit Agreement at March 31, 2024. The impact of a one percent increase in interest rates on this amount of debt would result in increased annual interest expense of approximately \$1.4 million.

We may utilize interest rate derivatives to alter interest rate exposure in an attempt to reduce interest rate expense related to existing debt issues. Interest rate derivatives are used solely to modify interest rate exposure and not to modify the overall leverage of the debt portfolio. We had no outstanding interest rate derivative contracts at March 31, 2024.

#### ***Item 4. Controls and Procedures***

##### ***Disclosure Controls and Procedures***

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Under the direction of our Chief Executive Officer and Chief Financial Officer, we have established disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As of March 31, 2024, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024, our disclosure controls and procedures were effective at a level of reasonable assurance.

##### ***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the first quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Our Company was not a party to any material legal proceedings during the three months ended March 31, 2024. In the future, the Company may be subject from time to time to litigation claims and governmental and regulatory proceedings arising in the ordinary course of business.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those described in our 2023 Form 10-K.

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

The following table sets forth our share repurchase activity for each period presented:

| Period                         | Total number of<br>shares purchased (1) | Average price<br>paid per share | Total number of shares<br>purchased as part of<br>publicly announced plans | Approximate dollar value<br>of shares that may yet<br>be purchased under<br>the plans or programs<br>(in millions) |
|--------------------------------|-----------------------------------------|---------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| March 1, 2024 - March 31, 2024 | 2,628                                   | \$6.41                          | —                                                                          | \$—                                                                                                                |

(1) Represents shares that were withheld by us to satisfy tax withholding obligations of certain employees that arose upon the lapse of restrictions on stock-based awards during the first quarter of 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

**Item 6. Exhibits**

| <b>Exhibit No.</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1                | <a href="#">Business Combination Agreement, dated May 16, 2022, by and among Executive Network Partnering Corporation, Granite Ridge Resources, Inc., ENPC Merger Sub, Inc., GREP Merger Sub, LLC, and GREP (incorporated by reference to Annex A of Granite Ridge Resources, Inc.'s Registration Statement on Form S-4, filed with the SEC on May 16, 2022).</a> |
| 3.1                | <a href="#">Amended and Restated Certificate of Incorporation of Granite Ridge Resources, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2022).</a>                                                                                                                                 |
| 3.2                | <a href="#">Amended and Restated Bylaws of Granite Ridge Resources, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on October 28, 2022).</a>                                                                                                                                                       |
| 4.1                | <a href="#">Description of Securities (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 27, 2023).</a>                                                                                                                                                                                            |
| 4.2                | <a href="#">Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Granite Ridge Resources, Inc.'s Registration Statement on Form S-4/A, filed with the SEC on September 12, 2022).</a>                                                                                                                                                   |
| 10.1*#             | <a href="#">Executive Change of Control Termination Agreement between Kimberly Weimer and Granite Ridge Resources, Inc.</a>                                                                                                                                                                                                                                       |
| 31.1*              | <a href="#">Certification of the Company's Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</a>                                                                                                                                                                                                        |
| 31.2*              | <a href="#">Certification of the Company's Chief Financial Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 7241).</a>                                                                                                                                                                                                        |
| 32.1*              | <a href="#">Certification of the Company's Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 U.S.C. Section 1350).</a>                                                                                                                                                                            |
| 101.INS*           | Inline XBRL Instance Document                                                                                                                                                                                                                                                                                                                                     |
| 101.SCH*           | Inline XBRL Taxonomy Extension Schema Document                                                                                                                                                                                                                                                                                                                    |
| 101.CAL*           | Inline XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                                                                                                                                                                                                                      |
| 101.DEF*           | Inline XBRL Taxonomy Extension Definition Document                                                                                                                                                                                                                                                                                                                |
| 101.LAB*           | Inline XBRL Taxonomy Extension Label Linkbase Document                                                                                                                                                                                                                                                                                                            |
| 101.PRE*           | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                                                                                                                                                                                                                     |
| 104                | Cover Page Interactive Data File (embedded within the Inline XBRL document)                                                                                                                                                                                                                                                                                       |

\* Filed herewith

# Indicates management plan or compensatory arrangement.

SIGNATURES

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

GRANITE RIDGE RESOURCES, INC.

|             |                                                                                                                        |
|-------------|------------------------------------------------------------------------------------------------------------------------|
| May 9, 2024 | By: <u>/s/ LUKE C. BRANDENBERG</u><br>Name: Luke C. Brandenburg<br>Title: <i>President and Chief Executive Officer</i> |
| May 9, 2024 | By: <u>/s/ TYLER S. FARQUHARSON</u><br>Name: Tyler S. Farquharson<br>Title: <i>Chief Financial Officer</i>             |
| May 9, 2024 | By: <u>/s/ KIMBERLY A. WEIMER</u><br>Name: Kimberly A. Weimer<br>Title: <i>Chief Accounting Officer</i>                |

## **CHANGE OF CONTROL TERMINATION AGREEMENT**

This Change of Control Termination Agreement (this “Agreement”) is by and between Granite Ridge Resources, Inc., a Delaware corporation (the “Company”), and Kimberly Weimer (“Employee”) and is effective as of March 6, 2024 (the “Effective Date”).

WHEREAS, Employee is employed by the Company as its Chief Accounting Officer; and

WHEREAS, the Company has determined that it is in the best interests of the Company to continue employing Employee through the consummation of a potential Change of Control (as defined below).

NOW THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term of Agreement.

(a) Initial Term. The initial term of this Agreement (the “Initial Term”) shall be for the period which commences on the Effective Date and which terminates on the three year anniversary of the Effective Date (the “Expiration Date”), unless terminated before the Expiration Date in accordance with this Section 1.

(b) Renewal Term. The Initial Term of this Agreement shall automatically be extended for an additional one-year term on the Expiration Date (each, a “Renewal Term”) and on each successive anniversary of the Expiration Date (each, a “Renewal Date”), unless and until (i) the Board gives written notice of non-renewal at least 90 days before any Renewal Date; or (ii) this Agreement is terminated earlier in accordance with this Section 1.

(c) Term. For all purposes in this Agreement, the Initial Term and any Renewal Terms are referred to collectively as the “Term” of this Agreement. If Employee’s employment with the Company terminates for any reason other than those described in Section 2 during the Term, this Agreement shall terminate as of such date of termination and Employee shall not be entitled to the payments and benefits described in Section 2.

(d) Modification of Term Upon Change of Control. Upon a Change of Control during the Term, the Term will be extended (or reduced, as the case may be) through the end of the Protection Period (as defined below), immediately following which time this Agreement will terminate.

(e) Survival of Certain Provisions. Notwithstanding the expiration of the Term or other termination of this Agreement, Section 4 of this Agreement shall survive any expiration or termination of this Agreement, and if a Change of Control shall occur prior to the expiration of the Term or other termination of this Agreement, the terms of this Agreement shall survive to the extent necessary to enable Employee to enforce Employee’s rights under Section 2 of this Agreement.

2. Payment and Benefits Due Upon Termination in Connection with Change of Control. If the Company should undergo a Change of Control the parties agree as follows:

(a) Change of Control Benefits. If Employee is employed by the Company on the CIC Effective Date (as defined below) and Employee is terminated on or before the six-month anniversary of the CIC Effective Date (the “Protection Period”) by the Company without Cause or by Employee for Good Reason, then the Company shall provide Employee with the following payments and benefits (collectively, the “Change of Control Benefits”):

(i) an amount equal to three times the sum of (A) Employee’s annual base salary that is in effect immediately before Employee’s date of termination, plus (B) the annual discretionary bonus (the “Annual Bonus”) received by Employee for the fiscal year preceding the date of termination (or if Employee was employed for less than one full fiscal year prior to the date of termination, the Annual Bonus shall be the annual target for the Annual Bonus payable during the current fiscal year) (together, the “Change of Control Payment”). The Change of Control Payment shall be paid to Employee in a lump sum within 60 days of Employee’s date of termination; *provided, however,* that no Change of Control Payment shall be paid to Employee unless the Company receives, on or within 55 days after the date of termination, an executed and fully effective copy of the Release (as defined below);

(ii) notwithstanding anything to the contrary within the LTIP or an applicable award agreement granted thereunder, Employee shall be entitled to accelerated vesting with respect to all time-based equity awards (including with respect to the time-based portion of any performance-based equity awards) outstanding at the time of the applicable termination of employment by the Company without Cause or by Employee for Good Reason; and

(iii) during the 18-month period commencing on the date of termination that Employee is eligible to elect and elects to continue coverage for Employee and their eligible dependents under the Company’s group health insurance plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) or similar state law, the Company shall reimburse Employee on a monthly basis for the difference between the amount Employee pays to effect and continue such coverage under COBRA and the employee contribution amount that active employees of the Company pay for the same or similar coverage; *provided, however,* that Employee shall notify the Company in writing within five days after Employee becomes eligible after the date of termination for group health insurance coverage, if any, through subsequent employment or otherwise and the Company shall have no further reimbursement obligation after the Employee becomes eligible for group health insurance coverage due to subsequent employment or otherwise.

(b) Execution and Non-Revocation of General Release Agreement. Notwithstanding any other provision in this Agreement, the Change of Control Benefits are subject to the condition that within 55 days after Employee’s date of termination, Employee executes, delivers to the Company, and does not revoke as

permitted by applicable law a General Release Agreement in a form reasonably acceptable to the Company (the “Release”) that, among other things, fully and finally releases and waives any and all claims, demands, actions, and suits whatsoever which Employee has or may have against the Company and their affiliates, whether under this Agreement or otherwise, that arose before the Release was executed. For purposes of this Agreement, the Release shall not become fully enforceable and irrevocable until Employee has timely executed the Release and not revoked Employee’s acceptance of the Release within seven days after its execution.

(c) Any COBRA reimbursements due under this Section shall be made by the last day of the month following the month in which the applicable premiums were paid by Employee.

3. Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

(a) Board means the Board of Directors of the Company.

(b) Cause shall mean any act or omission of Employee that constitutes any:

(i) material breach of this Agreement,

(ii) Employee’s failure or refusal to perform Employee’s duties, responsibilities, and authorities under this Agreement, including, but not limited to, the failure or refusal to follow any lawful directive of the CEO,

(iii) material violation of any written employment policy or rule of the Company, which results, or is likely to result in, any material reputational, financial, or other harm to the Company,

(iv) misappropriation of any funds, property, or business opportunity of the Company,

(v) illegal use or distribution of drugs or any abuse of alcohol in any manner that adversely affects Employee’s performance,

(vi) fraud upon the Company or bad faith, dishonest, or disloyal acts or omissions toward the Company,

(vii) commission, indictment, or conviction of any felony or any misdemeanor involving moral turpitude, or

(viii) other acts or omissions contrary to the best interests of the Company which has caused, or is likely to cause, material harm to them.

If the Company determines in its sole discretion that a cure is possible and appropriate, the Company shall give Employee written notice of the acts or omissions constituting Cause and no termination of this Agreement shall be for Cause unless and until Employee fails to cure such acts or omissions within 30 days following receipt

of such written notice. If the Company determines in its sole discretion that a cure is not possible and appropriate, Employee shall have no notice or cure rights before this Agreement is terminated for Cause.

- (c) Change of Control has the same meaning as assigned by the Company's LTIP.
- (d) Change of Control Benefits shall have the meaning set forth in Section 2.
- (e) Change of Control Payment shall have the meaning set forth in Section 2.
- (f) CIC Effective Date means the date upon which a Change of Control occurs.
- (g) Good Reason shall exist in the event any of the following actions are taken without Employee's consent:
  - (i) a material diminution in Employee's base salary, duties, responsibilities, or authorities;
  - (ii) a requirement that Employee report to an officer or employee other than the Chief Financial Officer;
  - (iii) a material relocation of Employee's primary work location more than 50 miles away from the Company's corporate headquarters; or
  - (iv) any other action or inaction by the Company that constitutes a material breach of its obligations under this Agreement.

To exercise the right to terminate for Good Reason, Employee must provide written notice to the Company of Employee's belief that Good Reason exists within 90 days of the initial existence of the condition(s) giving rise to Good Reason, and that notice shall describe the condition(s) believed to constitute Good Reason. The Company shall have 30 days to remedy the Good Reason condition(s). If not remedied within that 30-day period, Employee may terminate this Agreement; *provided, however*, that such termination must occur no later than 180 days after the date of the initial existence of the condition(s) giving rise to the Good Reason; *otherwise*, Employee shall be deemed to have accepted the condition(s), or the Company's correction of such condition(s), that may have given rise to the existence of Good Reason.

- (h) LTIP shall mean the Company's 2022 Omnibus Incentive Plan (as it may be amended from time to time).
- (i) Protection Period shall have the meaning set forth in Section 2.
- (j) Term shall have the meaning set forth in Section 1.

4. Miscellaneous

(a) Withholding. The Company shall have the right to withhold from the Change of Control Benefits any federal, state, or local income and/or payroll taxes required by law to be withheld and to take such other action as the Company deems advisable to enable the Company and Employee to satisfy obligations for the payment of withholding taxes and other tax obligations relating to the Change of Control Benefits.

(b) No Right to Continued Employment. Nothing in this Agreement confers on Employee any right to continued employment with the Company.

(c) Amendments and Waivers. Any modification to or waiver of this Agreement shall be effective only if it is in writing and signed by the parties to this Agreement. Notwithstanding the previous sentence, the Company may modify or amend this Agreement in its sole discretion at any time without the further consent of Employee in any manner necessary to comply with applicable law and regulations or the listing or other requirements of any stock exchange upon which the Company is listed.

(d) Successors and Assigns. This Agreement and all rights hereunder are personal to Employee and shall not be assignable by Employee; *provided, however*, that any amounts that shall have become payable under this Agreement prior to Employee's death shall inure to the benefit of Employee's heirs or other legal representatives, as the case may be. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company shall require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place. In the event a successor does not assume this Agreement, the benefits payable pursuant to this Agreement will be paid immediately prior to the Change of Control.

(e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(f) Entire Agreement. Except as otherwise specifically provided herein, this Agreement constitutes the entire agreement between the parties respecting the subject matter hereof and supersedes any prior agreements respecting severance benefits following a Change of Control.

(g) Governing Law; Venue. This Agreement shall be governed by the laws of the State of Texas, without regard to its conflict-of-laws principles. The parties hereby irrevocably consent to the binding and exclusive venue for any dispute, controversy, claim, or cause of action between them arising out of or related to this Agreement being in the state or federal court of competent jurisdiction that regularly conducts proceedings or has jurisdiction Dallas County, Texas. Nothing in this Agreement, however, precludes either party from seeking to remove a civil action from any state court to federal court.

(h) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement. The delivery of this Agreement in the form of a clearly legible facsimile or electronically scanned version by e-mail shall have the same force and effect as delivery of the originally executed document.

(i) Section 409A. Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the applicable regulations and administrative guidance issued thereunder (collectively, "Section 409A") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Any payments to be made under this Agreement upon a termination of Employee's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee's receipt of such payment or benefit is not delayed until the earlier of (A) the date of Employee's death or (B) the date that is six months after the date of Employee's termination (such date, the "Section 409A Payment Date"), then such payment or benefit shall not be provided to Employee (or Employee's estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

*[Signature Page Follows]*

AGREED as of the dates signed below:

GRANITE RIDGE RESOURCES, INC. EMPLOYEE

|                                    |                                   |
|------------------------------------|-----------------------------------|
| By: <u>/s/ Luke C. Brandenburg</u> | By: <u>/s/ Kimberly A. Weimer</u> |
| Name: Luke Brandenburg             | Kimberly Weimer                   |
| Title: CEO                         |                                   |

|                             |                             |
|-----------------------------|-----------------------------|
| Date Signed: March 11, 2024 | Date Signed: March 11, 2024 |
|-----------------------------|-----------------------------|

## CERTIFICATION

I, Luke C. Brandenburg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Granite Ridge Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2024

By: /s/

LUKE C. BRANDENBERG

---

Luke C. Brandenburg

*President and Chief Executive Officer*

## CERTIFICATION

I, Tyler S. Farquharson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Granite Ridge Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2024

By: /s/

TYLER S. FARQUHARSON

Tyler S. Farquharson

*Chief Financial Officer*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Granite Ridge Resources, Inc., (the “Company”) on Form 10-Q for the period ended March 31, 2024, as filed with the United States Securities and Exchange Commission on the date hereof, (the “Report”), the undersigned officers of the Company hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

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

Dated: May 9, 2024

By: /s/ LUKE C. BRANDENBERG

Name: Luke C. Brandenburg

Title: *President and Chief Executive Officer*

Dated: May 9, 2024

By: /s/ TYLER S. FARQUHARSON

Name: Tyler S. Farquharson

Title: *Chief Financial Officer*