

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-K

(Mark One)

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

For the year ended December 31, 2023

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: 001-38083

Magnolia Oil & Gas Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-5365682

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

Nine Greenway Plaza, Suite 1300

Houston, Texas

(Address of principal executive offices)

77046

(Zip Code)

Registrant's telephone number, including area code: (713) 842-9050

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001	MGY	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$3.7 billion based on the closing price on that day on the New York Stock Exchange.

As of February 12, 2024, there were 182,450,146 shares of Class A Common Stock, \$0.0001 par value per share, and 21,826,805 shares of Class B Common Stock, \$0.0001 par value per share, outstanding.

Documents Incorporated By Reference

Portions of the registrant's definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed no later than 120 days after the end of the fiscal year to which this Annual Report on Form 10-K relates, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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GLOSSARY OF OIL AND NATURAL GAS TERMS

The following are abbreviations and definitions of certain terms used in this document, some of which are commonly used in the oil and gas industry:

“*Bbl.*” One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to crude oil, condensate, natural gas liquids, or water.

“*Bbls/d.*” Stock tank barrels per day.

“*Bcf.*” Billion cubic feet of natural gas.

“*boe.*” Barrels of oil equivalent. One boe is equal to one Bbl, six thousand cubic feet of natural gas, or 42 gallons of natural gas liquids. Based on approximate energy equivalency.

“*boe/d.*” Barrels of oil equivalent per day.

“*British Thermal Unit or Btu.*” The quantity of heat required to raise the temperature of a one-pound mass of water by one degree Fahrenheit.

“*Completion.*” The installation of permanent equipment for production of oil or natural gas, or, in the case of a dry well, the reporting to the appropriate authority that the well has been abandoned.

“*DD&A.*” Depletion, depreciation, and amortization.

“*Developed acreage.*” The number of acres that are allocated or assignable to productive wells or wells capable of production.

“*Development well.*” A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

“*Dry well.*” A well that is determined to be incapable of producing either oil or natural gas in sufficient quantities to justify completion as an oil and natural gas well.

“*Exploratory well.*” A well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or natural gas in another reservoir.

“*Extension well.*” An extension well is a well drilled to extend the limits of a known reservoir.

“*Field.*” An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious, strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms structural feature and stratigraphic condition are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

“*Formation.*” A layer of rock which has distinct characteristics that differs from nearby rock.

“*Gross acres or gross wells.*” Gross acres or gross wells are the total acres or wells in which all or part of the working interest is owned.

“*Horizontal drilling.*” A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at an angle within a specified interval.

“*MBbls.*” One thousand barrels of crude oil, condensate or NGLs.

“*Mboe/d.*” Thousand barrels of oil equivalent per day.

“*Mcf.*” One thousand cubic feet of natural gas.

“*Mcf/d.*” Thousand cubic feet of natural gas per day.

“*MMboe*.” Million barrels of oil equivalent.

“*MMBtu*.” One million British thermal units.

“*MMcf*.” One million cubic feet of natural gas.

“*NGL*” or “*NGLs*.” Natural gas liquids. Hydrocarbons found in natural gas which may be extracted as purity products such as ethane, propane, isobutane and normal butane, and natural gasoline.

“*Net acres or net wells*.” The sum of fractional working interests owned in gross acres or gross wells.

“*NYMEX*.” The New York Mercantile Exchange.

“*Productive well*.” An exploratory, development, or extension well that is not a dry well. Productive wells include producing wells and wells mechanically capable of production.

“*Proved developed reserves*.” Proved oil and natural gas reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well.

“*Proved reserves*.” Those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

“*Proved undeveloped reserves*.” Proved oil and natural gas reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

“*Reservoir*.” A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

“*Standardized measure*.” Discounted future net cash flows estimated by applying the 12-month unweighted arithmetic average of the first-day-of-the-month price for the preceding 12 months to the estimated future production of year-end proved reserves. Future cash inflows are reduced by estimated future production and development costs based on period-end costs to determine pre-tax cash inflows. Future income taxes, if applicable, are computed by applying the statutory tax rate to the excess of pre-tax cash inflows over Magnolia's tax basis in the oil and natural gas properties. Future net cash inflows after income taxes are discounted using a 10% annual discount rate.

“*Undeveloped acreage*.” Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil, natural gas, and NGLs regardless of whether such acreage contains proved reserves.

“*Unit*.” The joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement.

“*Working interest*.” The right granted to the lessee of a property to explore for, to produce, and to own oil, natural gas, or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

“*WTI*.” West Texas Intermediate light sweet crude oil.

GLOSSARY OF CERTAIN TERMS AND CONVENTIONS USED HEREIN

The following are definitions of certain other terms and conventions that are used in this Annual Report on Form 10-K:

"The Company" or "Magnolia." Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, including Magnolia Oil & Gas Holdings LLC, Magnolia LLC, Magnolia Intermediate, Magnolia Operating, and Magnolia Oil & Gas Finance Corp.).

"Magnolia Intermediate." Magnolia Oil & Gas Intermediate LLC.

"Magnolia LLC." Magnolia Oil & Gas Parent LLC.

"Magnolia LLC Units." Units representing limited liability company interests in Magnolia LLC.

"Magnolia Operating." Magnolia Oil & Gas Operating LLC.

"Highlander." Highlander Oil & Gas Holdings LLC.

"EnerVest." EnerVest, Ltd.

"Karnes County Assets." Certain right, title, and interest in certain oil and natural gas assets located primarily in the Karnes County portion of the Eagle Ford Shale formation in South Texas.

"Giddings Assets." Certain right, title, and interest in certain oil and natural gas assets located primarily in the Giddings area of the Austin Chalk formation.

"Business Combination." The acquisition, which closed on July 31, 2018, of the Karnes County Assets; the Giddings Assets; and a 35% membership interest in Ironwood Eagle Ford Midstream, LLC.

"Class A Common Stock." Magnolia's Class A Common Stock, par value \$0.0001 per share.

"Class B Common Stock." Magnolia's Class B Common Stock, par value \$0.0001 per share.

"Closing Date." July 31, 2018.

"Issuers." Magnolia Operating and Magnolia Oil & Gas Finance Corp., a wholly owned subsidiary of Magnolia Operating, as it relates to the 2026 Senior Notes.

"Magnolia LLC Unit Holders." EnerVest Energy Institutional Fund XIV-A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-WIC, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-2A, L.P., a Delaware limited partnership, EnerVest Energy Institutional Fund XIV-3A, L.P., a Delaware limited partnership, and EnerVest Energy Institutional Fund XIV-C-AIV, L.P., a Delaware limited partnership.

"Non-Compete." That certain Non-Competition Agreement, dated as of July 31, 2018, between the Company and EnerVest, pursuant to which EnerVest and certain of its affiliates were restricted from competing with the Company in certain counties comprising the Eagle Ford Shale.

"RBL Facility." Senior secured reserve-based revolving credit facility, as amended February 16, 2022.

"2026 Senior Notes." 6.0% Senior Notes due 2026.

"OPEC." The Organization of the Petroleum Exporting Countries.

FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding the Company’s future financial position, business strategy, budgets, projected revenues, projected costs, and plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company’s management. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “could,” “expect,” “intend,” “project,” “estimate,” “anticipate,” “plan,” “believe,” or “continue” or similar terminology. Although Magnolia believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to:

- legislative, regulatory, or policy changes, including those following the change in presidential administrations;
- the market prices of oil, natural gas, natural gas liquids (“NGLs”), and other products or services;
- the supply and demand for oil, natural gas, NGLs, and other products or services, including impacts of actions taken by OPEC and other state-controlled oil companies;
- production and reserve levels;
- the timing and extent of the Company’s success in discovering, developing, producing and estimating reserves;
- geopolitical and business conditions in key regions of the world;
- drilling risks;
- economic and competitive conditions;
- the availability of capital resources;
- capital expenditures and other contractual obligations;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- cyber attacks;
- the occurrence of property acquisitions or divestitures;
- the integration of acquisitions;
- the securities or capital markets and related risks such as general credit, liquidity, market, and interest-rate risks; and
- other factors disclosed in this Annual Report on Form 10-K, including under Items 1 and 2 - *Business and Properties*, Item 1A - *Risk Factors*, Item 7 - *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, Item 7A - *Quantitative and Qualitative Disclosures About Market Risk*.

All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements above. Except as required by law, Magnolia assumes no duty to update or revise its forward-looking statements based on changes in internal estimates or expectations or otherwise.

PART I

Items 1 and 2. Business and Properties

Overview

Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, “the Company” or “Magnolia”) is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid (“NGL”) reserves. The Company’s oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company targets the Eagle Ford Shale and Austin Chalk formations.

On July 31, 2018, Magnolia consummated its initial business combination (the “Business Combination”) through its acquisition of the Karnes County Assets and the Giddings Assets. Magnolia is the managing member of Magnolia Oil & Gas Parent LLC (“Magnolia LLC”). Magnolia’s principal asset is a controlling equity interest in Magnolia LLC. As the managing member of Magnolia LLC, the Company operates and controls all of the business and affairs of Magnolia LLC and, through Magnolia LLC and its subsidiaries, conducts business. Magnolia consolidates the financial results of Magnolia LLC and its subsidiaries and records non-controlling interests for the economic interest in Magnolia LLC held by the Magnolia LLC Unit Holders. As of December 31, 2023, Magnolia owned an 89.4% interest in Magnolia LLC and the noncontrolling interest was 10.6%.

Available Information

Magnolia, which is incorporated in Delaware, has its principal executive offices located at Nine Greenway Plaza Suite 1300, Houston, Texas 77046. Magnolia’s website is located at www.magnoliaoilgas.com.

Magnolia furnishes or files with the Securities and Exchange Commission (the “SEC”) its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K. Magnolia makes these documents available free of charge at www.magnoliaoilgas.com under the “Investors” tab as soon as reasonably practicable after they are filed or furnished with the SEC. Information on Magnolia’s website is not incorporated by reference into this Annual Report on Form 10-K or any of the Company’s other filings with the SEC.

Magnolia’s Class A Common Stock, par value \$0.0001 per share, is listed and traded on the New York Stock Exchange (“NYSE”) under the symbol “MGY.”

Strategy

Magnolia’s business model prioritizes prudent and disciplined capital allocation, free cash flow, and financial stability. The Company’s ongoing plan is to spend well within cash flow on drilling and completing wells while maintaining low financial leverage. The Company is well positioned to reduce or increase operations given the significant flexibility within its capital program as the Company has no long-term service obligations.

The Company’s long-term strategy is centered around the following value creation principles:

- generate moderate annual organic production growth,
- maintain an efficient capital program with short economic paybacks,
- maintain a conservative financial leverage profile,
- generate high full-cycle operating margins,
- generate significant free cash flow after capital expenditures, and
- effectively reinvest free cash flow to maximize shareholder returns.

For additional detail regarding the Company’s 2023 results, strategy, and its capital resources and liquidity, please see *Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations* of this Annual Report on Form 10-K.

Segment Information and Geographic Area

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties located in the United States. Magnolia’s operations are conducted predominantly in one geographic area of the United States. Magnolia’s oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas

where the Company targets the Eagle Ford Shale and the Austin Chalk formations. Additional data and discussion are provided in *Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations* of this Annual Report on Form 10-K.

Properties

As of December 31, 2023, Magnolia's assets consisted of a total leasehold position of 789,719 gross (576,504 net) acres, including 72,503 gross (50,681 net) acres in the Karnes area and 717,216 gross (525,823 net) acres in the Giddings area. As of December 31, 2023, Magnolia had 2,483 gross (1,680 net) wells with total production of 82.3 Mboe/d for the year ended December 31, 2023. During 2023, Magnolia operated two rigs. Approximately 42%, 31%, and 27% of production from Magnolia's assets was attributable to oil, natural gas, and NGLs, respectively, for the year ended December 31, 2023.

The Karnes area is comprised of oil and natural gas assets primarily located in Karnes, Dimmit, Gonzales, and Zavala Counties, Texas, in the core of the Eagle Ford Shale. The acreage comprising the Karnes area also includes the Austin Chalk formation overlying the Eagle Ford Shale. The Austin Chalk formation has shown itself to be an independent reservoir from the Eagle Ford Shale and represents a very attractive development target. The Karnes area includes a well-known, low-risk acreage position that has been developed with a focus on maximizing returns and improving operational efficiencies.

The Giddings area is comprised of oil and natural gas assets primarily located in Brazos, Burleson, Fayette, Grimes, Lee, Milam, Robertson, and Washington Counties, Texas. The Austin Chalk formation produces along a northeast-to-southwest trend that is approximately parallel to the Texas Gulf Coast. There are several notable producing areas along the Austin Chalk trend, the largest of which is the Giddings area. The Giddings area has seen two major drilling cycles. The first cycle began in the late 1970s and into the early 1980s and consisted primarily of vertical well drilling. The second cycle ran through much of the 1990s and involved primarily horizontal well drilling. Recent improvements in drilling and completion technologies have unlocked new development opportunities in the Giddings area. Wells drilled in recent years have helped to substantiate the strong economic viability of new drilling activity across the Giddings area. Future development results may allow for further expansion of existing location inventory throughout the leasehold.

Reserve Data

Estimated Proved Reserves

The estimates of Magnolia's proved oil and natural gas reserves included in this Annual Report on Form 10-K are as of December 31, 2023. The Company's proved reserves volumes are based on evaluations prepared by the independent petroleum engineering firm of Miller and Lents, in accordance with Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and definitions and guidelines established by the SEC. Miller and Lents was selected for its historical experience and expertise in evaluating hydrocarbon resources.

Proved oil and natural gas reserves are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. Oil and natural gas prices applied in estimating proved reserves are determined using an unweighted arithmetic average of the first-day-of-the-month price for the trailing historical 12 months.

Proved reserves are sub-divided into two categories, proved developed and proved undeveloped. Proved developed reserves are volumes that can be expected to be recovered through existing wells with existing equipment and operating methods or where the cost of the required equipment is relatively minor compared to the cost of a new well. Proved undeveloped reserves are volumes that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Proved undeveloped reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. All of Magnolia's proved undeveloped reserves as of December 31, 2023, that are included in this Annual Report, are planned to be developed within one year.

The technical and economic data used to estimate proved reserves include, but are not limited to, well logs, geologic maps, well-test data, production data, well data, historical price and cost information, and property ownership interests. This technical data, performance analysis, decline curve analysis, volumetric analysis, assessment of analogues, together with standard engineering and

geoscience methods, are applied to estimate proved reserves.

The proved developed reserves per well are estimated by applying performance analysis and decline curve methods. For proved developed wells that lack adequate production history, reserves were estimated using performance-based type curves and offset location analogues. Proved undeveloped reserves are estimated by using a combination of geologic and engineering data for planned drilling locations. Performance data along with log and core data was used to delineate consistent, continuous reservoir and performance characteristics in core areas of development to identify areas of technical certainty that meets the criteria for proved reserves. Performance based type curves are applied to forecast proved undeveloped well performance.

Preparation of Oil and Natural Gas Reserve Information

Magnolia's Director of Reserves, Peter Corbeil, is the technical person primarily responsible for overseeing the internal reserves estimation process. Mr. Corbeil has more than 20 years of oil and gas industry experience in reservoir engineering, reserves assessment, field development, and technical management. His experience prior to joining Magnolia includes tenures in the corporate reserve groups at three large and diversified oil and gas companies. He holds a Bachelor of Engineering degree and a Master of Business Administration degree and is a member of the Society of Petroleum Engineers.

The Director of Reserves works closely with Magnolia's petroleum engineers and geoscience professionals to ensure the integrity, accuracy, and timeliness of the data furnished to Miller and Lents for the preparation of their reserve reports. Periodically, Magnolia's internal staff meets with the independent reserves engineers to review properties, methods, and assumptions used to prepare reserve estimates for Magnolia's assets.

The reserve reports were prepared by Miller and Lents' team of geologists and reservoir engineers who integrate geological, geophysical, engineering, and economic data to produce reserve estimates and economic forecasts. The process to prepare Magnolia's proved reserves as of December 31, 2023 was supervised by Jennifer A. Godbold, Senior Vice President and an officer of Miller and Lents. Ms. Godbold is a professionally qualified and licensed Professional Engineer in the State of Texas with more than 12 years of relevant experience in the estimation, assessment, and evaluation of oil and natural gas reserves.

Reserves estimation involves a degree of uncertainty and estimating volumes of economically recoverable oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation. As a result, the estimates of different engineers often vary. In addition, the results of drilling, testing, and production may justify revisions of such estimates. Accordingly, reserve estimates often differ from the quantities of oil, natural gas, and NGLs that are ultimately recovered. Estimates of economically recoverable oil, natural gas, NGLs, and of future net revenues are based on a number of variables and assumptions, all of which may vary from actual results, including geologic interpretation, prices, future production rates, and costs. Please refer to the Company's "Risk Factors" in Item 1A in this Annual Report on Form 10-K.

Proved Reserves

The following table presents Magnolia's estimated net proved oil and natural gas reserves as of December 31, 2023. This table shows reserves on a boe basis in which natural gas is converted to an equivalent barrel of oil based on a ratio of six Mcf to one Bbl. This ratio is not reflective of the current price ratio between the two products. The proved undeveloped reserves volumes in the table below are expected to be converted to proved developed reserves within one year.

	December 31, 2023			
	Oil (MMBbls)	Natural Gas (Bcf)	NGLs (MMBbls)	Total (MMboe)
Proved reserves				
Total proved developed	61.2	227.2	36.1	135.2
Total proved undeveloped	11.0	73.4	11.3	34.6
Total proved reserves	72.2	300.6	47.4	169.8

Development of Proved Undeveloped Reserves

As of December 31, 2023, the proved undeveloped reserves volumes are expected to be converted to proved developed reserves within one year. The following table summarizes the changes in Magnolia's proved undeveloped reserves during the year ended December 31, 2023:

	Total (MMboe)
Proved undeveloped reserves at January 1, 2023	31.4
Conversions into proved developed reserves	(20.4)
Extensions	24.6
Purchases of reserves in place	1.5
Revisions of previous estimates	(2.5)
Proved undeveloped reserves at December 31, 2023	34.6

As of December 31, 2023, Magnolia's assets contained approximately 34.6 MMboe of proved undeveloped reserves, consisting of 11.0 MMBbls of oil, 73.4 Bcf of natural gas, and 11.3 MMBbls of NGLs. The Company's total estimated proved undeveloped reserves increased by 3.2 MMboe during the year ended December 31, 2023. Magnolia converted 20.4 MMboe of proved undeveloped reserves to proved developed reserves as a result of drilling activities completed during 2023. Extensions of 24.6 MMboe resulted from the planned drilling program. Bolt-on acquisitions resulted in a 1.5 MMboe increase. Downward revisions of 2.5 MMboe to proved undeveloped reserves were comprised of downward adjustments of 4.6 MMboe related to optimizing development activity primarily in the Giddings area and 0.2 MMboe due to lower commodity prices, partially offset by upward revisions of 1.9 MMboe for infill drilling in the Karnes area and 0.4 MMboe for improved performance in the Giddings area.

During the year ended December 31, 2023, Magnolia incurred costs of approximately \$176.3 million to convert the reserves associated with 24 of its net proved undeveloped locations to 20.4 MMboe of proved developed reserves.

Drilling Statistics

The following table describes new development wells drilled within Magnolia's assets during the years ended December 31, 2023, 2022, and 2021. The information should not be considered indicative of future performance, nor should it be assumed that there is necessarily any correlation among the number of productive wells drilled, quantities of reserves found, or economic value. A dry well is a well that proves to be incapable of producing either oil or natural gas in sufficient quantities to justify completion as an oil and natural gas well. A productive well is an exploratory, development, or extension well that is not a dry well. Productive wells include producing wells and wells mechanically capable of production. Completion refers to the installation of permanent equipment for production of oil or natural gas, or, in the case of a dry well, the reporting to the appropriate authority that the well has been abandoned. As of December 31, 2023, 25 gross (18 net) development wells were in the process of being drilled, being completed, or awaiting completion operations. As of December 31, 2023, Magnolia was running a two-rig program.

	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Net exploratory wells			
Productive	—	—	—
Dry	—	—	—
Total	—	—	—
Net development wells			
Productive	45	50	42
Dry	—	—	—
Total	45	50	42
Net total wells			
Productive	45	50	42
Dry	—	—	—
Total	45	50	42

Productive Oil and Natural Gas Wells

Productive wells consist of exploratory, development, or extension wells that are not dry wells. Productive wells include producing wells and wells mechanically capable of production. Gross wells are the total number of productive wells in which Magnolia owns a working interest, and net wells are the sum of the fractional working interests of gross wells. The following table sets forth information relating to the productive wells in which Magnolia owned a working interest as of December 31, 2023.

	Oil	Natural Gas	Total
Gross	1,890	593	2,483
Net	1,180	500	1,680

Production, Pricing, and Lease Operating Cost Data

The following table describes, for each of the last three fiscal years, oil, natural gas, and NGL production volumes, average lease operating costs per boe (including transportation costs, but excluding severance and other taxes), and average sales prices related to Magnolia's operations:

	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Production			
Crude oil (MMBbls)	12.6	12.2	11.2
Natural gas (Bcf)	55.1	50.7	43.4
Natural gas liquids (MMBbls)	8.3	6.9	5.7
Average lease operating costs per boe	\$ 6.64	\$ 7.13	\$ 5.75
Average sales price			
Crude oil (per barrel)	\$ 76.02	\$ 95.01	\$ 66.83
Natural gas (per Mcf)	1.85	5.95	3.97
Natural gas liquids (per barrel)	20.15	34.18	27.84

Gross and Net Undeveloped and Developed Acreage

The following table sets forth certain information regarding the total developed and undeveloped acreage in which Magnolia held an interest as of December 31, 2023:

	Acreage		
	Undeveloped	Developed	Total
Gross	96,696	693,023	789,719
Net	78,666	497,838	576,504

Undeveloped Acreage Expirations

As of December 31, 2023, Magnolia's total undeveloped acres across its assets that will expire in 2024, 2025, and 2026 are 24,032 gross (22,764 net), 2,664 gross (2,167 net), and 3,034 gross (2,561 net) acres, respectively, unless production is established within the spacing units covering the acreage prior to the expiration dates, drilling commitments are fulfilled, or unless such leasehold rights are extended or renewed. Magnolia anticipates that its current and future drilling plans along with the lease extensions should address most the Company's leases subject to potential expiration in 2024 and beyond. There are no significant expirations after 2026.

Delivery Commitments

Oil and natural gas properties in the Giddings area are subject to contracts with third-party midstream companies that provide for firm pipeline transportation and gathering and processing services for a portion of the natural gas produced from the Giddings area. The delivery commitments require the Company to deliver 5.3 million MMBtu in 2024. The Company's delivery commitments are subject to a standard pipeline demand fee for its reserved capacity amount and a potential shortfall fee if unable to deliver the agreed upon quantity of gas. Magnolia expects to fulfill its commitments with existing proved developed and proved undeveloped reserves, which are regularly monitored to ensure sufficient availability.

Operations

Facilities

Production facilities related to Magnolia's assets, including central tank batteries, consist of storage tanks, two-phase and/or three-phase separation equipment, flowlines, metering equipment, emissions control equipment, leased compressors, and safety systems. Predominant artificial lift methods include gas lift, rod pump lift, and plunger lift.

The Karnes area includes access to a crude oil gathering system and access to natural gas gathering systems. Magnolia is subject to the terms of a crude oil gathering agreement with Ironwood Eagle Ford Midstream, LLC that expires in July 2027, which allows oil production to be delivered and sold to various crude oil refining markets on a competitive pricing basis. The majority of natural gas production related to the Karnes area is currently processed to collect NGLs. Produced natural gas and NGLs are sold to third-party natural gas processors.

The Giddings area includes access to natural gas gathering systems, which allows production to be delivered to third-party natural gas processors. The majority of natural gas production related to the Giddings area is currently processed to collect NGLs. Produced natural gas and NGLs are sold to third-party natural gas processors as well as various intrastate and interstate markets on a competitive pricing basis. The Giddings area also includes several saltwater disposal wells that handle a portion of water production from the area.

Marketing and Customers

For the year ended December 31, 2023, three customers, including their subsidiaries, accounted for 25%, 22%, and 11% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2022, four customers, including their subsidiaries, accounted for 19%, 17%, 14%, and 11% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2021, four customers, including their subsidiaries, accounted for 22%, 15%, 15%, and 11% of the Company's combined oil, natural gas, and NGL revenue.

No other purchaser accounted for 10% or more of Magnolia's revenue on a combined basis in each respective period. Please see "*Risk Factors—Magnolia depends upon a small number of significant purchasers for the sale of most of its oil, natural gas, and NGL production. The loss of one or more of such purchasers could, among other factors, limit Magnolia's access to suitable markets*"

for the oil, natural gas, and NGLs it produces.” in Item 1A in this Annual Report on Form 10-K for more information.

The natural gas production from the Giddings area is gathered and processed under acreage dedications with three third-party midstream companies. The natural gas plant residue volumes are sold either to gathering and processing counterparties or various third parties utilizing the firm transportation agreement described under “*Delivery Commitments*.” Residue sales utilizing the firm transportation are at market prices with terms of 12 months or less. The NGL production extracted from the Giddings area is sold to gathering and processing counterparties. Magnolia sells the majority of the oil production from the Giddings area to three third parties at market prices, with such purchasers transporting the oil from the lease via trucks under contracts of 12 months or less. The remainder of the oil production from the Giddings area is sold to various third-party purchasers at market prices under contracts with terms of 12 months or less.

In addition, Magnolia sells the natural gas production from the Karnes area to various third parties pursuant to the terms of multiple natural gas processing and purchase contracts of varying terms. Such natural gas production is gathered and processed under agreements with terms ranging from month-to-month to the life of the applicable lease agreements. Magnolia transports the majority of its crude oil production from the Karnes area on a gathering agreement with Ironwood Eagle Ford Midstream, LLC that expires in July 2027, which provides an outlet for Magnolia to sell oil production via pipeline from the Karnes area to third-party purchasers at market prices. The majority of the remaining oil production is transported from the lease via trucks at market prices with terms of 12 months or less. The NGL production from the Karnes area is sold to midstream natural gas processors in the Eagle Ford area.

Competition

The oil and gas industry is a highly competitive environment and Magnolia competes with both major integrated and other independent oil and gas companies in all aspects of the Company’s business to explore, develop, and operate its properties and market its production. Competitive conditions may be affected by future legislation and regulations as the United States develops new energy and climate-related policies. In addition, some of Magnolia’s competitors may have a competitive advantage when responding to factors that affect demand for oil and natural gas production, such as changing prices, domestic and foreign political conditions, weather conditions, the proximity and capacity of natural gas pipelines and other transportation facilities, and overall economic conditions. Magnolia also faces indirect competition from alternative energy sources, including wind, solar, and electric power. Magnolia’s ability to acquire additional prospects and to find and develop reserves in the future will depend on the Company’s ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment.

Regulation

Environmental, Health and Safety Matters

Oil and natural gas operations are substantially affected by federal, state, and local laws and regulations. In particular, oil and natural gas production and related operations are, or have been, subject to price controls, taxes, and numerous other laws and regulations. All of the jurisdictions in which Magnolia’s assets are located have statutory provisions regulating the development and production of oil and natural gas. These laws and regulations can impose recordkeeping, monitoring, and reporting requirements or other operational constraints on the Company’s business, including operational controls for minimizing pollution, costs to remediate releases of regulated substances, including crude oil, into the environment, or costs to remediate sites to which the Company sent regulated substances for disposal. In some cases, these laws can impose strict liability for the entire cost of clean-up on any responsible party without regard to negligence or fault and impose liability on the Company for the conduct of others (such as prior owners or operators of Magnolia’s assets) or conditions others have caused, or for the Company’s acts that complied with all applicable requirements when they were performed. The Company could incur capital, operating, maintenance, and remediation expenditures as a result of environmental laws and regulations. New laws have been enacted, and regulations are being adopted by various regulatory agencies on a continuing basis, and the costs of compliance with these new laws and regulations can only be broadly appraised until their implementation becomes more defined.

Air and Climate Change

The threat of climate change continues to attract considerable attention globally. In the United States, no comprehensive climate change legislation regulating the emission of greenhouse gases (“GHGs”) or directly imposing a price on carbon has been implemented at the federal level. However, President Biden has highlighted addressing climate change as a priority of his administration, and federal regulators, state and local governments, and private parties have taken (or announced that they plan to take) actions that have or may have a significant influence on the Company’s operations. The Biden Administration has also issued several executive orders that have, among others, recommitted the United States to the Paris Agreement, called for a government-wide approach to addressing climate change, and called for the reinstatement or issuance of methane emissions standards for new, modified, and existing oil and gas facilities. In December 2023, the U.S. Environmental Protection Agency (“EPA”) published new rules intended to reduce methane emissions from oil and gas sources. The final rule strengthens the existing emissions reduction requirements in Subpart OOOOa, expands reduction requirements for new, modified and reconstructed oil and natural gas sources in Subpart OOOOb, and imposes methane emissions limitations on existing oil and natural gas sources nationwide for the first time. In addition, the final rule establishes “Emissions Guidelines,” creating a Subpart OOOOc that requires states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The final rule also creates a new third-party monitoring program to flag large emissions events, referred to as “super emitters”. Under Subparts OOOOb and OOOOc, the final rule establishes more stringent requirements for new, modified and reconstructed oil and natural gas sources constructed after December 6, 2022, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates. The final rule gives states, along with federal tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane emissions from existing sources. The final emissions guidelines under Subpart OOOOc provide three years from the plan submission deadline for existing sources to comply. In addition, in August 2022, President Biden signed into law the Inflation Reduction Act of 2022. Among other things, the Inflation Reduction Act includes a methane emissions reduction program that amends the Clean Air Act to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems by 2024. In July 2023, the EPA proposed to expand the scope of the Greenhouse Gas Reporting Program for petroleum and natural gas facilities, as required by the Inflation Reduction Act. Among other things, the proposed rule would expand the emissions events that are subject to reporting requirements to include “other large release events” and apply reporting requirements to certain new sources and sectors. The rule is expected to be finalized in the spring of 2024 and become effective on January 1, 2025, in advance of the deadline for GHG emissions reporting for 2024 (March 2025). In January 2024, the EPA proposed a rule implementing the Inflation Reduction Act’s methane emissions charge. The proposed rule includes potential methodologies for calculating the amount by which a facility’s reported methane emissions are below or exceed the waste emissions thresholds and contemplates approaches for implementing certain exemptions created by the Inflation Reduction Act. The methane emissions charge imposed under the Methane Emissions and Waste Reduction Incentive Program for 2024 would be \$900 per ton emitted over annual methane emissions thresholds, and would increase to \$1,200 in 2025, and \$1,500 in 2026. The costs for complying with these new federal methane regulations are uncertain. Additional climate-related regulations have been passed by several states, and additional laws may be implemented at the federal, state, or local levels. Please see “Risk Factors” in Item 1A in this Annual Report on Form 10-K for further discussion of risks related to climate change and the regulation of methane emissions and GHGs.

Separately, the EPA finalized a more stringent National Ambient Air Quality Standard (“NAAQS”) for ozone in October 2015 and completed attainment/nonattainment designations in 2018. State implementation of the revised NAAQS in the areas in which Magnolia operates could result in increased costs for emission controls and requirements for additional monitoring and testing, as well as a more cumbersome permitting process. Failure to comply with air quality regulations may also result in administrative, civil, and/or criminal penalties for non-compliance.

Hydraulic Fracturing Activities

Hydraulic fracturing is an important and common practice that is used to stimulate production of oil and/or natural gas from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, proppants, and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. Hydraulic fracturing is regularly used by operators of Magnolia’s assets. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but the EPA has asserted federal regulatory authority over certain aspects of the process, including air emissions, fracturing fluid constituents, and wastewater disposal, among others.

At the state level, several states have adopted, or are considering adopting, legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. For example, the Texas Railroad Commission adopted a “well integrity rule,” which updated the requirements for drilling, putting pipe down, and cementing wells. The rule also imposes testing and reporting requirements, such as (i) the requirement to submit cementing reports after well completion or after cessation of drilling, whichever is later, and (ii) additional testing on wells less than 1,000 feet below usable groundwater. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place, and manner of drilling activities in general or hydraulic fracturing activities in particular.

Compliance with existing laws has not had a material adverse effect on operations related to Magnolia's assets, but if new or more stringent federal, state, or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where Magnolia's assets are located, operators could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of development activities, and perhaps even be precluded from drilling wells.

Water

The federal Clean Water Act ("CWA"), and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and hazardous substances, into state waters and waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. Federal and state regulatory agencies can impose administrative, civil, and criminal penalties for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations. The CWA also prohibits the discharge of dredge and fill material in regulated waters, including wetlands, unless authorized by permit. In January 2023, the EPA published the final rule which revised the definition of "Waters of the United States." Separately, in May 2023, the U.S. Supreme Court's decision in *Sackett v. EPA* narrowed federal jurisdiction over wetlands to "traditional navigable waters" and wetlands or other waters that have a "continuous surface connection" with or are otherwise indistinguishable from traditional navigable water. In September 2023, the EPA and the Corps published a direct-to-final rule that conforms the regulatory definition of "Waters of the United States" to the Supreme Court's May 2023 decision in *Sackett*. However, litigation opposing the September 2023 final rule remains ongoing and substantial uncertainty exists with respect to future implementation of the September 2023 rule and the scope of CWA jurisdiction more generally. To the extent the rule or any future rule or court decision expands the scope of the CWA's jurisdiction, Magnolia could face increased permitting costs and project delays.

In addition, Magnolia may be required under the CWA to obtain and maintain approvals or permits for the discharge of wastewater or storm water and are required to develop and implement spill prevention, control, and countermeasure plans, also referred to as "SPCC plans," in connection with on-site storage of significant quantities of oil.

Hazardous Substances and Waste Handling

The Comprehensive Environmental Response, Compensation and Liability Act, also known as the "Superfund" law, and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons that are considered responsible for the release of a "hazardous substance" into the environment. These persons include the current and past owner or operator of the disposal site or the site where the release occurred and persons that disposed or arranged for the disposal or the transportation for disposal of the hazardous substances at the site where the release occurred.

The Resource Conservation and Recovery Act ("RCRA") and analogous state laws, impose detailed requirements for the generation, handling, storage, treatment, and disposal of nonhazardous and hazardous solid wastes. RCRA specifically excludes drilling fluids, produced waters, and other wastes associated with the development or production of crude oil, natural gas, or geothermal energy from regulation as hazardous wastes. However, these wastes may be regulated by the EPA or state agencies under RCRA's less stringent nonhazardous solid waste provisions, state laws or other federal laws. It is, however, possible that certain oil and natural gas drilling and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. A loss of the RCRA exclusion for drilling fluids, produced waters, and related wastes could result in an increase in the costs to manage and dispose of generated wastes.

Endangered Species Act

The Endangered Species Act (the "ESA") and (in some cases) comparable state laws were established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species' habitat. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas that it believes are necessary for survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material restrictions to land use and may materially delay or prohibit land access for oil and natural gas development. The identification or designation of previously unprotected species as threatened or endangered in areas where underlying property operations are conducted could cause increased costs arising from species protection measures or could result in limitations on development activities that could have an adverse impact on the ability to develop and produce reserves within Magnolia's assets. If a portion of Magnolia's assets were to be designated as a critical or suitable habitat, it could adversely impact the value of its assets.

Occupational Health and Safety Act

Magnolia is subject to the requirements of the Occupational Health and Safety Act (“OSHA”) and comparable state statutes whose purpose is to protect the health and safety of workers. Violations can result in civil or criminal penalties as well as required abatement. In addition, the OSHA hazard communication standard, the Emergency Planning and Community Right-to-Know Act, comparable state statutes, and any implementing regulations require that Magnolia maintain and/or disclose information about hazardous materials used or produced in its operations and that this information be provided to employees, state and local governmental authorities, and citizens.

Related Permits and Authorizations

Many environmental laws require permits or other authorizations from state and/or federal agencies before initiating certain drilling, construction, production, operation, or other oil and natural gas activities, and require maintaining these permits and compliance with their requirements for ongoing operations. These permits are generally subject to protest, appeal, or litigation, which could in certain cases delay or halt projects and cease production or operation of wells, pipelines, and other operations related to Magnolia’s assets.

Human Capital Disclosures

Magnolia’s Human Capital Philosophy

The experience and expertise of Magnolia’s employees is critical to the Company’s ability to create value for investors by growing the Company’s asset platform, generating free cash flow, maintaining financial flexibility, and ensuring thoughtful capital allocation. Magnolia seeks to attract, develop, and retain highly qualified individuals who are committed to helping Magnolia enhance its position as an investment of choice with a broad shareholder base, an employer of choice with a winning culture, and an operator of choice with best-in-class assets. The Company’s Nominating and Corporate Governance Committee oversees Magnolia’s Environmental, Social, and Governance (“ESG”) policies and practices, which may include but are not limited to those related to certain safety, social responsibility, philanthropy and other human capital issues.

Growing and Supporting the Magnolia Team

To achieve the Company’s goals, Magnolia seeks team members who will embrace Company values and think like owners. On December 31, 2023, Magnolia had 247 employees with 109 of those employees located in the Company’s field offices in Giddings and Gillett, Texas and 138 located at Magnolia’s corporate headquarters in Houston, Texas.

In line with its focus on ownership and execution, the Company instituted the Think Like a Magnolia Owner CEO Award in 2023 to recognize individuals or teams across the company who delivered projects or initiatives that generated shareholder value, improved company performance, and/or resulted in increased efficiencies or cost reductions. In addition, the Company provided several training initiatives to all employees focused on areas such as leadership development, business education, and computer skills. Magnolia continues to offer a workplace flexibility program which gives eligible employees in the Houston office the option to telecommute for up to two days a week, as approved by their leader.

In late 2023, the Company was recognized as a top workplace in the annual Houston Chronicle Top Workplaces survey. It was the Company’s first year to participate in the survey, which measures workplace satisfaction in several areas based on employee survey feedback. Magnolia placed sixth among mid-sized companies who participated in the survey in the greater Houston area.

Valuing Diversity

Magnolia is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their expertise, experiences, and ideas. A key human capital priority is to hire the most qualified individuals while promoting the Company’s workforce diversity. This commitment to diversity is critical to Magnolia’s culture, reputation, and success.

As an Equal Employment Opportunity employer, Magnolia makes employment decisions based on business need, job requirements, and individual qualifications, without regard to race, religion, color, national origin, gender, pregnancy, sexual orientation, gender identity, age, status as an individual with a disability, or any other status protected by the laws or regulations in the locations where it operates. Magnolia is committed to a work environment in which all individuals are treated with respect and dignity and are free from all forms of harassment and discrimination.

As of December 31, 2023, 24% of Magnolia's total employee population was female and 30% identified as members of a minority group, as defined by the U.S. Equal Employment Opportunity Commission. At the Company's headquarters location in Houston, Texas, 39% of Magnolia's employees were female and 36% identified as members of a minority group. At Magnolia's Giddings and Gillett, Texas locations, combined, 5% of Magnolia's employees were female and 22% identified as members of a minority group.

Ensuring the Health and Safety of the Magnolia Team

At Magnolia, safety is a core value, and the Company is committed to taking proactive measures to minimize health and safety risks to employees on all Company worksites. Magnolia tracks key safety metrics, including employee recordables, lost time incidents, total recordable incident rate, and contractor recordables. In addition to these common lagging indicators, the Company also tracks leading indicators such as safety observations and near-miss reports. The Company uses internal and third-party applications to collect and monitor safety data and track its performance against its metrics through the HSER Safety Scorecard and other measures.

The Magnolia Good Catch Program recognizes employees who identify and submit potential safety or environmental issues before they arise. The Company reviews employee submissions each month and provides recognition and monetary awards for the most impactful submission. The Company then recognizes the most significant of these monthly submissions through its yearly Great Catch Awards, where award winners receive recognition and a monetary award.

The Company recognizes that employee training is important to achieving its goals and maintaining safe operations. In 2023, its full-time field employees, on average, received approximately 60 hours of safety training designed to enhance their skills. Team members at the Company's field locations are assigned computer-based training courses monthly covering a variety of safety and environmental subjects that are pertinent to their daily activities, including electrical safety, respiratory protection, heat stress prevention, and personal protective equipment. Training and skills development continue at Magnolia's monthly leader-led safety meetings, which are conducted in person at its two field locations or virtually. At these meetings, teams review pertinent safety incidents and corrective actions, discuss specific safety topics in depth, and receive updates on safety performance metrics.

Finally, the Company maintains comprehensive emergency response and crisis communication plans at both the field and corporate level. These plans are based on the standardized Incident Command System. Magnolia conducts periodic simulated emergency situations and corporate-level drills to test these plans and continue to improve its team's capabilities to respond effectively in the event of an incident at a work location.

Strengthening Local Communities

In support of Magnolia's commitment to strengthen the local communities where it operates, Magnolia makes a \$1,000 donation annually on each employee's behalf to the charitable organization of their choice. In 2023, employees across the Company directed \$194,000 in donations to local and national non-profits. Contributions went to a variety of health and human services organizations, faith-based groups, educational institutions, and charities providing services to children and young adults, among other causes.

In addition to employee-directed contributions, Magnolia's Field Giving Program provides direct donations to non-profit organizations in local communities where Magnolia operates. In 2023, Magnolia's field teams donated more than \$42,000 to 25 organizations. Organizations supported included volunteer fire departments and school districts, food banks, and historic preservation organizations as well as scholarship funds associated with local rodeos, fairs, and other community events.

Item 1A. Risk Factors

The nature of Magnolia's business activities subjects the Company to certain hazards and risks. The following risks and uncertainties, together with other information set forth in this Annual Report on Form 10-K, should be carefully considered by current and future investors in the Company's securities. These risks and uncertainties are not the only ones Magnolia faces. Additional risks and uncertainties presently unknown to Magnolia, or currently deemed immaterial, also may impair the Company's business operations. The occurrence of one or more of these risks or uncertainties could materially and adversely affect the Company's business, its financial condition, and the results of Magnolia's operations, which in turn could negatively impact the value of the Company's securities.

Risks Related to Magnolia's Overall Business Operations

Oil, natural gas, and NGL prices are volatile. A sustained period of low oil, natural gas, and NGL prices could adversely affect Magnolia's business, financial condition, results of operations, and ability to meet its expenditure obligations and financial commitments.

The prices Magnolia receives for its oil, natural gas, and NGL production will heavily influence its revenue, profitability, access to capital, future rate of growth, and the carrying value of its properties. Oil, natural gas, and NGLs are commodities, and their prices may fluctuate widely in response to market uncertainty and to relatively minor changes in the supply of and demand for oil, natural gas, and NGLs. Historically, oil, natural gas, and NGL prices have been volatile. The prices Magnolia receives for its production and the levels of Magnolia's production depend on numerous factors beyond Magnolia's control, which include, without limitation, the following:

- U.S. federal, state, local, and non-U.S. governmental regulation and taxes;
- worldwide and regional economic conditions impacting the global supply and demand for oil, natural gas, and NGLs;
- the price and quantity of foreign imports of oil, natural gas, and NGLs;
- political and economic conditions in or affecting other producing regions or countries, including the Middle East, Africa, South America, and Russia;
- actions of OPEC, its members, and other state-controlled oil companies relating to oil price and production controls;
- the level of global exploration, development, and production;
- the impact on worldwide economic activity of an epidemic, pandemic, outbreak, or other public health event, such as COVID-19;
- the level of global inventories;
- prevailing prices on local price indexes in the areas in which Magnolia operates;
- the proximity, capacity, cost, and availability of gathering, transportation, and processing facilities;
- localized and global supply, demand fundamentals, and transportation availability;
- the cost of exploring for, developing, producing, and transporting reserves;
- weather conditions and natural disasters;
- inflation rates;
- technological advances affecting energy consumption;
- the price and availability of alternative fuels;
- expectations about future commodity prices; and
- other events that impact global market demand.

Lower commodity prices may reduce Magnolia's cash flow and borrowing ability and cause the Company to shut in wells or curtail production. If Magnolia is unable to obtain needed capital or financing on satisfactory terms, its ability to acquire and develop future reserves could be adversely affected. Also, using lower prices in estimating proved reserves may result in a reduction in proved reserves volumes due to economic limits. In addition, sustained periods with lower oil and natural gas prices may adversely affect drilling economics and Magnolia's ability to raise capital, which may require it to re-evaluate and postpone or eliminate its development program, and result in the reduction of some proved undeveloped reserves and related standardized measure. If Magnolia is required to curtail its drilling program, Magnolia may be unable to hold leases that are scheduled to expire, which may further reduce reserves. As a result, a substantial or extended decline in commodity prices may materially and adversely affect Magnolia's future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures.

Inflation may adversely affect Magnolia's business, results of operations, and financial condition.

Magnolia is in an industry that has experienced inflationary pressures on operating costs - namely fuel, steel (i.e., wellbore

tubulars and facilities manufactured using steel), labor, and drilling and completion services. Although for many years, inflation in the United States had been relatively low, there was a significant increase in inflation beginning in the second half of 2021, which has continued into 2023, due to a substantial increase in money supply, a stimulative fiscal policy, a significant rebound in consumer demand as COVID-19 restrictions were relaxed, the Russia-Ukraine war and worldwide supply chain disruptions resulting from the economic contraction caused by COVID-19 and lockdowns followed by a rapid recovery. According to the Bureau of Labor Statistics, inflation rose to a peak of 9.1% in June 2022, and has since decreased to 3.4% as of December 2023. While supply chain disruptions and inflation have not materially affected Magnolia's operating results to date, if Magnolia is unable to work with its suppliers to limit or prevent increases in its costs of operations, it could adversely affect its operating results. In addition, any projected future decreases in Magnolia's operating results due to inflation could adversely affect Magnolia's future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures.

Part of Magnolia's business strategy involves using some of the latest available horizontal drilling and completion techniques, which involve risks and uncertainties in their application.

Magnolia's operations involve utilizing some of the latest drilling and completion ("D&C") techniques. The difficulties Magnolia faces drilling horizontal wells include landing its wellbore in the desired drilling zone, staying in the desired drilling zone while drilling horizontally through the formation, running its casing the entire length of the wellbore, and being able to run tools and other equipment consistently through the horizontal wellbore.

The difficulties that Magnolia faces while completing its wells include the ability to fracture stimulate the planned number of stages, the ability to run tools the entire length of the wellbore during completion operations, and the ability to successfully clean out the wellbore after completion of the final fracture stimulation stage.

Use of new technologies may not prove successful and could result in significant cost overruns or delays or reductions in production, and, in extreme cases, the abandonment of a well. In addition, certain of the new techniques may cause irregularities or interruptions in production due to offset wells being shut in and the time required to drill and complete multiple wells before any such wells begin producing. Furthermore, the results of drilling in new or emerging areas of certain formations are more uncertain initially than drilling results in areas that are more developed and have a longer history of established production. Newer and emerging areas of certain formations have limited or no production history and, consequently, Magnolia may be more limited in assessing future drilling results in these areas. If its drilling results are less favorable than anticipated, the return on investment for a particular project may not be as attractive as anticipated, and Magnolia could incur material write-downs of unevaluated properties, and the value of undeveloped acreage could decline in the future.

For example, potential complications associated with the new D&C techniques that Magnolia utilizes may cause Magnolia to be unable to develop its assets in line with current expectations and projections. Further, Magnolia's recent well results may not be indicative of its future well results.

The marketability of Company production is dependent upon market demand, vehicles, transportation and storage facilities, and other facilities, most of which the Company does not control. If these vehicles or facilities are unavailable, or if the Company is unable to access such vehicles or facilities on commercially reasonable terms, operations could be interrupted, production could be curtailed or shut in, and revenues could be reduced.

The marketing of oil, natural gas, and NGL production depends in large part on the availability, proximity, and capacity of trucks, pipelines, and storage facilities, natural gas gathering systems, and other transportation, processing, and refining facilities, as well as the existence of adequate markets. If there are widespread public health crises, epidemics and outbreaks of infectious diseases such as COVID-19 across the United States and other locations across the world and related responsive measures are imposed, and if such events reduce demand for oil and natural gas, available storage and transportation capacity for the Company's production may be limited or unavailable in the future. If there is insufficient capacity, if the capacity is unavailable to the Company, or if the capacity is unavailable on commercially reasonable terms, the prices Magnolia receives for its production could be significantly depressed.

As a result of future storage and/or market shortages, the Company could be forced to temporarily shut in some or all of its production or delay or discontinue drilling plans and commercial production following a discovery of hydrocarbons while the Company constructs or purchases its own facilities or system or is able to locate necessary storage and transportation. If the Company is forced to shut in production, it may incur greater costs to bring the associated production back online. Potential cost increases associated with bringing wells back online may be significant enough that such wells may become non-economic at low commodity price levels, which may lead to decreases in proved reserve estimates and potential impairments and associated charges to earnings. If the Company is able to bring wells back online, there is no assurance that such wells will be as productive following recommencement as they were prior to being shut in.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect Magnolia's business, financial condition, or results of operations.

Magnolia's future financial condition and results of operations will depend on the success of its development, production, and acquisition activities, which are subject to numerous risks beyond its control, including the risk that drilling will not result in commercially viable oil and natural gas production.

Magnolia's decisions to develop or purchase prospects or properties will depend, in part, on the evaluation of data obtained through geophysical and geological analysis, production data, and engineering studies, which are often inconclusive or subject to varying interpretations. For a discussion of the uncertainty involved in these processes, see the risk factor "*Crude oil, natural gas, and NGL reserves are estimates, and actual recoveries may vary significantly.*" In addition, the cost of drilling, completing, and operating wells is often uncertain.

Further, many factors may curtail, delay, or cancel scheduled drilling projects, including:

- delays imposed by, or resulting from, permitting activities, compliance with regulatory requirements, including limitations on wastewater disposal, emission of GHGs, and hydraulic fracturing;
- pressure or irregularities in geological formations;
- sustained periods of low oil and natural gas prices;
- shortages of or delays in obtaining equipment and qualified personnel;
- access to water for hydraulic fracturing activities and waste disposal or recycling services at a reasonable cost and in accordance with applicable environmental regulations;
- equipment failures, accidents, or other unexpected operational events;
- lack of available gathering facilities or delays in construction of gathering facilities;
- lack of available capacity on interconnecting transmission pipelines;
- adverse weather conditions;
- issues related to compliance with environmental regulations;
- environmental or safety hazards, such as oil and natural gas leaks, oil spills, pipeline and tank ruptures, and unauthorized discharges of brine, well stimulation and completion fluids, toxic gases, or other pollutants into the surface and subsurface environment;
- limited availability of financing on acceptable terms;
- title issues;
- other market limitations in Magnolia's industry;
- the impact on worldwide economic activity of an epidemic, pandemic, outbreak, or other public health event, such as COVID-19; and
- changes in the supply chain of the Company's vendors that may adversely impact the supply of key components.

Crude oil, natural gas, and NGL reserves are estimates, and actual recoveries may vary significantly.

The process of estimating oil and natural gas reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities and present value of reserves. In order to prepare the reserve estimates, Magnolia must project production rates and timing of development expenditures. The Company must also analyze available geological, geophysical, production, and engineering data. The extent, quality, and reliability of this data can vary. The process also requires economic assumptions about matters such as oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes other than income taxes, and availability of funds. Magnolia cannot assure you that its management team's assumptions with respect to projected production and/or the timing of development expenditures will not materially change in subsequent periods. Magnolia's management team and board may determine to secure and deploy development capital at a faster or slower pace than currently assumed.

Actual future production, oil prices, natural gas prices, NGL prices, revenues, taxes other than income taxes, development expenditures, operating expenses, and quantities of recoverable oil and natural gas reserves may vary from Magnolia's estimates. For instance, initial production rates reported by Magnolia or other operators may not be indicative of future or long-term production rates, recovery efficiencies may be lower than expected, and production declines may be greater than anticipated and may be more rapid and irregular when compared to initial production rates. In addition, estimates of proved reserves may be adjusted to reflect additional production history, results of development activities, current commodity prices, and other existing factors. Any significant variance could materially affect the estimated quantities and present value of reserves. Moreover, there can be no assurance that reserves will ultimately be produced or that proved undeveloped reserves will be developed within the periods anticipated.

Actual future prices and costs may differ materially from those used in the present value estimate. If spot prices are below such calculated amounts, using more recent prices in estimating proved reserves may result in a reduction in proved reserve volumes due to economic limits.

The standardized measure of estimated reserves may not be an accurate estimate of the current fair value of estimated oil and natural gas reserves.

The standardized measure is a reporting convention that provides a common basis for comparing oil and gas companies subject to the rules and regulations of the SEC. The standardized measure requires historical 12-month pricing as required by the SEC as well as operating and development costs prevailing as of the date of computation. Consequently, it may not reflect the prices ordinarily received or that will be received for oil and natural gas production because of varying market conditions, and it also may not reflect the actual costs that will be required to produce or develop the oil and natural gas properties. In addition, the Magnolia LLC Unit Holders are generally not subject to U.S. federal, state, or local income taxes other than certain state franchise taxes. Magnolia is subject to U.S. federal, state, and local income taxes. As a result, estimates included in this Annual Report on Form 10-K of future net cash flow may be materially different from the future net cash flows that are ultimately received. Therefore, the standardized measure of estimated reserves included in this Annual Report on Form 10-K should not be construed as accurate estimates of the current fair value of such proved reserves.

Properties Magnolia has acquired or will acquire may not produce as projected, and Magnolia may be unable to determine reserve potential, identify liabilities associated with such properties, or obtain protection from sellers against such liabilities.

Acquiring oil and natural gas properties requires Magnolia to assess reservoir and infrastructure characteristics, including recoverable reserves, future oil and natural gas prices and their applicable differentials, development and operating costs, and potential liabilities, including environmental liabilities. In connection with these assessments, Magnolia performs a review of the subject properties that it believes to be generally consistent with industry practices. Such assessments are inexact and inherently uncertain. For these reasons, the properties Magnolia has acquired or will acquire may not produce as expected. In connection with the assessments, Magnolia performs a review of the subject properties, but such a review may not reveal all existing or potential problems. In the course of due diligence, Magnolia may not review every well, pipeline, or associated facility. Magnolia cannot necessarily observe structural and environmental problems, such as groundwater contamination, when a review is performed. Magnolia may be unable to obtain or successfully enforce contractual indemnities from the seller for liabilities created prior to Magnolia's purchase of the property. Magnolia may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with its expectations. Additionally, the success of future acquisitions will depend on Magnolia's ability to integrate effectively the then-acquired business into its then-existing operations. The process of integrating acquired assets may involve unforeseen difficulties and may require a disproportionate amount of managerial and financial resources. Magnolia's failure to achieve consolidation savings, to incorporate the additionally acquired assets into its then-existing operations successfully, or to minimize any unforeseen operational difficulties, or the failure to acquire future assets at all, could have a material adverse effect on its financial condition and results of operations.

Magnolia is not the operator on all of its acreage or drilling locations, and, therefore, is not able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated assets and could be liable for certain financial obligations of the operators or any of its contractors to the extent such operator or contractor is unable to satisfy such obligations.

Magnolia conducts many of its exploration and production operations through joint operating agreements with other parties under which the Company may not control decisions, either because the Company does not have a controlling interest or is not an operator under the subject agreement. There is risk that these parties may at any time have economic, business, or legal interests or goals that are inconsistent with Magnolia's, and therefore decisions may be made that are not what the Company believes are in its best interest. Moreover, parties to these agreements may be unable or unwilling to meet their economic or other obligations, and Magnolia may be required to fulfill those obligations alone. In either case, the value of Magnolia's investment may be adversely affected.

Magnolia's producing properties are predominantly located in South Texas, making Magnolia vulnerable to risks associated with operating in a limited geographic area.

Substantially all of Magnolia's producing properties are geographically concentrated in South Texas. As a result, Magnolia may be disproportionately exposed to various factors, including, among others: (i) the impact of regional supply and demand factors, (ii) delays or interruptions of production from wells in such areas caused by governmental regulation, (iii) processing or transportation capacity constraints, (iv) market limitations, (v) availability of equipment and personnel, (vi) water shortages or other drought related conditions, or (vii) interruption of the processing or transportation of oil, natural gas, or NGLs. The concentration of Magnolia's assets

in a limited geographic area also increases its exposure to changes in local laws and regulations, certain lease stipulations designed to protect wildlife and unexpected events that may occur in the region such as natural disasters, severe weather events, seismic events, industrial accidents, or labor difficulties.

The concentration of Magnolia's producing properties exposes Magnolia to disproportionate and adverse impacts from extreme regional weather events, which could affect the Company's suppliers or customers. For example, a significant hurricane or similar weather event could damage refining and other oil and natural gas-related facilities on the Gulf Coast, which (if significant enough) could limit the availability of gathering and transportation facilities across Texas and could then cause production in the Eagle Ford Shale and Giddings area (including potentially Magnolia's production) to be curtailed or shut in or (in the case of natural gas) flared. Any of the above-referenced events could have a material adverse effect on Magnolia. Likewise, a weather event like the severe winter storms in Texas in February 2021 could reduce the availability of electrical power, road accessibility, and transportation facilities, which could have an adverse impact on Magnolia's production volumes. Any one of these factors has the potential to cause producing wells to be shut-in, delay operations, decrease cash flows, increase operating and capital costs, and prevent development of lease inventory before expirations. Any of the risks described above could have a material adverse effect on Magnolia's business, financial condition, results of operations, and cash flow.

In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic oil and natural gas producing areas such as the Karnes and Giddings areas, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. Due to the concentrated nature of Magnolia's portfolio of properties, a number of its properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on its results of operations than they might have on other companies that have a more diversified portfolio of properties. Such delays or interruptions could have a material adverse effect on Magnolia's financial condition and results of operations.

Magnolia may incur losses as a result of title defects in the properties in which it invests.

The existence of a material title deficiency can render a lease worthless and adversely affect Magnolia's results of operations and financial condition. While Magnolia typically obtains title opinions prior to commencing drilling operations on a lease or in a unit, the failure of title may not be discovered until after a well is drilled, in which case Magnolia may lose the lease and the right to produce all or a portion of the minerals under the property. Additionally, if an examination of the title history of a property reveals that an oil or natural gas lease or other developed right has been purchased in error from a person who is not the owner of the mineral interest desired, Magnolia's interest would substantially decline in value. In such cases, the amount paid for such oil or natural gas lease or leases would be lost.

Certain of Magnolia's properties are subject to land use restrictions, which could limit the manner in which Magnolia conducts business.

Certain of Magnolia's properties are subject to land use restrictions, including city ordinances, which could limit the manner in which Magnolia conducts business. Such restrictions could affect, among other things, access to and the permissible uses of facilities as well as the manner in which Magnolia produces oil and natural gas and may restrict or prohibit drilling in general. The costs incurred to comply with such restrictions may be significant in nature, and Magnolia may experience delays or curtailment in the pursuit of development activities and perhaps even be precluded from the drilling of wells.

The development of proved undeveloped reserves may take longer and may require higher levels of capital expenditures than anticipated. Therefore, proved undeveloped reserves may not be ultimately developed or produced.

As of December 31, 2023, Magnolia's assets contained 34.6 MMBbl of proved undeveloped reserves consisting of 11.0 MMBbls of oil, 73.4 Bcf of natural gas, and 11.3 MMBbls of NGLs. Development of these proved undeveloped reserves may take longer and require higher levels of capital expenditures than anticipated. Magnolia's ability to fund these expenditures is subject to several risks. Magnolia may be unable to obtain required capital or financing on satisfactory terms, which could lead to a decline in its ability to access or grow production and reserves. Delays in the development of reserves, increases in costs to drill and develop such reserves, or decreases in commodity prices will reduce the value of the proved undeveloped reserves and future net revenues estimated for such reserves, and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause Magnolia to have to reclassify proved undeveloped reserves as unproved reserves. Furthermore, there is no certainty that Magnolia will be able to convert proved undeveloped reserves to developed reserves, or that undeveloped reserves will be economically viable or technically feasible to produce.

Certain factors could require Magnolia to write-down the carrying values of its properties, including commodity prices decreasing to a level such that future undiscounted cash flows from its properties are less than their carrying value.

Accounting rules require that Magnolia periodically review the carrying value of its properties for possible impairment. Based on prevailing commodity prices, specific market factors, circumstances at the time of prospective impairment reviews, the continuing evaluation of development plans, production data, economics, and other factors, Magnolia may be required to write-down the carrying value of its properties. A write-down constitutes a non-cash impairment charge to earnings. Long-term declines in commodity prices may adversely affect proved reserve values, which may result in a proved property impairment of Magnolia's properties, which could have a material adverse effect on results of operations for the periods in which such charges are taken. Magnolia could experience material write-downs as a result of lower commodity prices or other factors, including low production results or high lease operating expenses, capital expenditures, or transportation fees.

Unless Magnolia replaces its reserves with new reserves and develops those new reserves, its reserves and production will decline, which would adversely affect future cash flows and results of operations.

Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless Magnolia conducts successful ongoing exploration and development activities or continually acquires properties containing proved reserves, proved reserves will decline as those reserves are produced. Magnolia's future reserves and production, and therefore future cash flow and results of operations, are highly dependent on Magnolia's success in efficiently developing current reserves and economically finding or acquiring additional recoverable reserves. Magnolia may not be able to develop, find, or acquire sufficient additional reserves to replace future production. If Magnolia is unable to replace such production, the value of its reserves will decrease, and its business, financial condition, and results of operations would be materially and adversely affected.

Properties that Magnolia decides to drill may not yield oil or natural gas in commercially viable quantities.

Properties that Magnolia decides to drill that do not yield oil or natural gas in commercially viable quantities will adversely affect its results of operations and financial condition. There is no way to predict in advance of drilling and testing whether any particular prospect will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of seismic data and other technologies and the study of producing fields in the same area will not enable Magnolia to know conclusively prior to drilling whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in commercial quantities. Magnolia cannot ensure that the analogies drawn from available data from other wells, more fully explored prospects, or producing fields will be applicable to its drilling prospects. Further, Magnolia's drilling operations may be curtailed, delayed, or canceled as a result of numerous factors, including unexpected drilling conditions, title issues, pressure or lost circulation in formations, equipment failures or accidents, adverse weather conditions, compliance with environmental and other governmental or contractual requirements, and increases in the cost of, and shortages or delays in the availability of, electricity, supplies, materials, drilling or workover rigs, equipment, and services.

Magnolia depends upon a small number of significant purchasers for the sale of most of its oil, natural gas, and NGL production. The loss of one or more of such purchasers could, among other factors, limit Magnolia's access to suitable markets for the oil, natural gas, and NGLs it produces.

Magnolia normally sells its production to a relatively small number of customers, as is customary in the oil and natural gas business. In 2023, there were three purchasers who accounted for an aggregate 61% of the total revenue attributable to Magnolia's assets. The loss of any significant purchaser could adversely affect Magnolia's revenues in the short-term. Magnolia expects to depend upon these or other significant purchasers for the sale of most of its oil and natural gas production. Magnolia cannot ensure that it will continue to have ready access to suitable markets for its future oil and natural gas production.

The unavailability or high cost of drilling rigs, equipment, supplies, personnel, and oilfield services could adversely affect Magnolia's ability to execute its development plans within its budget and on a timely basis.

The demand for drilling rigs, pipe, and other equipment and supplies, as well as for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers, and other professionals in the oil and gas industry, can fluctuate significantly, often correlated with oil, natural gas, and NGL prices, causing periodic shortages of supplies and needed personnel. Magnolia's operations are concentrated in areas in which oilfield activity levels have increased rapidly, and as a result, demand for such drilling rigs, equipment, and personnel, as well as access to transportation, processing, and refining facilities in these areas, have increased, as have the costs for those items. To the extent that commodity prices continue to increase in the future, the demand for and prices of these goods and services are likely to increase, and Magnolia could encounter delays in securing, or an inability to secure, the personnel, equipment, power, services, resources, and facilities access necessary for it to resume or increase Magnolia's development activities, which could result in production volumes being below its forecasted volumes. In addition, any

such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on cash flow and profitability. Furthermore, if Magnolia is unable to secure drilling rigs, it may not be able to drill all of its acreage before its leases expire.

Competition in the oil and gas industry is intense, making it more difficult for Magnolia to acquire properties, market oil or natural gas, and secure trained personnel.

Magnolia's ability to acquire additional prospects to complement or expand the Company's current business and to find and develop reserves in the future will depend on its ability to evaluate and select suitable properties for acquisitions and to consummate transactions in a highly competitive environment for acquiring properties, marketing oil and natural gas, and securing trained personnel. However, there is no guarantee that Magnolia will be able to identify attractive acquisition opportunities. In the event it is able to identify attractive acquisition opportunities, Magnolia may not be able to complete the acquisition or do so on commercially acceptable terms. Competition for capital available for investment in the oil and gas industry, specifically for acquisitions, may also increase the cost of, or cause Magnolia to refrain from, completing acquisitions. Many other oil and gas companies possess and employ greater financial, technical, and personnel resources than Magnolia. Those companies may be able to pay more for productive properties and exploratory prospects and to evaluate, bid for, and purchase a greater number of properties and prospects than Magnolia's financial or personnel resources permit. Magnolia may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel, and raising additional capital, which could have a material adverse effect on its business.

The loss of senior management or technical personnel could adversely affect operations.

Magnolia depends on the services of its senior management and technical personnel. Magnolia does not maintain, nor does Magnolia plan to obtain, any insurance against the loss of any of these individuals. The loss of the services of its senior management could have a material adverse effect on Magnolia's business, financial condition, and results of operations.

Magnolia may not be able to keep pace with technological developments in its industry.

The oil and gas industry is characterized by rapid and significant technological advancement and the introduction of new products and services using new technologies. As others use or develop new technologies, Magnolia may be placed at a competitive disadvantage or may be forced by competitive pressures to implement those new technologies at substantial cost. In addition, other oil and gas companies may have greater financial, technical, and personnel resources that allow them to enjoy technological advantages and that may in the future allow them to implement new technologies before Magnolia can. Magnolia may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies it expects to use were to become obsolete, Magnolia's business, financial condition, or results of operations could be materially and adversely affected.

Magnolia's business could be adversely affected by security threats, including cyber security threats, and related disruptions.

Magnolia relies heavily on its information systems, and the availability and integrity of these systems is essential to conducting Magnolia's business and operations. Cyber security risks, including phishing-attacks, unauthorized access, malicious software, data exfiltration, data privacy breaches by employees or others with authorized access, ransomware, and other cyber security issues could compromise computer and telecommunications systems and result in disruptions to the Company's business operations or the access, disclosure, or loss of Company data and proprietary information. Additionally, as a producer of oil and natural gas, Magnolia faces various security threats that could render its information or systems unusable, and threats to the security of its facilities and infrastructure or the facilities and infrastructure of third parties, such as gathering and processing and other facilities, refineries and pipelines, or third party technology cloud providers. If any of these security breaches were to occur, they could lead to losses of, or damage to, sensitive information, facilities, infrastructure, and systems essential to Magnolia's business and operations, as well as data corruption, communication interruptions, or other disruptions to its operations, which, in turn, could have a material adverse effect on its business, financial position, results of operations, and cash flows.

Magnolia's implementation of various procedures and controls to monitor and mitigate such security threats and to increase security for its information, systems, facilities, and infrastructure may result in increased costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring.

Risks Related to Environmental, Regulatory, and Political Conditions

Magnolia's operations are subject to environmental and occupational health and safety laws and regulations that may

expose the Company to significant costs and liabilities.

Magnolia's operations are subject to stringent and complex federal, state, and local laws and regulations governing the discharge of materials into the environment, health and safety aspects of the Company's operations or otherwise relating to environmental protection. These laws and regulations may impose numerous obligations applicable to Magnolia's operations, including the acquisition of a permit or other approval before conducting regulated activities; the restriction of types, quantities, and concentration of materials that can be released into the environment; the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands, and other protected areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution resulting from the Company's operations. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties.

Certain environmental laws impose strict joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons or solid wastes have been stored or released. Magnolia may be required to remediate contaminated properties currently or formerly operated by the Company or facilities of third parties that received waste generated by the Company.

Magnolia may incur substantial losses and be subject to substantial liability claims as a result of operations. Additionally, Magnolia may not be insured for, or insurance may be inadequate to protect Magnolia against, these risks.

Magnolia is not insured against all risks. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect its business, financial condition, or results of operations.

Magnolia's development activities are subject to all of the operating risks associated with drilling for and producing oil and natural gas, including the possibility of environmental hazards, such as uncontrollable releases of oil, natural gas, brine, well fluids, toxic gas, or other pollution into the environment, including groundwater, air, and shoreline contamination, or the presence of endangered or threatened species; abnormally pressured formations; mechanical difficulties, such as stuck oilfield drilling and service tools and casing collapse; fires, explosions, and ruptures of pipelines; personal injuries and death; natural disasters; and terrorist attacks targeting oil and natural gas related facilities and infrastructure.

Events that could adversely affect Magnolia's ability to conduct operations or result in substantial loss as a result of claims include injury or loss of life, damage to and destruction of property, natural resources, and equipment, pollution and other environmental damage, regulatory investigations and penalties, and repair and remediation costs.

Magnolia may elect not to obtain insurance for any or all of these risks if it believes that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on Magnolia's business, financial condition, and results of operations.

Magnolia's operations are subject to a series of risks arising from the threat of climate change.

The threat of climate change continues to attract considerable attention globally. In the United States, no comprehensive climate change legislation regulating the emission of GHGs or directly imposing a price on carbon has been implemented at the federal level. However, President Biden has highlighted addressing climate change as a priority of his administration, and federal regulators, state and local governments, and private parties have taken (or announced that they plan to take) actions that have or may have a significant influence on the Company's operations. In December 2023, the EPA published a final rule to strengthen the existing emissions reduction requirements in Subpart OOOOa, expand reduction requirements for new, modified and reconstructed oil and natural gas sources in Subpart OOOOb, and impose methane emissions limitations on existing oil and natural gas sources nationwide for the first time. In addition, the final rule establishes "Emissions Guidelines," creating a Subpart OOOOc that requires states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. The final rule also creates a new third-party monitoring program to flag large emissions events, referred to as "super emitters". Notably, the EPA imposed a December 6, 2022 applicability date for Subparts OOOOb and OOOOc, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates. The final rule gives states, along with federal tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane emissions from existing sources. The final emissions guidelines under Subpart OOOOc provide three years from the plan submission deadline for existing sources to comply. Additionally, in August 2022, President Biden signed into law the Inflation Reduction Act of 2022. Among other things, the Inflation Reduction Act includes a methane emissions reduction program that amends the Clean Air Act to include a Methane Emissions and Waste Reduction Incentive Program for petroleum and natural gas systems. This program requires the EPA to impose a "waste emissions charge" on certain oil and gas sources that are already required to report emissions under EPA's Greenhouse Gas Reporting Program. To implement the program, the Inflation Reduction Act required revisions to GHG reporting regulations for petroleum and natural gas systems (Subpart W) by 2024. In July 2023, the EPA proposed to expand the scope of the

Greenhouse Gas Reporting Program for petroleum and natural gas facilities, as required by the Inflation Reduction Act. Among other things, the proposed rule expands the emissions events that are subject to reporting requirements to include “other large release events” and applies reporting requirements to certain new sources and sectors. The rule is currently scheduled to be finalized in the spring of 2024 and is expected to take effect on January 1, 2025, in advance of the deadline for GHG reporting for 2024 (March 2025). In January 2024, the EPA proposed a rule implementing the Inflation Reduction Act’s methane emissions charge. The proposed rule includes potential methodologies for calculating the amount by which a facility’s reported methane emissions are below or exceed the waste emissions thresholds and contemplates approaches for implementing certain exemptions created by the Inflation Reduction Act. The methane emissions charge imposed under the Methane Emissions and Waste Reduction Incentive Program for 2024 would be \$900 per ton emitted over annual methane emissions thresholds, and would increase to \$1,200 in 2025, and \$1,500 in 2026. As a result of these regulatory changes, the scope of any final methane regulations or the costs for complying with federal methane regulations are uncertain.

Separately, a number of states have developed programs that are aimed at reducing GHG emissions by means of cap and trade programs, carbon taxes, or encouraging the use of renewable energy or alternative low-carbon fuels. Cap and trade programs typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting those GHGs. In addition, efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. For example, pursuant to the terms of the Paris Agreement, the United States has committed to reducing its GHG emissions by at least 50% below 2005 levels by 2030. In addition, at the 26th conference of parties (“COP26”) in September 2021, the United States and the European Union jointly announced the Global Methane Pledge, a pact that aims to reduce global methane emissions at least 30% below 2020 levels by 2030, including “all feasible reductions” in the energy sector. COP26 concluded with the finalization of the Glasgow Climate Pact, which stated long-term global goals (including those in the Paris Agreement) to limit the increase in the global average temperature and emphasized reductions in GHG emissions. At the 27th conference of parties in November 2022, President Biden announced the EPA’s supplemental proposed rule to reduce methane emissions from existing oil and gas sources (discussed above), and agreed, in conjunction with the European Union and a number of other partner countries, to develop standards for monitoring and reporting methane emissions to help create a market for low methane-intensity natural gas, and at the 28th conference of parties in December 2023, the Biden administration announced the final methane rule (discussed above). In addition, nearly 200 countries, including the United States, agreed to transition away from fossil fuels while accelerating action in this decade to achieve net zero GHG emissions by 2050. To the extent that governmental entities in the United States or other countries implement or impose climate change regulations on the oil and gas industry, it could have a material adverse effect on the Company’s business, including by restricting Magnolia’s ability to execute on its business strategy, requiring additional capital, compliance, operating and maintenance costs, increasing the cost of Magnolia’s products and services, reducing demand for its products and services, reducing its access to financial markets, or creating greater potential for governmental investigations or litigation.

Furthermore, climate change-related developments may result in negative perceptions of the traditional oil and gas industry and, in turn, reputational risks associated with exploration and production activities. Negative public perception regarding the Company and/or its industry resulting from, among other things, concerns raised by advocacy groups about climate change, emissions, hydraulic fracturing, seismicity, or oil spills may lead to increased litigation risk and regulatory, legislative and judicial scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines and enforcement interpretations. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens and increased risk of litigation. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits Magnolia needs to conduct the Company’s operations to be withheld, delayed, or burdened by requirements that restrict the Company’s ability to profitably conduct the Company’s business. In addition, various officials and candidates at the federal, state, and local levels, have made climate-related pledges or proposed banning hydraulic fracturing altogether. More broadly, the enactment of climate change-related policies and initiatives across the market at the corporate level and/or investor community level may in the future result in increases in the Company’s compliance costs and other operating costs and have other adverse effects (e.g., greater potential for governmental investigations or litigation, driving down demand for the Company’s products, or stimulating demand for alternative forms of energy that do not rely on combustion of fossil fuels).

Increasing attention from governmental and regulatory bodies, investors, consumers, industry, and other stakeholders on combating climate change, together with changes in consumer and industrial/commercial behavior, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary climate-related disclosures, preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons, may result in the enactment of climate change-related regulations, policies and initiatives (at the government, regulator, corporate and/or investor community levels), including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions measures and responsible energy development; technological advances with respect to the generation, transmission, storage and consumption of energy (including advances in wind, solar and hydrogen power, as well as battery technology); increased availability of, and increased demand from consumers and industry for, energy sources other

than oil and natural gas (including wind, solar, nuclear, and geothermal sources as well as electric vehicles); and development of, and increased demand from consumers and industry for, lower-emission products and services (including electric vehicles and renewable residential and commercial power supplies), as well as more efficient products and services. These developments may in the future adversely affect the demand for products manufactured with, or powered by, petroleum products, as well as the demand for, and in turn the prices of, the products that Magnolia sells. Such developments may also adversely impact, among other things, the Company's stock price and access to capital markets, and the availability of necessary third-party services and facilities, which may increase the Company's operational costs and adversely affect the Company's ability to successfully carry out the Company's business strategy. Climate change-related developments may also impact the market prices of or the Company's access to raw materials such as energy and water and therefore result in increased costs to the Company's business. Concern over climate change has also resulted in political risks in the United States, including climate-related pledges by certain candidates now in public office. Litigation risks are also increasing, as a number of cities and other local governments have sought to bring suit against the largest oil and gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but failed to adequately disclose such impacts to their investors or customers. Private individuals or public entities may seek to enforce environmental laws and regulations against the Company and could allege personal injury, property damages or other liabilities. While the Company's business is not a party to any such litigation, Magnolia could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact the Company's operations and could have an adverse impact on the Company's financial condition.

Negative perceptions regarding the Company's industry and reputational risks, including perceptions regarding the sufficiency of the Company's ESG program (which may include policies, practices, and extralegal objectives related to climate change, environmental stewardship, social responsibility, and corporate governance), may also in the future adversely affect the Company's ability to successfully carry out the Company's business strategy by adversely affecting its access to capital. There have been efforts in recent years, for example, to influence the investment community, including investment advisors, insurance companies, and certain sovereign wealth, pension and endowment funds and other groups, by promoting divestment of fossil fuel equities and pressuring lenders to limit funding and insurance underwriters to limit coverages to companies engaged in the extraction of fossil fuel reserves. Certain financial institutions and members of the investment community have shifted and others may elect in the future to shift some or all of their investment into non-fossil fuel related sectors. There is also a risk that financial institutions may be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Certain investment banks and asset managers based both domestically and internationally have announced that they are adopting climate change guidelines for their banking and investing activities. Institutional lenders who provide financing to energy companies such as the Company have also become more attentive to sustainable lending practices, and some may elect not to provide traditional energy producers or companies that support such producers with funding. Ultimately, this could make it more difficult to secure funding for exploration and production activities or adversely impact the cost of capital for both the Company and its customers, and could thereby adversely affect the demand and price of the Company's securities. Lower equity returns in the sector versus other industry sectors may lead to lower oil and natural gas representation in certain key equity market indices. Limitation of investments in and financings for energy companies could also result in the restriction, delay, or cancellation of infrastructure projects and energy production activities. Additionally, shareholder activism has been recently increasing in the oil and gas industry, and shareholders may attempt to effect changes to Magnolia's business or governance, whether by shareholder proposals, public campaigns, proxy solicitations, or otherwise. Such actions could adversely impact the Company's business by distracting management and other personnel from their primary responsibilities, require the Company to incur increased costs, and/or result in reputational harm. Activist shareholders have introduced proposals that may seek to force companies to adopt aggressive emission reduction targets or to shift away from more carbon-intensive industries. As noted above, activists may also pursue other means of curtailing oil and natural gas operations, such as through litigation. Such developments, including environmental activism and initiatives aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oil and gas companies, including Magnolia's. This may also potentially result in a reduction of available capital funding for potential development projects, impacting the Company's future financial results.

Magnolia's assets are located in areas that may be prone to severe weather events, due to climate change or otherwise, including hurricanes, winter storms, floods, and major tropical storms. These events could adversely affect or delay demand for the Company's products or cause the Company to incur significant costs in preparing for, or responding to, the effects thereof. Energy needs could increase or decrease as a result of weather conditions, depending on the duration and magnitude of any such weather events, and adversely impact Magnolia's operating costs or revenues. To the extent the frequency of extreme weather events increases, due to climate change or otherwise, this could impact operations in various ways, including damage to or disruption of operations at the Company's facilities, increased insurance premiums or increases to the cost of providing service, reduced availability of electrical power, road accessibility, and transportation facilities, as well as impacts on personnel, supply chain, distribution chain or customers. Any of these effects could have an adverse effect on the Company's assets and operations. The Company's ability to mitigate the physical impacts of adverse weather conditions depends in part upon its emergency preparedness and response along with its business

continuity planning. See “Magnolia’s producing properties are predominantly located in South Texas, making Magnolia vulnerable to risks associated with operating in a limited geographic area.”

New climate disclosure rules proposed by the SEC may increase Magnolia’s costs of compliance and adversely impact its business.

In March 2022, the U.S. Securities and Exchange Commission proposed new rules relating to the disclosure of a range of climate-related risks. To the extent this rule is finalized as proposed, Magnolia could incur increased costs relating to the assessment and disclosure of climate-related risks, including increased legal, accounting and financial compliance costs, as well as making some activities more difficult, time-consuming and costly, and placing strain on Magnolia’s personnel, systems and resources. Magnolia may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon-intensive sectors. The SEC proposes certain phase-in compliance dates for disclosures under the proposed rules, including for GHG emissions metrics.

Federal, state, and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs, additional operating restrictions or delays in the completion of oil and natural gas wells, and adversely affect Magnolia’s production.

The hydraulic fracturing process involves the injection of water, proppants, and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. It is typically done at substantial depths in formations with low permeability. Magnolia routinely uses fracturing techniques in the U.S. to expand the available space for oil and natural gas to migrate toward the wellbore. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but certain federal agencies have asserted regulatory authority over certain aspects of the process, including air emissions, fracturing fluid constituents, and wastewater disposal, among others.

From time to time the U.S. Congress has considered proposals to regulate hydraulic fracturing under the U.S. Safe Drinking Water Act. While, to date, those proposals have not been enacted, such proposals may be considered again in the future. Several states have already enacted or are otherwise considering legislation to regulate hydraulic fracturing practices through more stringent permitting, fluid disclosure, and well construction requirements on hydraulic-fracturing operations or otherwise seek to ban fracturing activities altogether. Hydraulic fracturing of wells and subsurface water disposal via injection wells are also under public and governmental scrutiny due to potential environmental and physical impacts, including possible contamination of groundwater and drinking water and possible links to seismic events. In addition, some municipalities have significantly limited or prohibited drilling activities and/or hydraulic fracturing or are considering doing so. The adoption of any new federal, state, or local laws or the implementation of regulations regarding hydraulic fracturing in areas in which the Company operates could result in operational delays, increased compliance costs, or a decrease in Magnolia’s production, which could have an adverse effect on the Company’s business, financial condition, and results of operations.

Potential future legislation may generally affect the taxation of oil and natural gas exploration and development companies and may adversely affect Magnolia’s future cash flows and results of operations.

From time to time, federal legislation has been proposed that would, if enacted into law, make significant changes to tax laws, including to certain key U.S. federal and state income tax provisions currently available to oil and natural gas exploration and development companies. Such legislative changes have included, but have not been limited to, (i) the repeal of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, and (iii) an extension of the amortization period for certain geological and geophysical expenditures. Although these provisions were largely unchanged in recent federal tax legislation such as the Inflation Reduction Act of 2022, Congress could consider, and could include, some or all of these proposals as part of future tax reform legislation. Moreover, other more general features of any additional tax reform legislation, including changes to cost recovery rules, may be developed that also would change the taxation of oil and gas companies. It is unclear whether these or similar changes will be enacted in future legislation and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U.S. federal income tax laws could adversely affect Magnolia’s future cash flows and results of operations.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of Magnolia’s income or other tax returns could adversely affect its financial condition and results of operations.

Magnolia is subject to taxes by U.S. federal, state, and local tax authorities. Magnolia’s future effective tax rates could be subject to volatility or adversely affected by a number of factors, including changes in the valuation of Magnolia’s deferred tax assets and liabilities, expected timing and amount of the release of any tax valuation allowances, tax effects of stock based compensation, or

changes in tax laws, regulations, or interpretations thereof.

In addition, Magnolia may be subject to audits of its income, sales, and other transaction taxes by U.S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on the Company's financial condition and results of operations.

Risks Related to Financing and Liquidity

Magnolia may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy debt obligations, which may not be successful.

Magnolia's ability to make scheduled payments on or to refinance its indebtedness obligations depends on Magnolia's financial condition and operating performance, which are subject to financial, business, and other factors, many of which are beyond Magnolia's control. Magnolia may not be able to maintain a level of cash flow from operating activities sufficient to permit Magnolia to service or repay its indebtedness. Failure to make required payments on its indebtedness will result in an event of default under the agreement governing the applicable indebtedness, entitling the requisite lenders of such indebtedness to accelerate the payment of obligations thereunder and to exercise other remedies, including in respect of collateral (if any) securing such indebtedness. As of December 31, 2023, the Company had \$400.0 million of principal debt related to the 2026 Senior Notes outstanding and no outstanding borrowings related to the RBL Facility and \$450.0 million of borrowing capacity of the RBL Facility.

If Magnolia is unable to fund its debt service obligations, Magnolia may be forced to reduce or delay investments and capital expenditures, sell assets, seek additional capital, or restructure or refinance existing indebtedness, all of which will depend on the condition of the capital markets and Magnolia's financial condition at such time. Any refinancing of indebtedness may be at higher interest rates and may require Magnolia to comply with more onerous covenants, which could further restrict business operations. The terms of Magnolia's existing or future debt instruments may restrict it from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on outstanding indebtedness on a timely basis would likely harm Magnolia's ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, Magnolia could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations. The RBL Facility and the indenture governing the 2026 Senior Notes limit Magnolia's ability to dispose of assets and use the proceeds from such dispositions. Magnolia may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit Magnolia to meet scheduled debt service obligations.

Restrictions in Magnolia's existing and future debt agreements could limit Magnolia's growth and ability to engage in certain activities.

Magnolia's ability to meet its expenses and debt obligations and comply with the covenants and restrictions contained therein will depend on its future performance, which will be affected by financial, business, economic, industry, regulatory, and other factors, many of which are beyond Magnolia's control. If market or other economic conditions deteriorate, Magnolia's ability to comply with these covenants may be impaired. For example, Magnolia's RBL Facility requires Magnolia to maintain quarterly compliance with a leverage and current ratio and the satisfaction of certain conditions, including the absence of defaults and events of default thereunder, to borrow money. The RBL Facility also limits Magnolia Operating's ability to draw additional amounts under the RBL Facility if Magnolia Operating has a consolidated cash balance in excess of \$45.0 million. Magnolia's debt agreements may restrict the payment of dividends and distributions by certain of its subsidiaries to it, which could affect its access to cash. In addition, Magnolia's ability to comply with the financial and other restrictive covenants in the agreements governing its indebtedness will be affected by the levels of cash flow from operations, future events, and other circumstances beyond Magnolia's control. Breach of these covenants or restrictions will result in a default under Magnolia's debt agreements, which if not cured or waived within the applicable grace period (if any), would permit the acceleration of all indebtedness outstanding thereunder by the requisite holders of such indebtedness. Upon acceleration, the indebtedness would become immediately due and payable, together with accrued and unpaid interest, and any commitments of a lender to make further loans to Magnolia may terminate. Even if new financing were then available, it may not be on terms that are acceptable to Magnolia. In addition to accelerating the indebtedness, the requisite group of affected lenders may exercise remedies upon the incurrence of an event of default, including through foreclosure, in respect of the collateral securing any such secured financing arrangements. Moreover, any subsequent replacement of Magnolia's financing arrangements may require it to comply with more restrictive covenants, which could further restrict business operations.

Any significant reduction in Magnolia's borrowing base under the RBL Facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact Magnolia's ability to fund its operations.

The RBL Facility limits the amounts Magnolia can borrow up to a borrowing base amount, which the lenders determine, in good faith, in accordance with their respective usual and customary oil and natural gas lending criteria, based upon the loan value of

the proved oil and natural gas reserves located within the geographic boundaries of the United States included in the most recent reserve report provided to the lenders. As of December 31, 2023, the Company had \$450.0 million of borrowing base capacity and no borrowings.

The RBL Facility requires periodic borrowing base redeterminations based on reserve reports. Additionally, the borrowing base is subject to unscheduled reductions due to certain issuances of new junior lien indebtedness, unsecured indebtedness or subordinated indebtedness, certain sales or acquisitions of borrowing base properties, or early monetizations or terminations of certain hedge or swap positions. An unscheduled redetermination may also be requested by either the requisite lenders or by Magnolia once between scheduled redeterminations. A reduced borrowing base could render Magnolia unable to access adequate funding under the RBL Facility. Additionally, if the aggregate amount outstanding under the RBL Facility exceeds the borrowing base at any time, Magnolia would be required to repay any indebtedness in excess of the borrowing base or to provide mortgages on additional borrowing base properties to eliminate such excess. As a result of a mandatory prepayment and/or reduced access to funds under the RBL Facility, Magnolia may be unable to implement its drilling and development plan, make acquisitions, or otherwise carry out business plans, which would have a material adverse effect on its financial condition and results of operations.

Magnolia's development projects and acquisitions require substantial capital expenditures. Magnolia may be unable to obtain required capital or financing on satisfactory terms, which could lead to a decline in its ability to access or grow production and reserves.

The oil and gas industry is capital-intensive. Magnolia makes, and expects to continue to make, substantial capital expenditures related to development and acquisition projects. Magnolia has funded, and expects to continue to fund, its capital budget with cash generated by operations and potentially through borrowings under the RBL Facility. However, Magnolia's financing needs may require it to alter or increase its capitalization substantially through the issuance of debt or equity securities or the sale of assets. The issuance of additional indebtedness would require that an additional portion of cash flow from operations be used for the payment of interest and principal on its indebtedness, thereby further reducing Magnolia's ability to use cash flow from operations to fund working capital, capital expenditures, and acquisitions. The issuance of additional equity securities would be dilutive to existing stockholders. The actual amount and timing of future capital expenditures may differ materially from estimates as a result of, among other things: commodity prices; actual drilling results; the availability of drilling rigs and other services and equipment; and legislative, regulatory, technological, competitive, and other economic or industry developments. A reduction in commodity prices from current levels may result in a decrease in actual capital expenditures, which would negatively impact Magnolia's ability to grow production.

Magnolia's cash flow from operations and access to capital is subject to a number of variables, including:

- the prices at which Magnolia's production is sold;
- proved reserves;
- the amount of hydrocarbons Magnolia is able to produce from its wells;
- Magnolia's ability to acquire, locate, and produce new reserves;
- the amount of Magnolia's operating expenses;
- Magnolia's ability to borrow under the RBL Facility;
- restrictions in the instruments governing Magnolia's debt, and Magnolia's ability to incur additional indebtedness; and
- Magnolia's ability to access the capital markets.

If Magnolia's revenues or the borrowing base under the RBL Facility decrease as a result of lower oil, natural gas, and NGL prices, operational difficulties, declines in reserves or for any other reason, Magnolia may have limited ability to obtain the capital necessary to sustain operations at current levels. If additional capital is needed, Magnolia may not be able to obtain debt or equity financing on terms acceptable to it, if at all. If cash flow generated by Magnolia's operations or available borrowings under the RBL Facility are insufficient to meet Magnolia's capital requirements, the failure to obtain additional financing could result in a curtailment of the development of Magnolia's properties, which in turn could lead to a decline in reserves and production and could materially and adversely affect Magnolia's business, financial condition, and results of operations. If Magnolia incurs additional indebtedness, the operational risks that Magnolia faces could intensify, and Magnolia may be unable to service its existing debt service obligations.

Risks Related to Magnolia's Class A Common Stock and Capital Structure

Magnolia is a holding company. Magnolia's principal asset is its controlling equity interest in Magnolia LLC, and Magnolia is accordingly dependent upon distributions from Magnolia LLC to pay taxes and cover its corporate and other overhead expenses.

Magnolia is a holding company and its principal asset is its controlling equity interest in Magnolia LLC. Magnolia has no independent means of generating revenue. To the extent Magnolia LLC has available cash, Magnolia intends to cause Magnolia LLC

to make (i) generally pro rata distributions to its unitholders, including Magnolia, in an amount at least sufficient to allow Magnolia to pay its taxes and (ii) non-pro rata payments to Magnolia to reimburse it for its corporate and other overhead expenses. As of December 31, 2023, the Company had \$450.0 million of borrowing base capacity and no borrowings during the year or outstanding at the end of the period, and therefore there were no restrictions under the RBL Facility on the ability of Magnolia LLC and its subsidiaries to transfer funds to Magnolia. To the extent that Magnolia needs funds and Magnolia LLC or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any financing arrangements, or are otherwise unable to provide such funds, Magnolia's liquidity and financial condition could be materially adversely affected.

Magnolia's second amended and restated certificate of incorporation and bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of Magnolia's Class A Common Stock.

Magnolia's second amended and restated certificate of incorporation authorizes its board of directors to issue preferred stock without stockholder approval. If Magnolia's board of directors elects to issue preferred stock, it could be more difficult for a third-party to acquire Magnolia. In addition, some provisions of Magnolia's second amended and restated certificate of incorporation and its bylaws could make it more difficult for a third-party to acquire control of Magnolia, even if the change of control would be beneficial to its stockholders, including limitations on the removal of directors, limitations on the ability of Magnolia's stockholders to call special meetings, providing that the board of directors is expressly authorized to adopt, or to alter or repeal, Magnolia's bylaws, and establishing advance notice and certain information requirements for nominations for election to its board of directors and for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, certain change of control events may have the effect of accelerating any payments due under Magnolia's RBL Facility, and could, in certain defined circumstances, require Magnolia to make an offer to repurchase its outstanding notes and/or result in the acceleration of payments required by the indenture governing its outstanding notes, which could be substantial and accordingly serve as a disincentive to a potential acquirer of the Company.

Future sales of Magnolia's Class A Common Stock in the public market, or the perception that such sales may occur, could reduce Magnolia's stock price, and any additional capital raised by Magnolia through the sale of equity or convertible securities may dilute your ownership in the Company.

Magnolia may sell additional shares of Class A Common Stock or securities convertible into shares of its Class A Common Stock in subsequent offerings. Magnolia cannot predict the size of future issuances of its Class A Common Stock or securities convertible into Class A Common Stock or the effect, if any, that such future issuances will have on the market price of its Class A Common Stock. Sales of substantial amounts of Magnolia's Class A Common Stock (including shares issued in connection with an acquisition or in connection with Magnolia's existing or future equity compensation plans), or the perception that such sales could occur, may adversely affect prevailing market prices of its Class A Common Stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company has a robust, risk-based cybersecurity program, designed to protect the company's data as well as data belonging to its customers and partners. In addition to performing its annual assessment of the overall cybersecurity risk as part of the Company's Enterprise Risk Assessment evaluation, Magnolia constantly assesses its cybersecurity risks by considering the likelihood of occurrence and the potential impact on the business. The risk identification process considers those common in the oil and gas industry and those that pertain to the technologies within the Company's applications and infrastructure.

Magnolia has policies that govern many aspects of computer and data security, data backup, appropriate use, and incident management. In addition, there are several key risk mitigation processes and software tools in place to prevent, detect, and respond to cybersecurity attacks. Multi-factor authentication and privileged access are required to access the Company's network in order to protect internal data and ensure appropriate access. The Company utilizes security vulnerability scanning software and 24/7 monitoring to detect and prevent significant cybersecurity threats. Magnolia uses a leading email and spam filtering solution and requires mandatory security awareness training for all employees, which is reinforced through periodic simulated phishing tests.

The Company uses a sophisticated backup and recovery methodology that supports the replication of data across multiple secure data centers with the intent to prevent local and cloud backup data from accidental destruction and unavailability in the event of

data loss or a major cyber event. Magnolia has a cybersecurity Incident Response Plan (“IRP”) in place that was established to help protect the integrity, availability, and confidentiality of information, prevent loss of service, and adhere to industry best practices. The IRP is reviewed annually and specifies the process for identifying a cybersecurity incident, conducting the initial investigation, classifying incident severity, documenting and communicating information to the appropriate parties, responding to and remediating the incident, and ongoing training. In the event of a cybersecurity incident, the IRP would be initiated to inform management, the Audit Committee, and the board of directors. The Company also has contracted retainers with third party vendors in the event they are required to assist during a major cybersecurity incident.

Cybersecurity risks are an important subset of Magnolia’s overall risk management process. The Company considers the complexity of and reliance on cyber-connected systems in its risk assessment and prioritization. Magnolia’s information security management processes and controls are based upon industry leading frameworks, including the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). Through recurring internal audits, controls are regularly reviewed, tested, and enhanced to promote best practices.

Magnolia engages third party consultants to benchmark its internal cybersecurity posture against the NIST CSF, perform external penetration tests, and facilitate simulated cyberattacks and incident responses. Additionally, third party service providers perform continuous managed detection and response activities. Security due diligence is performed when considering purchasing third party software and utilizing third party hosted providers. This evaluation considers the security architecture, confidentiality and criticality of data, as well as methods and practices used by third party vendors to encrypt, transmit, store, back up, and recover data.

Governance

The Audit Committee of the board of directors has oversight of the Company’s risk management, including cybersecurity. The Company’s senior officers, including its Vice President, Information Technology, are responsible for cybersecurity risk management and regularly communicate with the Audit Committee and the board of directors regarding risks and threats, including the status of current cybersecurity risk prevention and threat detection efforts. Magnolia’s Vice President, Information Technology, is the primary individual responsible for assessing and managing cybersecurity risks. He has extensive experience managing information technology departments of oil and gas organizations. This includes responsibilities for securing the solutions, data, and infrastructure for both corporate and field operations technology. The Company’s technology environment is managed by an experienced team of professionals who follow an extensive set of policies and procedures related to data security.

The Company is not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. Please see “Risk Factors” in Item 1A in this Annual Report on Form 10-K for further discussion regarding the Company’s cybersecurity risks.

Item 3. Legal Proceedings

See *Part II, Item 8, Note 10—Commitments and Contingencies* to the consolidated financial statements, which is incorporated herein by reference.

From time to time, the Company is party to certain legal actions and claims arising in the ordinary course of business. While the outcome of these events cannot be predicted with certainty, management does not currently expect these matters to have a materially adverse effect on the financial position or results of operations of the Company.

Item 4. Mine Safety Disclosures

Not applicable.

Information About Magnolia's Executive Officers and Directors

The following table sets forth, as of February 15, 2024, the names, ages, and positions held by Magnolia's executive officers and directors:

Name	Age	Position
Christopher G. Stavros	60	President, Chief Executive Officer and Director
Brian M. Corales	44	Senior Vice President and Chief Financial Officer
Timothy D. Yang	52	Executive Vice President, General Counsel, Corporate Secretary and Land
Steve F. Millican	48	Senior Vice President, Operations
Dan F. Smith	77	Chairman
Arcilia C. Acosta	58	Director
Angela M. Busch	57	Director
Edward P. Djerejian	84	Director
David M. Khani	60	Director
James R. Larson	74	Director
John B. Walker	78	Director

Christopher G. Stavros is Magnolia's President and Chief Executive Officer and serves as a member of the Company's board of directors. Before his appointment to this position in September 2022, he served as Magnolia's Executive Vice President and Chief Financial Officer since the closing of the Business Combination. Prior to joining the Company, Mr. Stavros was the Chief Financial Officer of Occidental Petroleum Corporation ("Occidental"), whose principal businesses consist of oil and gas, chemical and midstream, and marketing segments. Mr. Stavros served in this position from 2014 to 2017, having previously served in various investor relations and treasury roles at Occidental since 2005.

Brian M. Corales serves as Magnolia's Senior Vice President and Chief Financial Officer. Prior to this appointment, Mr. Corales served as the Company's Vice President, Investor Relations since November 2018. Prior to joining the Company in November 2018, Mr. Corales was a senior analyst at Johnson Rice & Co. and previously spent 15 years in positions at other investment banks, including as a director at Scotia Howard Weil from October 2009 to February 2018, where he covered exploration and production companies with a range of market caps located in various basins throughout the United States.

Timothy D. Yang serves Magnolia as Executive Vice President, General Counsel, Corporate Secretary and Land. Mr. Yang joined Magnolia in September 2018. Prior to joining Magnolia, Mr. Yang served as General Counsel and Corporate Secretary of Newfield Exploration Company, an independent exploration and production company, from July 2015 through September 2018, and as General Counsel, Chief Compliance Officer, and Secretary of Sabine Oil & Gas Corporation from February 2013 to July 2015.

Steve F. Millican serves as Senior Vice President, Operations for Magnolia, a position he has held since November 2018. Prior to joining the Company, Mr. Millican was Senior Vice President and General Manager of the South Texas Region for EnerVest Operating Company since July 2016, and he held various reservoir engineering positions at EnerVest from 2008 to 2016.

Dan F. Smith has served as a Director on Magnolia's board since 2018 and as its Chairman since 2022. He is a retired Chief Executive Officer of Lyondell Chemical Company, which operated in the chemicals, polymers and fuels business segments, and its wholly owned subsidiaries Millennium Chemicals Inc. and Equistar Chemicals, LP, a position he held from December 1996 until his retirement in December 2007. Mr. Smith is currently a director and Chairman of the board of Orion Engineered Carbons, S.A.

Arcilia C. Acosta is the Chief Executive Officer of CARCON Industries & Construction, a full-service construction firm, and is also the founder and Chief Executive Officer of Southwestern Testing Laboratories (STL Engineers), a geotechnical engineering and construction materials testing firm, both of which are based in Dallas, Texas. Ms. Acosta is currently a member of the board of directors of Vistra Corporation and Veritex Holdings, Inc.

Angela M. Busch currently serves as the Executive Vice President of Corporate and Business Development for Ecolab Inc., a global leader in water, hygiene, and energy technologies and services, where she is responsible for acquisitions, divestitures, and alliances in support of Ecolab's strategic objectives related to its global portfolio of businesses and activities.

Edward P. Djerejian served in the U.S. Foreign Service for eight presidents, from John F. Kennedy in 1962 to William J. Clinton in 1994. After his retirement from government service in 1994, he became the founding director of Rice University's Baker Institute for Public Policy, a premier nonpartisan public policy think tank, which he led for 28 years until June 2022.

David M. Khani served as Chief Financial Officer of EQT Corporation, a leading independent U.S. natural gas producer with an asset base in the core of the Appalachian Basin ("EQT Corp."), from January 2020 until July 2023. Prior to joining EQT Corp., Mr. Khani served as the Executive Vice President and Chief Financial Officer of CONSOL Energy ("CONSOL"), an energy company whose businesses during his tenure included natural gas, exploration and production, and coal mining. During his time at CONSOL, Mr. Khani also held chief financial officer and board member roles at CONSOL affiliates, including at CNX Midstream Partners LLC (formerly, CONE Midstream LLC), a joint venture with Noble Energy. Mr. Khani spent the first 18 years of his career at various investment banking and capital market firms, including FBR & Co., Prudential Financial, Inc., and Lehman Brothers, Inc.

James R. Larson has served as an independent director of CSI Compressco GP LLC and its predecessor CSI Compressco GP Inc., general partner of CSI Compressco L.P., a provider of compression services and equipment for oil and natural gas production, gathering, transportation, processing, and storage, and as Chairman of its Audit Committee since July 2011, and served as a member of its Conflicts Committee from April 2012 until January 2021 and as Chairman of its Conflicts Committee since August 2021. Mr. Larson retired in January 2006 from his position as senior vice president of Anadarko Petroleum Corporation ("Anadarko"), an independent exploration and production company, and he held various tax and financial positions within Anadarko since joining the company in 1981.

John B. Walker is Executive Chairman of EnerVest, Ltd., a position he has held since December 2020. He previously served as EnerVest's Chief Executive Officer since its formation in 1992. Mr. Walker served as Chairman of the Independent Petroleum Association of America from 2003 to 2005 and served on the board of Petrologistics LP from 2012 until 2014. Mr. Walker served on the Board of Regents of the Texas Tech University System from 2012 until 2023. Mr. Walker is a member of the National Petroleum Council, where he currently serves as Chairman of the Nominating Committee.

PART II

Item 5. Market for the Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Market Information

Magnolia’s Class A Common Stock are currently traded on the NYSE under the ticker symbol “MGY.” As of February 12, 2024, there were 11 holders of record of Magnolia’s Class A Common Stock, and 5 holders of record of the Company’s Class B Common Stock, par value \$0.0001 per share.

Issuer Purchases of Equity Securities

The following table sets forth the Company’s share repurchase activities for the year ended December 31, 2023:

Period	Number of Shares of Class A Common Stock Purchased	Average Price Paid per Share	Total Number of Shares of Class A Common Stock Purchased as Part of Publicly Announced Program	Maximum Number of Shares of Class A Common Stock that May Yet be Purchased Under the Program ⁽¹⁾
January 1, 2023 - September 30, 2023	7,149,000	\$ 21.38	7,149,000	11,718,105
October 1, 2023 - October 31, 2023	520,216	22.40	520,216	11,197,889
November 1, 2023 - November 30, 2023	1,050,000	21.63	1,050,000	10,147,889
December 1, 2023 - December 31, 2023	929,784	21.30	929,784	9,218,105
Total	9,649,000	\$ 21.46	9,649,000	9,218,105

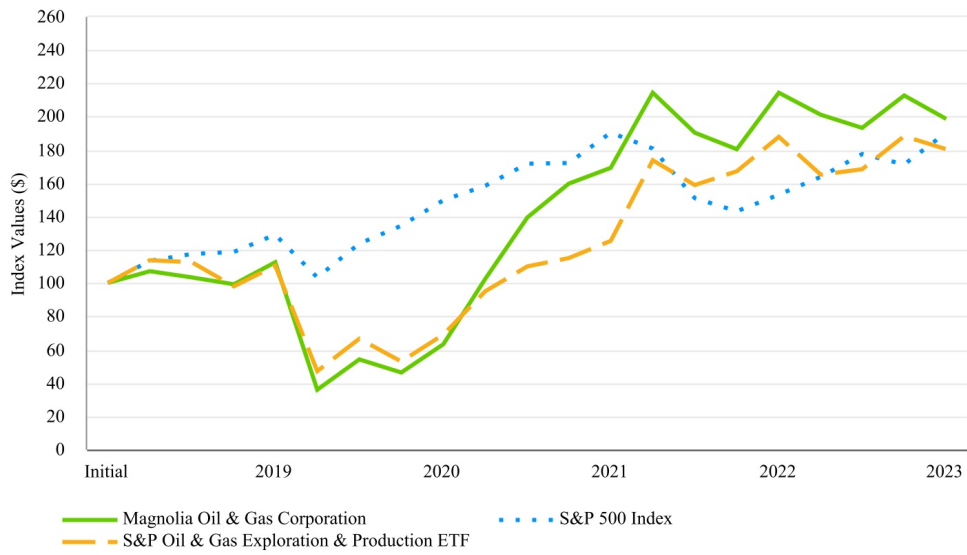
(1) As of December 31, 2023, the Company’s board of directors had authorized a share repurchase program of up to 40.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular time frame.

Comparative Stock Performance

The performance graph below compares the cumulative total stockholder return (including the reinvestment of dividends) for the Company’s Class A Common Stock to that of the Standard and Poor’s (“S&P”), 500 Index and the S&P 500 Oil & Gas Exploration and Production Index. “Cumulative total return” means the change in share price of the Company’s Class A Common Stock during the measurement period divided by the share price at the beginning of the measurement period. The graph assumes an

investment of \$100 was made in the Company's Class A Common Stock and in each of the S&P 500 Index and the S&P 500 Oil & Gas Exploration and Production Index on December 31, 2018.

COMPARISON OF CUMULATIVE TOTAL RETURN AMONG MAGNOLIA OIL AND GAS, THE S&P 500 INDEX, AND THE S&P 500 OIL & GAS EXPLORATION AND PRODUCTION INDEX



Note: The stock price performance of Magnolia's Class A Common Stock is not necessarily indicative of future performance.

The above information under the caption "Comparative Stock Performance" shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act except to the extent that Magnolia specifically requests that such information be treated as "soliciting material" or specifically incorporate such information by reference into such a filing.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's consolidated financial statements and the related notes thereto.

This section of this Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Overview

Magnolia Oil & Gas Corporation (the "Company" or "Magnolia") is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid reserves that operates in one reportable segment located in the United States. The Company's oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company primarily targets the Eagle Ford Shale and the Austin Chalk formations. Magnolia's objective is to generate stock market value over the long term through consistent organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow. The Company's allocation of capital prioritizes reinvesting in its business to achieve moderate and predictable annual volume growth, balanced with returning capital to its shareholders through dividends and share repurchases.

Magnolia's business model prioritizes prudent and disciplined capital allocation, free cash flow, and financial stability. The Company's ongoing plan is to spend within cash flow on drilling and completing wells while maintaining low financial leverage. As of December 31, 2023, Magnolia operated two rigs. The Company's gradual and measured approach toward the development of the Giddings area has created operating efficiencies leading to higher production in 2023.

Market Conditions Update

After Magnolia experienced record operating margins during 2022, natural gas and NGL prices have significantly declined and oil prices have weakened, while material and labor costs remained elevated. This has resulted in lower revenue and lower operating margins. As a result, Magnolia took actions to reduce its operating and capital spending to better reflect the current cost and commodity environment. The capital spending level is in line with the principles of Magnolia's business model and is expected to provide the Company more operational and financial flexibility going forward.

Business Overview

As of December 31, 2023, Magnolia's assets in South Texas included 72,503 gross (50,681 net) acres in the Karnes area and 717,216 gross (525,823 net) acres in the Giddings area. As of December 31, 2023, Magnolia held an interest in approximately 2,483 gross (1,680 net) wells, with total production of 82.3 thousand barrels of oil equivalent per day ("Mboe/d") for the year ended December 31, 2023. As of December 31, 2023, Magnolia was running a two-rig program.

Magnolia recognized net income attributable to Class A Common Stock of \$388.3 million, or \$2.04 per diluted common share, for the year ended December 31, 2023. Magnolia also recognized net income of \$442.6 million, which includes noncontrolling interest of \$54.3 million for the year ended December 31, 2023.

As of December 31, 2023, the Company's board of directors had authorized a share repurchase program of up to 40.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular timeframe. During the year ended December 31, 2023, the Company repurchased 9.6 million shares of Class A Common Stock under the program at a weighted average price of \$21.46, for a total cost of approximately \$207.0 million. As of December 31, 2023, 9.2 million shares of Class A Common Stock remained under the share repurchase program.

As of December 31, 2023, Magnolia owned approximately 89.4% of the interest in Magnolia LLC and the noncontrolling interest was 10.6%.

Results of Operations

Factors Affecting the Comparability of the Historical Financial Results

Magnolia's historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, as a result of the following factors:

- In November 2023, the Company acquired certain oil and gas producing properties including leasehold and mineral interests in the Giddings area for approximately \$264.1 million, subject to customary purchase price adjustments, and an additional contingent cash consideration of up to \$40.0 million through January 2026 based on future commodity prices. The transaction was accounted for as an asset acquisition.

As a result of the factors listed above, the historical results of operations and period-to-period comparisons of these results and certain financial data may not be comparable or indicative of future results.

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

Oil, Natural Gas and NGL Sales Revenues. The following table provides the components of Magnolia's revenues for the periods indicated, as well as each period's respective average prices and production volumes. This table shows production on a boe basis in which natural gas is converted to an equivalent barrel of oil based on a ratio of six Mcf to one barrel. This ratio may not be reflective of the current price ratio between the two products.

	Years Ended	
	December 31, 2023	December 31, 2022
<i>(In thousands, except per unit data)</i>		
Production:		
Oil (MBbbls)	12,608	12,189
Natural gas (MMcf)	55,085	50,660
NGLs (MBbbls)	8,266	6,874
Total (Mboe)	30,054	27,506
Average daily production:		
Oil (Bbbls/d)	34,541	33,394
Natural gas (Mcf/d)	150,918	138,796
NGLs (Bbbls/d)	22,645	18,833
Total (boe/d)	82,340	75,360
Revenues:		
Oil revenues	\$ 958,388	\$ 1,158,006
Natural gas revenues	102,054	301,494
Natural gas liquids revenues	166,537	234,993
Total revenues	\$ 1,226,979	\$ 1,694,493
Average Price:		
Oil (per barrel)	\$ 76.02	\$ 95.01
Natural gas (per Mcf)	1.85	5.95
NGLs (per barrel)	20.15	34.18

Oil revenues were 78% and 68% of the Company's total revenues for the years ended December 31, 2023 and 2022, respectively. Oil production was 42% and 44% of total production volume for the years ended December 31, 2023 and 2022, respectively. Oil revenues for the year ended December 31, 2023 were \$199.6 million lower than the year ended December 31, 2022. A 20% decrease in average prices decreased revenues for the year ended December 31, 2023 by \$231.5 million compared to the same period in the prior year, partially offset by a 3% increase in oil production which increased revenues by \$31.9 million.

Natural gas revenues were 8% and 18% of the Company's total revenues for the years ended December 31, 2023 and 2022, respectively. Natural gas production was 31% of total production volume for each of the years ended December 31, 2023 and 2022. Natural gas revenues for the year ended December 31, 2023 were \$199.4 million lower than the year ended December 31, 2022. A 69% decrease in average prices decreased revenues for the year ended December 31, 2023 by \$207.6 million compared to the same period in the prior year, partially offset by a 9% increase in natural gas production which increased revenues by \$8.2 million. The realized revenue pricing included the impact of gas plant processing fees that were netted from revenue.

NGL revenues were 14% of the Company's total revenues for each of the years ended December 31, 2023 and 2022. NGL production was 27% and 25% of total production volume for the years ended December 31, 2023 and 2022, respectively. NGL revenues for the year ended December 31, 2023 were \$68.5 million lower than the year ended December 31, 2022. A 41% decrease in average prices decreased revenues for the year ended December 31, 2023 by \$96.5 million compared to the same period in the prior year, partially offset by a 20% increase in NGL production which increased revenues by \$28.0 million.

Operating Expenses and Other Income (Expense). The following table summarizes the Company's operating expenses and other income (expense) for the periods indicated.

	Years Ended	
	December 31, 2023	December 31, 2022
<i>(In thousands, except per unit data)</i>		
Operating Expenses:		
Lease operating expenses	\$ 155,491	\$ 131,513
Gathering, transportation, and processing	44,327	64,754
Taxes other than income	65,565	94,031
Exploration expenses	5,445	11,586
Asset retirement obligations accretion	4,039	3,245
Depreciation, depletion and amortization	324,790	243,152
Impairment of oil and natural gas properties	15,735	—
General and administrative expenses	77,102	72,426
Total operating costs and expenses	\$ 692,494	\$ 620,707
Other Income (Expense):		
Interest expense, net	\$ (33)	\$ (23,442)
Other income, net	15,360	6,543
Total other income (expense), net	\$ 15,327	\$ (16,899)
Average Operating Costs per boe:		
Lease operating expenses	\$ 5.17	\$ 4.78
Gathering, transportation, and processing	1.47	2.35
Taxes other than income	2.18	3.42
Exploration expenses	0.18	0.42
Asset retirement obligations accretion	0.13	0.12
Depreciation, depletion and amortization	10.81	8.84
Impairment of oil and natural gas properties	0.52	—
General and administrative expenses	2.57	2.63

Lease operating expenses are the costs incurred in the operation of producing properties, including expenses for utilities, direct labor, water disposal, workover rigs, workover expenses, materials, and supplies. Lease operating expenses for the year ended December 31, 2023 were \$24.0 million, or \$0.39 per boe, higher than the year ended December 31, 2022, due to increased activity, acquisitions, and an increase in costs including chemicals, compression and maintenance costs.

Gathering, transportation, and processing costs are costs incurred to deliver oil, natural gas, and NGLs to the market. These expenses can vary based on the volume of oil, natural gas, and NGLs produced as well as the cost of commodity processing. The gathering, transportation, and processing costs for the year ended December 31, 2023 were \$20.4 million, or \$0.88 per boe, lower than the year ended December 31, 2022, primarily due to lower natural gas and NGL prices which resulted in lower processing costs, partially offset by higher volumes. The Company is party to a number of contracts that are recorded gross within natural gas and NGL.

revenues, which track with natural gas and NGL pricing, and thereby have contributed to a decrease in gathering, transportation, and processing expense.

Taxes other than income include production, ad valorem, and franchise taxes. These taxes are based on rates primarily established by state and local taxing authorities. Production taxes are based on the market value of production. Ad valorem taxes are based on the fair market value of the mineral interests or business assets. Taxes other than income for the year ended December 31, 2023 were \$28.5 million, or \$1.24 per boe, lower than the year ended December 31, 2022, primarily due to a decrease in production taxes as a result of the decrease in oil, natural gas, and NGL revenues.

Exploration expenses are geological and geophysical costs that include seismic surveying costs, costs of expired or abandoned leases, and delay rentals. The exploration expenses for the year ended December 31, 2023 were \$6.1 million, or \$0.24 per boe, lower than the year ended December 31, 2022, due to decreased spending on seismic licenses.

Depreciation, depletion and amortization ("DD&A") during the year ended December 31, 2023 was \$81.6 million, or \$1.97 per boe, higher than the year ended December 31, 2022 due to increased production and a higher depreciable cost basis.

During the year ended December 31, 2023, the Company recognized a \$15.7 million proved property impairment related to the Highlander property.

General and administrative expenses during the year ended December 31, 2023 were \$4.7 million higher, but \$0.06 per boe lower, than the year ended December 31, 2022. General and administrative expenses were higher year over year primarily due to higher corporate payroll expenses as a result of higher headcount, but lower on a per boe basis because of increased production.

Interest expense, net, during the year ended December 31, 2023 was \$23.4 million lower than the year ended December 31, 2022, driven by higher interest income realized during 2023 as a result of a higher interest rates.

Other income, net, during the year ended December 31, 2023 was \$8.8 million higher than the year ended December 31, 2022. This is primarily comprised of the gain on revaluation of the contingent consideration liability associated with the acquisition of certain oil and gas producing properties in the Giddings area in the fourth quarter of 2023.

Income tax expense. The following table summarizes the Company's income tax expense for the periods indicated.

<i>(In thousands)</i>	For the Years Ended	
	December 31, 2023	December 31, 2022
Current income tax expense	\$ 31,852	\$ 72,358
Deferred income tax expense (benefit)	<u>75,356</u>	<u>(65,720)</u>
Income tax expense	\$ 107,208	\$ 6,638

For the year ended December 31, 2023, income tax expense was \$100.6 million higher than the year ended December 31, 2022, comprised of movements in both current and deferred income taxes. For the year ended December 31, 2023, the Company recognized \$75.4 million of deferred income tax expense, while the Company recognized \$65.7 million of deferred income tax benefit in the prior year due to the release of the valuation allowance against the Company's deferred tax assets. The increase in deferred income tax expense was partially offset by the \$40.5 million decrease in current income tax expense due to lower taxable income, primarily as a result of the decline in commodity prices. See *Note 11—Income taxes* in the Notes to the Company's consolidated financial statements included in this Annual Report on Form 10-K for further detail.

Liquidity and Capital Resources

Magnolia's primary source of liquidity and capital has been its cash flows from operations. The Company's primary uses of cash have been for development of the Company's oil and natural gas properties, returning capital to shareholders, bolt-on acquisitions of oil and natural gas properties, and general working capital needs.

The Company may also utilize borrowings under other various financing sources available to Magnolia, including its RBL Facility and the issuance of equity or debt securities through public offerings or private placements, to fund Magnolia's acquisitions and long-term liquidity needs. Magnolia's ability to complete future offerings of equity and debt securities and the timing of these offerings will depend upon various factors, including prevailing market conditions and the Company's financial condition.

Material cash commitments include \$24.0 million in interest payments paid each year through 2026, along with contractual obligations discussed in *Note 10—Commitments and Contingencies* in the Notes to the Company's consolidated financial statements included in this Annual Report on Form 10-K. The Company anticipates its current cash balance, cash flows from operations, and its available sources of liquidity to be sufficient to meet the Company's cash requirements. In the event of a sustained market deterioration, Magnolia may need additional liquidity, which would require the Company to evaluate available alternatives and take appropriate actions.

As of December 31, 2023, the Company had \$400.0 million of principal debt related to the 2026 Senior Notes outstanding and no outstanding borrowings related to the RBL Facility. As of December 31, 2023, the Company has \$851.1 million of liquidity comprised of the \$450.0 million of borrowing base capacity of the RBL Facility, and \$401.1 million of cash and cash equivalents. As of December 31, 2023, the Company's Adjusted Consolidated Net Tangible Asset, as calculated in accordance with the Company's Indenture relating to its 2026 Senior Notes, was approximately \$3.8 billion.

Cash and Cash Equivalents

At December 31, 2023, Magnolia had \$401.1 million of cash and cash equivalents. The Company's cash and cash equivalents are maintained with various financial institutions in the United States. Deposits with these institutions may exceed the amount of insurance provided on such deposits. However, the Company regularly monitors the financial stability of its financial institutions and believes that the Company is not exposed to any significant default risk.

Sources and Uses of Cash and Cash Equivalents

The following table presents the sources and uses of the Company's cash and cash equivalents for the periods presented:

<i>(In thousands)</i>	Years Ended	
	December 31, 2023	December 31, 2022
SOURCES OF CASH AND CASH EQUIVALENTS		
Net cash provided by operating activities	\$ 855,789	\$ 1,296,687
USES OF CASH AND CASH EQUIVALENTS		
Acquisitions	\$ (355,499)	\$ (90,126)
Additions to oil and natural gas properties	(424,890)	(465,139)
Changes in working capital associated with additions to oil and natural gas properties	(33,793)	37,987
Class A Common Stock repurchases	(205,320)	(164,913)
Class B Common Stock purchases and cancellations	—	(187,273)
Dividends paid	(88,077)	(75,198)
Distributions to noncontrolling interest owners	(14,065)	(29,362)
Other	(8,465)	(14,204)
Net uses of cash and cash equivalents	(1,130,109)	(988,228)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (274,320)	\$ 308,459

Sources of Cash and Cash Equivalents

Net Cash Provided by Operating Activities

Operating cash flows are the Company's primary source of liquidity and are impacted, in the short term and long term, by oil and natural gas prices. The factors that determine operating cash flows are largely the same as those that affect net earnings or net losses, with the exception of certain non-cash expenses such as DD&A, stock based compensation, amortization of deferred financing costs, gain on revaluation of contingent consideration, the non-cash portion of exploration expenses, impairment of oil and natural gas properties, asset retirement obligations accretion, and deferred taxes.

Net cash provided by operating activities totaled \$855.8 million and \$1.3 billion for the years ended December 31, 2023 and 2022, respectively. During the year ended December 31, 2023, cash provided by operating activities was negatively impacted by lower realized oil, natural gas, and NGL prices.

Uses of Cash and Cash Equivalents

Acquisitions

During the year ended December 31, 2023, the Company completed various leasehold, mineral rights, and property acquisitions totaling \$355.5 million, primarily comprised of two acquisitions of certain oil and gas producing properties located in the Giddings area for \$264.1 million and \$41.8 million.

During the year ended December 31, 2022, the Company completed various leasehold, mineral rights, and property acquisitions of certain oil and natural gas assets totaling \$90.1 million, subject to customary closing adjustments.

Additions to Oil and Natural Gas Properties

The following table sets forth the Company's capital expenditures for the years ended December 31, 2023 and 2022.

(In thousands)	Years Ended	
	December 31, 2023	December 31, 2022
Drilling and completion	\$ 421,623	\$ 459,837
Leasehold acquisition costs	3,267	5,302
Total capital expenditures	\$ 424,890	\$ 465,139

As of December 31, 2023, Magnolia was running a two-rig program. The activity during the year ended December 31, 2023 was largely driven by the number of operated and non-operated drilling rigs. The number of operated drilling rigs is largely dependent on commodity prices and the Company's strategy of maintaining spending to accommodate the Company's business model. The Company's ongoing plan is to continue to spend within cash flow on drilling and completing wells while maintaining low financial leverage.

Capital Requirements

As of December 31, 2023, the Company's board of directors had authorized a share repurchase program of up to 40.0 million shares of Class A Common Stock. The program does not require purchases to be made within a particular timeframe and whether the Company undertakes these additional repurchases is ultimately subject to numerous considerations, market conditions, and other factors. During the years ended December 31, 2023 and 2022, the Company repurchased 9.6 million and 7.0 million shares under this authorization, for a total cost of approximately \$207.0 million and \$153.3 million, respectively.

As of December 31, 2023, Magnolia owned approximately 89.4% of the interest in Magnolia LLC and the noncontrolling interest was 10.6%.

During the year ended December 31, 2023, the Company declared cash dividends to holders of its Class A Common Stock totaling \$87.8 million. During the same time period, cash paid for dividends was \$88.1 million, inclusive of dividends on vested non-participating securities. Additionally, \$10.0 million was distributed to the Magnolia LLC Unit Holders. During the year ended December 31, 2022, the Company declared cash dividends to holders of its Class A Common Stock totaling \$75.4 million, of which \$75.2 million was paid as of December 31, 2022. Additionally, \$14.3 million was distributed to the Magnolia LLC Unit Holders. The amount and frequency of future dividends is subject to the discretion of the Company's board of directors and primarily depends on earnings, capital expenditures, debt covenants, and various other factors.

Critical Accounting Policies and Estimates

Magnolia prepares its financial statements and the accompanying notes in conformity with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions about future events that affect the reported amounts in the financial statements and the accompanying notes. Magnolia identifies certain accounting policies as critical based on, among other things, their impact on the portrayal of Magnolia's financial condition, results of operations, or liquidity and the degree of difficulty, subjectivity, and complexity in their deployment. Critical accounting policies cover accounting matters that are inherently uncertain because the future resolution of such matters is unknown. Management routinely discusses the development, selection, and disclosure of each of the critical accounting policies. The following is a discussion of Magnolia's most critical accounting policies and estimates.

Reserves Estimates

Proved oil and natural gas reserves are those quantities of oil, natural gas, and NGLs which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced, or the operator must be reasonably certain, that it will commence within a reasonable time. Estimated proved developed oil and natural gas reserves can be expected to be recovered through existing wells with existing equipment and operating methods or where the cost of the required equipment is relatively minor compared to the cost of a new well.

Proved undeveloped reserves are proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those that are directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances. Undrilled locations can be classified as undeveloped reserves only if a plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. All of Magnolia's proved undeveloped reserves as of December 31, 2023, that are included in this Annual Report, are planned to be developed within one year.

Despite the inherent imprecision in these engineering estimates, Magnolia's reserves are used throughout the Company's financial statements. For example, since Magnolia uses the unit-of-production method to amortize its oil and natural gas properties, the quantity of reserves could significantly impact Magnolia's DD&A expense. A material adverse change in the estimated volumes of reserves could result in property impairments. Finally, these reserves are the basis for Magnolia's supplemental oil and natural gas disclosures.

Reserves are calculated using an unweighted arithmetic average of commodity prices in effect on the first day of each of the previous 12 months, held flat for the life of the production, except where prices are defined by contractual arrangements. These historical prices often do not approximate the average price that the Company expects to receive for its oil and natural gas production in the future. Operating costs, production and ad valorem taxes, and future development costs are based on current costs with no escalation. Actual costs may be materially higher or lower than the costs utilized in the estimate.

Magnolia has elected not to disclose probable and possible reserves in this filing.

Long-lived Asset Impairments

Long-lived assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate a possible significant deterioration in future cash flows expected to be generated by an asset group. Individual assets are grouped for impairment purposes based on a judgmental assessment of the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If there is an indication that the carrying amount of an asset may not be recovered, the asset is assessed by management through an established process in which changes to significant assumptions such as prices, volumes, and future development plans are reviewed. If, upon review, the sum of the undiscounted pre-tax cash flows is less than the carrying value of the asset group, the carrying value is written down to estimated fair value. Because there usually is a lack of quoted market prices for long-lived assets, the fair value of impaired assets is assessed by management using the income approach.

Under the income approach, the fair value of each asset group is estimated based on the present value of expected future cash flows. The income approach is dependent on a number of factors including estimates of forecasted revenue and operating costs, proved reserves, the success of future exploration for and development of unproved reserves, discount rates, and other variables. Key assumptions used in developing a discounted cash flow model described above include estimated quantities of crude oil and natural gas reserves; estimates of market prices considering forward commodity price curves as of the measurement date; and estimates of operating, administrative, and capital costs adjusted for inflation. The resulting future cash flows are discounted using a discount rate believed to be consistent with those applied by market participants.

Although the fair value estimate of each asset group is based on assumptions the Company believes to be reasonable, those assumptions are inherently unpredictable and uncertain, and actual results could differ from the estimate. Negative revisions of estimated reserves quantities, increases in future cost estimates, or sustained decreases in oil or natural gas prices could lead to a reduction in expected future cash flows and possibly an impairment of long-lived assets in future periods.

Income Taxes

The Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Magnolia LLC. The amount of income taxes recorded by the Company requires interpretations of complex rules related to the Company's partnership structure and regulations of various tax jurisdictions throughout the United States. Deferred tax assets and liabilities are recognized based on the tax effects of temporary differences between the carrying amounts on the consolidated financial statements and the tax basis of assets and liabilities, as measured using currently enacted tax rates. These differences will result in taxable income or deductions in future years when the reported amounts of the assets or liabilities are recovered or settled, respectively. Considerable judgment is required in predicting when these events may occur and whether recovery of an asset is more likely than not. Magnolia records deferred tax assets and associated valuation allowances, when appropriate, to reflect amounts more likely than not to be realized based upon Company analysis. Additionally, federal and state income tax returns are generally not filed before the consolidated financial statements are prepared. Therefore, Magnolia estimates the tax basis of its assets and liabilities at the end of each period, as well as the effects of tax rate changes, tax credits, and net operating and capital loss carryforwards and carrybacks, if any. Adjustments related to differences between the estimates used by the Company and the actual amounts reported are recorded in the periods in which the Company's income tax returns are filed. These adjustments and changes in estimates of asset recovery and liability settlement as well as significant enacted tax rate changes could have an impact on the Company's results of operations. Please refer to *Note 1—Organization and Summary of Significant Accounting Policies* and *Note 11—Income Taxes* in Part II, Item 8 of this report for additional discussion.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

For variable rate debt, interest rate changes generally do not affect the fair market value of such debt, but do impact future earnings and cash flows, assuming other factors are held constant. The Company is subject to market risk exposure related to changes in interest rates on borrowings under the RBL Facility. Interest on borrowings under the RBL Facility is based on the SOFR rate or alternative base rate plus an applicable margin. At December 31, 2023, the Company had no borrowings outstanding under the RBL Facility.

Commodity Price Risk

Magnolia's primary market risk exposure is to the prices it receives for its oil, natural gas, and NGL production. The prices the Company ultimately realizes for its oil, natural gas, and NGLs are based on a number of variables, including prevailing index prices attributable to the Company's production and certain differentials to those index prices. Pricing for oil, natural gas, and NGLs has historically been volatile and unpredictable, and this volatility is expected to continue in the future. The prices the Company receives for production depend on factors outside of its control, including physical markets, supply and demand, financial markets, and national and international policies. A \$1.00 per barrel increase (decrease) in the weighted average oil price for the year ended December 31, 2023 would have increased (decreased) the Company's revenues by approximately \$12.6 million and a \$0.10 per Mcf increase (decrease) in the weighted average natural gas price for the year ended December 31, 2023 would have increased (decreased) Magnolia's revenues by approximately \$5.5 million.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Magnolia Oil & Gas Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Magnolia Oil & Gas Corporation and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 15, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the impact of estimated oil and natural gas reserves on depreciation, depletion, and amortization expense related to proved oil and natural gas properties

As discussed in Note 1 to the consolidated financial statements, the Company depreciates, depletes, and amortizes its proved oil and natural gas properties using the unit-of-production method. For the year ended December 31, 2023, the Company recorded depreciation, depletion and amortization expense of \$325 million. The estimation of proved oil and natural gas reserves requires the expertise of reservoir engineering specialists, who take into consideration future production, future operating and capital costs, and historical oil and natural gas prices inclusive of price differentials. The Company engages independent reservoir engineering specialists to estimate proved oil and natural gas reserves, which are an input to the calculation of depreciation, depletion, and amortization.

We identified the assessment of the impact of estimated oil and natural gas reserves on depreciation, depletion, and amortization expense related to proved oil and natural gas properties as a critical audit matter. Complex auditor judgment was

required in evaluating the Company's estimate of proved oil and natural gas reserves. Specifically, auditor judgment was required to evaluate the assumptions used by the Company related to future production and future operating and capital costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depreciation, depletion, and amortization process, including controls over the estimation of proved oil and natural gas reserves. We evaluated (1) the professional qualifications of the independent reservoir engineering specialists engaged by the Company and the external engineering firm, (2) the knowledge, skills, and ability of the independent reservoir engineering specialists, and (3) the relationship of the independent reservoir engineering specialists and external engineering firm to the Company. We analyzed and assessed the determination of depreciation, depletion, and amortization expense for compliance with industry and regulatory standards. We assessed compliance of the methodology used by the Company's independent reservoir engineering specialists to estimate proved oil and natural gas reserves with industry and regulatory standards. We read and considered the report of the Company's independent reservoir engineering specialists in connection with our evaluation of the Company's reserve estimates. We compared future production to historical production rates. We evaluated the future operating and capital costs by comparing them to historical costs.

/s/ KPMG LLP

We have served as the Company's auditor since 2017.

Houston, Texas
February 15, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Magnolia Oil & Gas Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Magnolia Oil & Gas Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated February 15, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 15, 2024

Magnolia Oil & Gas Corporation
Consolidated Balance Sheets
(In thousands)

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 401,121	\$ 675,441
Accounts receivable	189,705	170,770
Drilling advances	12	3,484
Other current assets	435	1,052
Total current assets	591,273	850,747
PROPERTY, PLANT AND EQUIPMENT		
Oil and natural gas properties	3,743,580	2,940,011
Other	9,774	8,991
Accumulated depreciation, depletion and amortization	(1,701,333)	(1,415,973)
Total property, plant and equipment, net	2,052,021	1,533,029
OTHER ASSETS		
Deferred financing costs, net	3,836	5,636
Deferred tax assets	90,358	162,792
Other long-term assets	18,728	20,381
Total other assets	112,922	188,809
TOTAL ASSETS	\$ 2,756,216	\$ 2,572,585
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 193,212	\$ 202,846
Other current liabilities (Note 6)	121,675	137,427
Total current liabilities	314,887	340,273
LONG-TERM LIABILITIES		
Long-term debt, net	392,839	390,383
Asset retirement obligations, net of current	148,467	95,129
Other long-term liabilities	17,355	6,609
Total long-term liabilities	558,661	492,121
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY		
Class A Common Stock, \$0.0001 par value, 1,300,000 shares authorized, 214,497 shares issued and 183,164 shares outstanding in 2023 and 213,727 shares issued and 192,043 shares outstanding in 2022	21	21
Class B Common Stock, \$0.0001 par value, 225,000 shares authorized, 21,827 shares issued and outstanding in 2023 and 2022	2	2
Additional paid-in capital	1,743,930	1,719,875
Treasury Stock, at cost, 31,333 shares and 21,684 shares in 2023 and 2022, respectively	(538,445)	(329,512)
Retained earnings	486,162	185,669
Noncontrolling interest	190,998	164,136
Total equity	1,882,668	1,740,191
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,756,216	\$ 2,572,585

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Operations
(In thousands, except per share data)

	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
REVENUES			
Oil revenues	\$ 958,388	\$ 1,158,006	\$ 747,896
Natural gas revenues	102,054	301,494	172,648
Natural gas liquids revenues	166,537	234,993	157,807
Total revenues	<u>1,226,979</u>	<u>1,694,493</u>	<u>1,078,351</u>
OPERATING EXPENSES			
Lease operating expenses	155,491	131,513	93,021
Gathering, transportation, and processing	44,327	64,754	45,535
Taxes other than income	65,565	94,031	55,834
Exploration expenses	5,445	11,586	4,125
Asset retirement obligations accretion	4,039	3,245	4,929
Depreciation, depletion and amortization	324,790	243,152	187,688
Impairment of oil and natural gas properties	15,735	—	—
Amortization of intangible assets	—	—	9,346
General and administrative expenses	77,102	72,426	75,279
Total operating expenses	<u>692,494</u>	<u>620,707</u>	<u>475,757</u>
OPERATING INCOME	534,485	1,073,786	602,594
OTHER INCOME (EXPENSE)			
Interest expense, net	(33)	(23,442)	(31,002)
Loss on derivatives, net	—	—	(3,110)
Other income, net	15,360	6,543	85
Total other income (expense), net	<u>15,327</u>	<u>(16,899)</u>	<u>(34,027)</u>
INCOME BEFORE INCOME TAXES	549,812	1,056,887	568,567
Income tax expense	107,208	6,638	8,851
NET INCOME	<u>442,604</u>	<u>1,050,249</u>	<u>559,716</u>
LESS: Net income attributable to noncontrolling interest	54,303	156,412	142,434
NET INCOME ATTRIBUTABLE TO CLASS A COMMON STOCK	<u>\$ 388,301</u>	<u>\$ 893,837</u>	<u>\$ 417,282</u>
NET INCOME PER SHARE OF CLASS A COMMON STOCK			
Basic	\$ 2.04	\$ 4.73	\$ 2.38
Diluted	\$ 2.04	\$ 4.71	\$ 2.36
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basic	188,174	187,433	174,364
Diluted	188,355	187,901	175,360

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Value	Shares	Value		Shares	Value				
Balance, December 31, 2020	168,755	\$ 17	85,790	\$ 9	\$ 1,712,544	5,475	\$ (38,958)	\$ (1,125,450)	\$ 548,162	\$ 291,260	\$ 839,422
Stock based compensation expense, net of forfeitures	—	—	—	—	8,629	—	—	—	8,629	3,107	11,736
Changes in ownership interest adjustment	—	—	—	—	15,884	—	—	—	15,884	(15,884)	—
Common stock issued related to stock based compensation and other, net	810	—	—	—	(3,566)	—	—	—	(3,566)	(1,231)	(4,797)
Class A Common Stock repurchases	—	—	—	—	—	8,693	(125,641)	—	(125,641)	—	(125,641)
Class B Common Stock purchases and cancellations	—	—	(13,000)	(2)	2	—	—	—	—	(171,671)	(171,671)
Non-compete settlement	375	—	—	—	(29,757)	—	—	—	(29,757)	(12,316)	(42,073)
Conversion of Class B Common Stock to Class A Common Stock	23,497	2	(23,497)	(2)	—	—	—	—	—	—	—
Dividends declared (\$0.08 per share)	—	—	—	—	(14,236)	—	—	—	(14,236)	—	(14,236)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(7,207)	(7,207)
Net income	—	—	—	—	—	—	—	417,282	417,282	142,434	559,716
Balance, December 31, 2021	193,437	\$ 19	49,293	\$ 5	\$ 1,689,500	14,168	\$ (164,599)	\$ (708,168)	\$ 816,757	\$ 228,492	\$ 1,045,249
Stock based compensation expense, net of forfeitures	—	—	—	—	11,415	—	—	—	11,415	1,899	13,314
Changes in ownership interest adjustment	—	—	—	—	4,860	—	—	—	4,860	(4,860)	—
Common stock issued related to stock based compensation and other, net	773	—	—	—	(5,829)	—	—	—	(5,829)	(1,172)	(7,001)
Class A Common Stock repurchases	—	—	—	—	—	7,516	(164,913)	—	(164,913)	—	(164,913)
Class B Common Stock purchases and cancellations	—	—	(7,949)	(1)	1	—	—	—	—	(187,273)	(187,273)
Conversion of Class B Common Stock to Class A Common Stock	19,517	2	(19,517)	(2)	—	—	—	—	—	—	—
Dividends declared (\$0.40 per share)	—	—	—	—	(75,391)	—	—	—	(75,391)	—	(75,391)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(29,362)	(29,362)
Adjustment to deferred taxes	—	—	—	—	(4,078)	—	—	—	(4,078)	—	(4,078)
Tax impact of equity transactions	—	—	—	—	99,397	—	—	—	99,397	—	99,397
Net income	—	—	—	—	—	—	—	893,837	893,837	156,412	1,050,249
Balance, December 31, 2022	213,727	\$ 21	21,827	\$ 2	\$ 1,719,875	21,684	\$ (329,512)	\$ 185,669	\$ 1,576,055	\$ 164,136	\$ 1,740,191

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Changes in Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Shares	Value	Shares	Value		Shares	Value				
Balance, December 31, 2022	213,727	\$ 21	21,827	\$ 2	\$ 1,719,875	21,684	\$ (329,512)	\$ 185,669	\$ 1,576,055	\$ 164,136	\$ 1,740,191
Stock based compensation expense, net of forfeitures	—	—	—	—	14,481	—	—	—	14,481	1,685	16,166
Changes in ownership interest adjustment	—	—	—	—	14,431	—	—	—	14,431	(14,264)	167
Common stock issued related to stock based compensation and other, net	770	—	—	—	(6,941)	—	—	—	(6,941)	(797)	(7,738)
Class A Common Stock repurchases	—	—	—	—	—	9,649	(207,037)	—	(207,037)	—	(207,037)
Dividends declared (\$0.46 per share)	—	—	—	—	—	—	—	(87,808)	(87,808)	—	(87,808)
Distributions to noncontrolling interest owners	—	—	—	—	—	—	—	—	—	(14,065)	(14,065)
Adjustment to deferred taxes	—	—	—	—	2,084	—	—	—	2,084	—	2,084
Tax impact of equity transactions	—	—	—	—	—	—	(1,896)	—	(1,896)	—	(1,896)
Net income	—	—	—	—	—	—	—	388,301	388,301	54,303	442,604
Balance, December 31, 2023	214,497	\$ 21	21,827	\$ 2	\$ 1,743,930	31,333	\$ (538,445)	\$ 486,162	\$ 1,691,670	\$ 190,998	\$ 1,882,668

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

Magnolia Oil & Gas Corporation
Consolidated Statements of Cash Flows
(In thousands)

	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
NET INCOME	\$ 442,604	\$ 1,050,249	\$ 559,716
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	324,790	243,152	187,688
Amortization of intangible assets	—	—	9,346
Exploration expenses, non-cash	274	554	888
Impairment of oil and natural gas properties	15,735	—	—
Asset retirement obligations accretion	4,039	3,245	4,929
Amortization of deferred financing costs	4,256	5,854	4,290
Unrealized loss on derivatives, net	—	—	277
(Gain) on sale of assets	(3,946)	—	—
Deferred income tax expense (benefit)	75,356	(65,720)	—
(Gain) on revaluation of contingent consideration	(7,643)	—	—
Stock based compensation	16,166	13,314	11,736
Other	—	—	(84)
Changes in operating assets and liabilities:			
Accounts receivable	(19,404)	(21,001)	(68,210)
Accounts payable	(9,211)	74,937	65,283
Accrued liabilities	3,391	8,593	7,765
Drilling advances	3,472	(2,869)	3,190
Other assets and liabilities, net	5,910	(13,621)	1,663
Net cash provided by operating activities	855,789	1,296,687	788,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions	(355,499)	(90,126)	(18,345)
Additions to oil and natural gas properties	(424,890)	(465,139)	(236,426)
Changes in working capital associated with additions to oil and natural gas properties	(33,793)	37,987	13,568
Other investing	(718)	(1,609)	(2,239)
Net cash used in investing activities	(814,900)	(518,887)	(243,442)
CASH FLOW FROM FINANCING ACTIVITIES			
Class A Common Stock repurchases	(205,320)	(164,913)	(125,641)
Class B Common Stock purchases and cancellations	—	(187,273)	(171,671)
Non-compete settlement	—	—	(42,073)
Dividends paid	(88,077)	(75,198)	(14,131)
Distributions to noncontrolling interest owners	(14,065)	(29,362)	(7,207)
Cash paid for debt modification	—	(5,494)	(4,976)
Other financing activities	(7,747)	(7,101)	(4,915)
Net cash used in financing activities	(315,209)	(469,341)	(370,614)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(274,320)	308,459	174,421
Cash and cash equivalents – Beginning of period	675,441	366,982	192,561
Cash and cash equivalents – End of period	<u>\$ 401,121</u>	<u>\$ 675,441</u>	<u>\$ 366,982</u>

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

Magnolia Oil & Gas Corporation
Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization and Nature of Operations

Magnolia Oil & Gas Corporation (either individually or together with its consolidated subsidiaries, as the context requires, the “Company” or “Magnolia”) is an independent oil and natural gas company engaged in the acquisition, development, exploration, and production of oil, natural gas, and natural gas liquid (“NGL”) reserves. The Company’s oil and natural gas properties are located primarily in the Karnes and Giddings areas in South Texas, where the Company targets the Eagle Ford Shale and Austin Chalk formations. Magnolia’s objective is to generate stock market value over the long-term through consistent organic production growth, high full cycle operating margins, an efficient capital program with short economic paybacks, significant free cash flow after capital expenditures, and effective reinvestment of free cash flow.

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). Certain reclassifications of prior period financial statements have been made to conform to current reporting practices.

The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of intercompany transactions and balances. The Company’s interests in oil and natural gas exploration and production ventures and partnerships are proportionately consolidated. The Company reflects a noncontrolling interest representing the interest owned by the Magnolia LLC Unit Holders through their ownership of Magnolia LLC Units in the consolidated financial statements. The noncontrolling interest is presented as a component of equity. See *Note 12—Stockholders’ Equity* for further discussion of noncontrolling interest.

Variable Interest Entities

Magnolia LLC is a variable interest entity (“VIE”). The Company determined that it is the primary beneficiary of Magnolia LLC as the Company is the managing member and has the power to direct the activities most significant to Magnolia LLC’s economic performance as well as the obligation to absorb losses and receive benefits that are potentially significant. At December 31, 2023, the Company had an approximate 89.4% economic interest in Magnolia LLC and 100% of Magnolia LLC’s assets, liabilities, and results of operations are consolidated in the Company’s consolidated financial statements contained herein. At December 31, 2023, the Magnolia LLC Unit Holders had an approximate 10.6% economic interest in Magnolia LLC; however, the Magnolia LLC Unit Holders have disproportionately fewer voting rights, and are shown as noncontrolling interest holders of Magnolia LLC. See *Note 12—Stockholders’ Equity* for further discussion of the noncontrolling interest.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and changes in these estimates are recorded when known. Significant estimates with regard to these financial statements include the fair value determination of acquired assets and liabilities, the assessment of asset retirement obligations, the estimate of proved oil and natural gas reserves and related present value estimates of future net cash flows, and the estimates of fair value for long-lived assets.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments that are readily convertible to cash. Cash and cash equivalents were approximately \$401.1 million and \$675.4 million at December 31, 2023 and 2022, respectively.

Accounts Receivable and Allowance for Expected Credit Losses

The Company’s receivables consist mainly of trade receivables from commodity sales and joint interest billings due from owners on properties the Company operates. The majority of these receivables have payment terms of 30 days or less. For receivables due from joint interest owners, the Company generally has the ability to withhold future revenue disbursements to recover non-

payment of joint interest billings. The Company's existing historical credit losses have been de minimis and are expected to remain so in the future assuming no substantial changes to the business or creditworthiness of Magnolia's business partners.

Oil and Natural Gas Properties

The Company follows the successful efforts method of accounting for its oil and natural gas properties. Under this method of accounting, exploration expenses such as exploratory geological and geophysical costs, delay rentals, and exploration overhead are expensed as incurred. All costs related to production, general corporate overhead, and similar activities are expensed as incurred.

Unproved properties are assessed for impairment at least annually and are transferred to proved oil and natural gas properties to the extent the costs are associated with successful exploration activities. Unproved properties are assessed for impairment based on the Company's current exploration plans. Costs of expired or abandoned leases are charged to exploration expense, while costs of productive leases are transferred to proved oil and natural gas properties. Costs of maintaining and retaining unproved properties, as well as impairment of unsuccessful leases, are included in "Exploration expenses" in the consolidated statements of operations.

Costs to develop proved reserves, including the costs of all development wells and related equipment used in the production of crude oil and natural gas, are capitalized. Depreciation, depletion and amortization of the cost of proved oil and natural gas properties is calculated using the unit-of-production method. The reserve base used to calculate depletion for leasehold acquisition costs and the cost to acquire proved properties is the sum of proved developed reserves and proved undeveloped reserves. The reserve base used to calculate the depreciation for capitalized costs for exploratory and development wells is the sum of proved developed reserves only. Estimated future abandonment costs, net of salvage values, are included in the depreciable cost.

Oil and natural gas properties are grouped for depreciation, depletion and amortization in accordance with the Accounting Standards Codification ("ASC") ASC 932 "Extractive Activities—Oil and Gas". The basis for grouping is a reasonable aggregation of properties with a common geological structural feature or stratigraphic condition, such as a reservoir or field.

When circumstances indicate that proved oil and natural gas properties may be impaired, the Company compares unamortized capitalized costs to the expected undiscounted pre-tax future cash flows for the associated assets grouped at the lowest level for which identifiable cash flows are independent of cash flows of other assets. If the expected undiscounted pre-tax future cash flows, based on the Company's estimate of future crude oil and natural gas prices, operating costs, anticipated production from proved reserves, and other relevant data, are lower than the unamortized capitalized cost, the capitalized cost is reduced to fair value. Fair value is generally estimated using the income approach described in ASC 820, "Fair Value Measurements" ("ASC 820"). If applicable, the Company may utilize prices and other relevant information generated by market transactions involving assets and liabilities that are identical or comparable to the item being measured as the basis for determining fair value. The expected future cash flows used for impairment reviews and related fair value calculations are typically based on judgmental assessments of future production volumes, commodity prices, operating costs, and capital investment plans, considering all available information at the date of review. These assumptions are applied to develop future cash flow projections that are then discounted to estimated fair value, using a discount rate believed to be consistent with those applied by market participants.

Asset Retirement Obligations

Asset retirement obligations ("ARO") represent the present value of the estimated cash flows expected to be incurred to plug, abandon, and remediate producing properties, excluding salvage values, at the end of their productive lives in accordance with applicable laws. The significant unobservable inputs to this fair value measurement include estimates of plugging, abandonment, and remediation costs, well life, inflation, and credit-adjusted risk-free rate. The inputs are calculated based on historical data as well as current estimates. When the liability is initially recorded, the carrying amount of the related long-lived asset is increased. Over time, accretion of the liability is recognized each period, and the capitalized cost is amortized over the useful life of the related asset using the unit of production method and is included in "Depreciation, depletion and amortization" in the Company's consolidated statements of operations. If the ARO is settled for an amount other than the recorded amount, a gain or loss is recognized.

To estimate the fair value of an asset retirement obligation, the Company employs a present value technique, which reflects certain assumptions, including its credit-adjusted risk-free interest rate, inflation rate, the estimated settlement date of the liability, and the estimated cost to settle the liability. Changes in timing or to the original estimate of cash flows will result in changes to the carrying amount of the liability and related long lived asset.

Fair Value Measurements

Certain assets and liabilities are reported at fair value on a recurring basis on the Company's consolidated balance sheet. The Company also uses fair value measurements on a nonrecurring basis when a qualitative assessment of its assets indicates a potential impairment. For more discussion on recurring and nonrecurring fair value measurements, refer to *Note 4—Fair Value Measurements*.

The valuation techniques that may be used to measure fair value include a market approach, an income approach and a cost approach. A market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. An income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectations, including present value techniques, option-pricing models and the excess earnings method. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of observability of inputs used to measure investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment, characteristics specific to the investment, market conditions, and other factors. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets will typically have a higher degree of input observability and a lesser degree of judgment applied in determining fair value.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2—Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3—Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to the valuation of an investment in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

Income Taxes

The Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income or loss of Magnolia LLC. Magnolia LLC is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Magnolia LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Magnolia LLC is passed through to and included in the taxable income or loss of its members, including the Company, on a pro rata basis.

Under ASC 740, "Income Taxes," deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to net operating losses, tax credits, and temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period of the enactment date. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company reports a liability or a reduction of deferred tax assets for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. When applicable, the Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. Refer to *Note 11—Income Taxes* for additional information.

Derivatives

Magnolia utilized natural gas costless collars to reduce its exposure to price volatility for a portion of its natural gas production volumes. The Company's policies do not permit the use of derivative instruments for speculative purposes. The Company has elected not to designate any of its derivative instruments as hedging instruments. Accordingly, changes in the fair value of the Company's derivative instruments were recorded immediately to earnings as "Loss on derivatives, net" on the Company's consolidated statements of operations. The Company had settled all of its natural gas costless collar derivative contracts by September 30, 2021.

Commitments and Contingencies

Accruals for loss contingencies arising from claims, assessments, litigation, environmental, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change. Refer to *Note 10—Commitments and Contingencies* for additional information.

Revenue Recognition

Magnolia's revenues include the sale of crude oil, natural gas, and NGLs. Oil, natural gas, and NGL sales are recognized as revenue when production is sold to a customer in fulfillment of performance obligations under the terms of agreed contracts. Performance obligations are primarily comprised of delivery of oil, natural gas, or NGLs at a delivery point, as negotiated within each contract. Each barrel of oil, million Btu of natural gas, gallon of NGLs, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated.

The Company's oil production is primarily sold under market-sensitive contracts that are typically priced at a differential to the NYMEX price or at purchaser posted prices for the producing area. For oil contracts, the Company generally records sales based on the net amount received.

For natural gas contracts, the Company generally records wet gas sales (which consists of natural gas and NGLs based on end products after processing) at the wellhead or inlet of the natural gas processing plant (i.e., the point of control transfer) as revenues net of gathering, transportation, and processing expenses if the processor is the customer and there is no redelivery of commodities to the Company at the tailgate of the plant. Conversely, the Company generally records residual natural gas and NGL sales at the tailgate of the plant (i.e., the point of control transfer) on a gross basis along with the associated gathering, transportation, and processing expenses if the processor is a service provider and there is redelivery of one or several commodities to the Company at the tailgate of the plant. The facts and circumstances of an arrangement are considered and judgment is often required in making this determination.

Customers are invoiced once the Company's performance obligations have been satisfied. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 days. There are no judgments that significantly affect the amount or timing of revenue from contracts with customers. Additionally, the Company's product sales contracts do not give rise to material contract assets or contract liabilities.

The Company's receivables consist mainly of receivables from oil, natural gas, and NGL purchasers and from joint interest owners on properties the Company operates. Receivables from contracts with customers totaled \$124.4 million and \$138.6 million as of December 31, 2023 and 2022, respectively. Accounts receivable are stated at the historical carrying amount net of write-offs and allowance for doubtful accounts. The Company routinely assesses the collectability of all material trade and other receivables. The Company accrues a reserve on a receivable when, based on the judgment of management, it is probable that a receivable will not be collected and the amount of any reserve may be reasonably estimated. The Company had no allowance for doubtful accounts as of December 31, 2023 or 2022.

The Company has concluded that disaggregating revenue by product type appropriately depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors and has reflected this disaggregation of revenue on the Company's consolidated statements of operations for all periods presented.

Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer. The Company considers a variety of facts and circumstances in assessing the point of control transfer, including but not limited to: whether the purchaser can direct the use of the hydrocarbons, the transfer of significant risks and rewards, the Company's right to payment, and transfer of legal title.

The Company does not disclose the value of unsatisfied performance obligations for contracts as all contracts have either an original expected length of one year or less, or the entire future consideration is variable and allocated entirely to a wholly unsatisfied performance obligation.

Net Income Per Share of Common Stock

The Company's basic earnings per share ("EPS") is computed based on the weighted average number of shares of Class A Common Stock outstanding for the period. Diluted EPS includes the effect of the Company's outstanding restricted stock units ("RSUs"), performance stock units ("PSUs"), performance restricted stock units ("PRSUs"), and exchanges or repurchases of Class B Common Stock if the inclusion of these items is dilutive. The Company's unvested share-based payment awards that contain

nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are deemed participating securities and, therefore, are deducted from earnings in computing basic and diluted net income per share under the two-class method. Diluted net income per share attributable to common stockholders is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented. Refer to *Note 14—Earnings Per Share* for additional information and the calculation of EPS.

Stock Based Compensation

Magnolia has established a long term incentive plan for certain employees and directors that allows for granting RSUs, PSUs, and PRSUs. RSUs granted are valued on the date of the grant using the quoted market price of Magnolia's Class A Common Stock. PSUs and PRSUs granted are valued based on the grant date fair value determined using Monte Carlo simulations, which use a probabilistic approach for estimating the fair value of the awards. RSUs, PSUs, and PRSUs are expensed on a straight-line basis over the requisite service period. The Company records expense associated with the fair value of stock based compensation under the fair value recognition provisions of ASC Topic 718, "Compensation-Stock Compensation" and that expense is included within "General and administrative expenses" and "Lease operating expenses" in the accompanying consolidated statements of operations. The Company accounts for forfeitures as they occur. These plans and related accounting policies are defined and described more fully in *Note 13—Stock Based Compensation*.

Leases

Magnolia recognizes right of use assets and lease liabilities for certain commitments with terms greater than one year primarily related to real estate, vehicles, and field equipment. The Company determines if an arrangement is a lease at inception. Operating leases are included in other long-term assets, other current liabilities, and other long-term liabilities in Magnolia's consolidated balance sheet as of December 31, 2023. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Magnolia's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expenses for lease payments are recognized on a straight-line basis over the lease term. The Company has also elected a policy to not recognize right of use assets and lease liabilities related to short-term leases. The Company has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For more information, refer to *Note 9—Leases*.

Recent Accounting Pronouncements

In December 2023, the Financial Standards Accounting Board (FASB) issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

2. Acquisitions

In November 2023, the Company acquired certain oil and gas producing properties including leasehold and mineral interests in the Giddings area for \$264.1 million, subject to customary purchase price adjustments. The seller may also receive up to a maximum of \$40.0 million in additional contingent cash consideration through January 2026 based on future commodity prices. For more information regarding the contingent consideration, refer to *Note 4—Fair Value Measurements*.

In July 2023, the Company completed the acquisition of certain oil and natural gas assets located in the Giddings area for \$41.8 million.

Additionally, during the year ended December 31, 2023, the Company completed various bolt-on property acquisitions of certain oil and natural gas assets totaling \$49.6 million.

During the year ended December 31, 2022, the Company completed various leasehold, mineral rights, and property acquisitions of certain oil and natural gas assets totaling \$90.1 million, subject to customary closing adjustments.

The Company made individually immaterial bolt-on acquisitions during the year ended December 31, 2021.

The Company accounted for all acquisitions during the years ended December 31, 2023, 2022, and 2021 as asset acquisitions.

3. Derivative Instruments

The Company settled all of its natural gas costless collar derivative contracts by September 30, 2021. From September 30, 2020 to September 30, 2021, Magnolia utilized natural gas costless collars to reduce its exposure to price volatility for a portion of its natural gas production volumes. The Company's policies do not permit the use of derivative instruments for speculative purposes. Under the Company's costless collar contracts, each collar had an established floor price and ceiling price. When the settlement price was below the floor price, the counterparty was required to make a payment to the Company and when the settlement price was above the ceiling price, the Company was required to make a payment to the counterparty.

The Company elected not to designate any of its derivative instruments as hedging instruments. Accordingly, changes in the fair value of the Company's derivative instruments were recorded immediately to earnings as "Loss on derivatives, net" on the Company's consolidated statements of operations.

The following table summarizes the effects of derivative instruments on the Company's consolidated statements of operations:

<i>(In thousands)</i>	Year Ended December 31, 2021
Derivative settlements, realized loss	\$ (2,833)
Unrealized loss on derivatives	(277)
Loss on derivatives, net	<u>\$ (3,110)</u>

The Company had no outstanding derivative contracts in place as of December 31, 2023 or December 31, 2022.

4. Fair Value Measurements

Certain of the Company's assets and liabilities are carried at fair value and measured either on a recurring or nonrecurring basis. The Company's fair value measurements are based either on actual market data or assumptions that other market participants would use in pricing an asset or liability in an orderly transaction, using the valuation hierarchy prescribed by GAAP under ASC 820.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level 2 - Pricing inputs are other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. Level 2 pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

Recurring Fair Value Measurements

The carrying value and fair value of the financial instrument that is not carried at fair value in the Company's consolidated balance sheets as of December 31, 2023 and 2022 is as follows:

<i>(In thousands)</i>	December 31, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 392,839	\$ 394,356	\$ 390,383	\$ 382,704

The fair value of the 2026 Senior Notes as of December 31, 2023 and 2022 is based on unadjusted quoted prices in an active market, which is considered a Level 1 input in the fair value hierarchy.

In November 2023, the Company acquired certain oil and gas producing properties including leasehold and mineral interests in the Giddings area. As part of this transaction, the seller may receive up to \$40.0 million in contingent cash consideration based on future commodity prices. The contingent consideration is payable in three tranches based on average NYMEX WTI prices for (i) the period beginning July 1, 2023 through December 31, 2023, (ii) the year ending December 31, 2024, and (iii) the year ending December 31, 2025. The fair value of the contingent consideration is estimated using observable market data (NYMEX WTI forward price curve) and Monte Carlo simulation models, which are considered Level 2 inputs in the fair value hierarchy. As of the acquisition date, the fair value of the contingent consideration was approximately \$21.9 million. The fair value was recorded in oil and natural gas properties with a corresponding liability.

As of December 31, 2023, the fair value of the contingent consideration liability was \$14.3 million. The current portion of the liability was \$6.7 million and is included in “Other current liabilities” on the Company’s consolidated balance sheet as of December 31, 2023. The long-term portion of the liability was \$7.6 million and is included in “Other long-term liabilities” on the Company’s consolidated balance sheet as of December 31, 2023. A gain on revaluation of \$7.6 million is included in “Other income, net” on the Company’s consolidated statements of operations.

The Company has other financial instruments consisting primarily of receivables, payables, and other current assets and liabilities that approximate fair value due to the nature of the instruments and their relatively short maturities. Non-financial assets and liabilities initially measured at fair value include assets acquired and liabilities assumed in business combinations and asset retirement obligations.

Nonrecurring Fair Value Measurements

Certain of the Company’s assets and liabilities are measured at fair value on a nonrecurring basis. Specifically, stock based compensation is not measured at fair value on an ongoing basis but is subject to fair value calculations in certain circumstances. For further detail, see *Note 13—Stock Based Compensation* in the Notes to the consolidated financial statements. There were no other material nonrecurring fair value measurements for the years ended December 31, 2023 and 2022.

5. Intangible Assets

Non-Compete Agreement

On the Closing Date, the Company and EnerVest, separate and apart from the Business Combination, entered into the Non-Compete, which prohibited EnerVest and certain of its affiliates from competing with the Company in the Eagle Ford Shale until July 31, 2022 (“Prohibited Period End Date”). In January 2021, the Company amended the Non-Compete such that, rather than delivering an aggregate of 4.0 million shares of Class A Common Stock upon the two and one-half year and the four year anniversaries of the Closing Date, the Company would deliver (i) the cash value of approximately 2.0 million shares of Class A Common Stock and approximately 0.4 million shares of Class A Common Stock on the two and one-half year anniversary of the Closing Date and (ii) an aggregate of 1.6 million shares of Class A Common Stock on the four year anniversary of the Closing Date, in each case subject to the terms and conditions of the Non-Compete. On February 1, 2021, as consideration for compliance with the Non-Compete, the Company paid \$17.2 million in cash and issued 0.4 million shares of Class A Common Stock.

On June 30, 2021, the Company amended the Prohibited Period End Date to terminate on June 30, 2021 and paid \$24.9 million in cash in lieu of delivering the remaining 1.6 million shares of Class A Common Stock (the “Second Non-Compete Amendment”). The Second Non-Compete Amendment resulted in the Company accelerating the amortization of the remaining intangible assets. The Company includes the amortization in “Amortization of intangible assets” on the Company’s consolidated statements of operations.

6. Other Current Liabilities

The following table provides detail of the Company’s other current liabilities for the periods presented:

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Accrued capital expenditures	\$ 34,131	\$ 67,923
Other	87,544	69,504
Total other current liabilities	<u>\$ 121,675</u>	<u>\$ 137,427</u>

7. Asset Retirement Obligations

The following table summarizes the changes in the Company's asset retirement obligations for the periods presented:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Asset retirement obligations, beginning of period	\$ 96,247	\$ 90,650	\$ 88,404
Revisions to estimates	38,327	531	(7,167)
Liabilities incurred and assumed	18,463	3,243	5,293
Liabilities settled	(2,170)	(1,422)	(809)
Accretion expense	4,039	3,245	4,929
Divestitures	(4,343)	—	—
Asset retirement obligations, end of period	\$ 150,563	\$ 96,247	\$ 90,650

Asset retirement obligations reflect the present value of the estimated future costs associated with the plugging and abandonment of oil and natural gas wells, removal of equipment and facilities from leased acreage, and land restoration in accordance with applicable local, state, and federal laws. Inherent in the fair value calculation of ARO are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, and timing of settlement. To the extent future revisions to these assumptions impact the value of the existing ARO liability, a corresponding offsetting adjustment is made to the oil and natural gas property balance.

8. Long-term Debt

The Company's long-term debt is comprised of the following:

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Revolving credit facility	\$ —	\$ —
Senior Notes due 2026	400,000	400,000
Total long-term debt	400,000	400,000
Less: Unamortized deferred financing cost	(7,161)	(9,617)
Long-term debt, net	\$ 392,839	\$ 390,383

Credit Facility

In connection with the consummation of the Business Combination, the original RBL Facility was entered into by and among Magnolia Operating, as borrower, Magnolia Intermediate, as its holding company, the banks, financial institutions, and other lending institutions from time to time party thereto, as lenders, the other parties from time to time party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing bank, and swingline lender. On February 16, 2022, Magnolia Operating, as borrower, amended and restated the original RBL Facility in its entirety, providing for maximum commitments in an aggregate principal amount of \$1.0 billion with a letter of credit facility with a \$50.0 million sublimit, with an initial borrowing base of \$450.0 million. The RBL Facility, maturing in February 2026 is guaranteed by certain parent companies and subsidiaries of Magnolia LLC and is collateralized by certain of Magnolia Operating's oil and natural gas properties.

Borrowings under the RBL Facility bear interest, at Magnolia Operating's option, at a rate per annum equal to either the term SOFR rate or the alternative base rate plus the applicable margin. Additionally, Magnolia Operating is required to pay a commitment fee quarterly in arrears in respect of unused commitments under the RBL Facility. The applicable margin and the commitment fee rate are calculated based upon the utilization levels of the RBL Facility as a percentage of unused lender commitments then in effect.

The RBL Facility contains certain affirmative and negative covenants customary for financings of this type, including compliance with a leverage ratio of less than 3.50 to 1.00 and a current ratio of greater than 1.00 to 1.00. As of December 31, 2023, the Company was in compliance with all covenants under the RBL Facility. The Company incurred approximately \$5.5 million of lender and transaction fees related to the modification of which \$5.1 million were recorded as deferred financing costs and will be amortized prospectively over the remaining term of the RBL Facility and \$0.4 million of which were expensed and are reflected in "Interest expense, net" on the Company's consolidated statements of operations for the year ended December 31, 2022.

Deferred financing costs in connection with the RBL Facility are amortized on a straight-line basis over a period of four years from February 2022 to February 2026 and included in “Interest expense, net” in the Company’s consolidated statements of operations. The Company recognized interest expense related to the RBL Facility and the original RBL Facility, as applicable, of \$4.1 million, \$5.9 million, and \$4.1 million during the years ended December 31, 2023, 2022, and 2021, respectively. The unamortized portion of the deferred financing costs is included in “Deferred financing costs, net” on the Company’s consolidated balance sheet as of December 31, 2023.

The Company did not have any outstanding borrowings under the RBL Facility as of December 31, 2023.

2026 Senior Notes

On July 31, 2018, the Issuers issued and sold \$400.0 million aggregate principal amount of 2026 Senior Notes in a private placement under Rule 144A and Regulation S under the Securities Act of 1933, as amended. The 2026 Senior Notes were issued under the Indenture, dated as of July 31, 2018 (the “Indenture”), by and among the Issuers and Deutsche Bank Trust Company Americas, as trustee. The 2026 Senior Notes are guaranteed on a senior unsecured basis by the Company, Magnolia Operating, and Magnolia Intermediate and may be guaranteed by certain future subsidiaries of the Company. The 2026 Senior Notes will mature on August 1, 2026 and bear interest at the rate of 6.0% per annum.

On April 5, 2021, the terms of the Indenture were amended to modify, among other things, the criteria used by the Company to make Restricted Payments (as defined in the Indenture). The amendment to the Indenture was accounted for as a debt modification. Costs incurred with third parties directly related to the modification were expensed as incurred. The Company incurred approximately \$1.1 million of transaction fees in the second quarter of 2021 related to the modification which were expensed. The Company also paid \$5.0 million in fees to holders of the 2026 Senior Notes, which fees are recorded as deferred financing costs and amortized using the new effective interest rate applied prospectively over the remaining term of the 2026 Senior Notes.

Deferred financing costs related to the issuance of, and the amendment to the Indenture governing, the 2026 Senior Notes are amortized using the effective interest method over the term of the 2026 Senior Notes and are included in “Interest expense, net” in the Company’s consolidated statements of operations. The unamortized portion of the deferred financing costs is included as a reduction to the carrying value of the 2026 Senior Notes, which has been recorded as “Long-term debt, net” on the Company’s consolidated balance sheet as of December 31, 2023. The Company recognized interest expense related to the 2026 Senior Notes of \$26.5 million, \$26.3 million, and \$27.1 million for the years ended December 31, 2023, 2022, and 2021, respectively.

At any time, the Issuers may redeem all or a part of the 2026 Senior Notes based on principal plus a set premium, as set forth in the Indenture, including any accrued and unpaid interest.

9. Leases

Magnolia’s leases primarily consist of real estate, vehicles, and field equipment. The Company’s leases have remaining lease terms of up to four years, some of which include options to renew or terminate the lease. The exercise of lease renewal options is at the Company’s sole discretion. Magnolia’s lease agreements do not contain any restrictive covenants or material residual value guarantees.

As most of Magnolia’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Operating Leases		
Operating lease assets	\$ 15,494	\$ 7,632
Operating lease liabilities - current	\$ 9,576	\$ 3,967
Operating lease liabilities - long-term	7,132	4,854
Total operating lease liabilities	\$ 16,708	\$ 8,821
Weighted average remaining lease term (in years)	1.8	2.6
Weighted average discount rate	6.6%	4.0%

For the years ended December 31, 2023 and 2022, the Company incurred \$7.9 million and \$5.0 million, respectively, of lease costs for operating leases included on the Company’s consolidated balance sheet, and \$51.9 million and \$36.0 million, respectively,

for short-term lease costs. For the years ended December 31, 2023 and 2022, the Company did not incur any material expenses for variable lease costs. Cash paid for amounts included in the measurement of lease liabilities in operating cash flows from operating leases for the years ended December 31, 2023 and 2022 are \$7.9 million and \$5.2 million, respectively.

Maturities of lease liabilities as of December 31, 2023 under the scope of ASC 842 are as follows:

(In thousands)

Maturity of Lease Liabilities	Operating Leases	
2024	\$	10,320
2025		6,282
2026		1,045
2027		9
2028		1
After 2028		—
Total lease payments	\$	17,657
Less: Interest		(949)
Present value of lease liabilities	\$	16,708

10. Commitments and Contingencies

Legal Matters

From time to time, the Company is or may become involved in litigation in the ordinary course of business.

Certain of the Magnolia LLC Unit Holders and EnerVest Energy Institutional Fund XIV-C, L.P. (collectively the “Co-Defendants”) and the Company have been named as defendants in a lawsuit where the plaintiffs claim to be entitled to a minority working interest in certain Karnes County Assets. The litigation is in the pre-trial stage. The exposure related to this litigation is currently not reasonably estimable. The Co-Defendants retain all such liability.

A mineral owner in a Magnolia operated well in Karnes County, Texas filed a complaint with the Texas Railroad Commission (the “Commission”) challenging the validity of the permit to drill such well by questioning the long-standing process by which the Commission granted the permit. After the Commission affirmed the granting of the permit, and after judicial review of the Commission’s order by the 53rd Judicial District Court Travis County, Texas (the “District Court”), the District Court reversed and remanded the Commission’s order. Upon appeal to the Third Court of Appeals in Austin, Texas (the “Court of Appeals”), the Court of Appeals reversed in part and affirmed in part the District Court’s ruling and remanded the matter to the Commission. The plaintiffs filed a petition for review with the Supreme Court of Texas in late 2023.

At December 31, 2023, the Company does not believe the outcome of any such disputes or legal actions will have a material effect on its consolidated statements of operations, balance sheet, or cash flows. No amounts were accrued with respect to outstanding litigation at December 31, 2023 or December 31, 2022.

Environmental Matters

The Company, as an owner or lessee and operator of oil and natural gas properties, is subject to various federal, state, and local laws and regulations relating to discharge of materials into, and the protection of, the environment. These laws and regulations may, among other things, impose liability on a lessee under an oil and natural gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. In some instances, the Company may be directed to suspend or cease operations in an affected area. The Company maintains insurance coverage, which it believes is customary in the industry, although the Company is not fully insured against all environmental risks.

Commitments

At December 31, 2023, contractual obligations for long-term operating leases and purchase obligations are as follows:

Net Minimum Commitments (In thousands)	Years Ended				
	Total	2024	2025-2026	2027-2028	2029 & Beyond
Purchase obligations ⁽¹⁾	\$ 6,836	\$ 3,175	\$ 3,658	\$ 3	\$ —
Operating lease obligations ⁽²⁾	17,657	10,320	7,327	10	—
Total net minimum commitments	\$ 24,493	\$ 13,495	\$ 10,985	\$ 13	\$ —

- (1) Amounts represent any agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms. These include minimum commitments associated with firm transportation and delivery contracts, as well as operations- and IT-related service commitments. The costs incurred under these obligations were \$1.7 million, \$1.6 million, and \$1.4 million for the years ended December 31, 2023, 2022, and 2021, respectively.
- (2) Amounts include long-term lease payments for office space, vehicles, and equipment related to exploration, development, and production activities.

Contingencies

In November 2023, the Company completed the acquisition of certain oil and natural gas producing properties and mineral interests located in the Giddings area. The seller may also receive up to a maximum of \$40 million in additional contingent cash consideration through December 2025 based on future commodity prices. Refer to *Note 2—Acquisitions* and *Note 4—Fair Value Measurements* for additional information.

Risks and Uncertainties

The Company's revenue, profitability, and future growth are substantially dependent upon the prevailing and future prices for oil and natural gas, which depend on numerous factors beyond the Company's control such as overall oil and natural gas production and inventories in relevant markets, economic conditions, the global and domestic political environments, regulatory developments, and competition from other energy sources. Oil and natural gas prices historically have been volatile and may be subject to significant fluctuations in the future. Inflationary pressures and labor shortages could result in increases to the Company's operating and capital costs.

In recent years, the economy has experienced elevated levels of inflation as a result of global supply and demand imbalances, including impacts of the Russia-Ukraine war. Inflationary pressures have gradually declined in 2023. The Company will continue to monitor fluctuations in the market and any potential impacts on its future operating and capital costs.

11. Income Taxes

The Company's income tax provision consists of the following components:

(In thousands)	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Current:			
Federal	\$ 30,166	\$ 66,540	\$ 5,452
State	1,686	5,818	3,399
Total current	31,852	72,358	8,851
Deferred:			
Federal	73,672	(62,826)	—
State	1,684	(2,894)	—
Total deferred	75,356	(65,720)	—
Income tax expense	\$ 107,208	\$ 6,638	\$ 8,851

The Company is subject to U.S. federal income tax, margin tax in the state of Texas, and Louisiana corporate income tax. The Company's effective tax rates for the years ended December 31, 2023, 2022, and 2021, were 19.5%, 0.6%, and 1.6%, respectively. The primary differences between the annual effective tax rates and the statutory rate of 21.0% are income attributable to

noncontrolling interest, state taxes, and changes in valuation allowances. As a result of impairments in the first quarter of 2020, the Company established full valuation allowances on the federal and state deferred tax assets which resulted in additional differences between the effective tax rate and the statutory rate for the year ended December 31, 2021. During the year ended December 31, 2022, the Company released the valuation allowance against net deferred tax assets.

As of December 31, 2023, the Company does not anticipate recognition of any significant liabilities for uncertain tax positions during the next 12 months. For the year ended December 31, 2023, no significant amounts were incurred for interest and penalties. Currently, the Company is not aware of any issues under review that could result in significant payments, accruals, or a material deviation from its position. As of December 31, 2023, the earliest tax years subject to possible examination by the tax authorities are 2020 for U.S. federal and 2019 for Texas state.

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. Valuation allowances for deferred tax assets are recognized when it is more likely than not that some or all of the benefit from the deferred tax assets will not be realized. As of December 31, 2023, the Company's total deferred tax assets were \$96.0 million. Management assessed whether it is more likely than not that the Company will generate sufficient taxable income to realize its deferred income tax assets. In making this determination, the Company considered all available positive and negative evidence and made certain assumptions. The Company considered, among other things, the overall business environment, its historical earnings and losses, current industry trends, and its outlook for future years. As of December 31, 2023, the Company recorded a valuation allowance of \$5.6 million to offset the deferred tax asset created by the capital loss attributable to the sale of the Company's interest in Highlander.

A reconciliation of the statutory federal income tax expense to the income tax expense from continuing operations is as follows:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Income tax expense at the federal statutory rate	\$ 115,464	\$ 221,954	\$ 119,392
State income tax expense, net of federal income tax benefits	4,862	9,526	2,763
Noncontrolling interest in partnerships	(11,450)	(33,325)	(30,615)
Change in valuation allowances	5,627	(183,976)	(82,696)
Research and development credits	(2,713)	(4,980)	—
Other, net	(4,582)	(2,561)	7
Income tax expense	<u>\$ 107,208</u>	<u>\$ 6,638</u>	<u>\$ 8,851</u>

The tax effects of temporary differences that give rise to significant positions of the deferred income tax assets and liabilities are presented below:

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Deferred tax assets:		
Investment in partnership	\$ 83,853	\$ 153,938
Capital loss carryforward	5,627	319
Oil and natural gas properties	4,308	6,093
Capitalized transaction costs	2,201	2,442
Total deferred tax assets	<u>95,989</u>	<u>162,792</u>
Deferred tax liabilities:		
Oil and natural gas properties	—	(53)
Total deferred tax liabilities	<u>—</u>	<u>(53)</u>
Net deferred tax assets	<u>95,989</u>	<u>162,739</u>
Valuation allowances	<u>(5,631)</u>	<u>—</u>
Net deferred tax assets, net of valuation allowances	<u>\$ 90,358</u>	<u>\$ 162,739</u>

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief, and Economic Security Act. Applying the net operating loss carryback provision resulted in an income tax benefit of \$1.2 million during the year ended December 31, 2021. As of December 31, 2023, the Company had no U.S. federal net operating loss carryforward, and a \$26.8 million capital loss carryforward attributable to the sale of the Company's interest in Highlander which will expire in 5 years, unless offset by future capital gains.

On August 16, 2022, the U.S. enacted legislation referred to as the Inflation Reduction Act ("IRA"), which significantly changes U.S. corporate income tax laws and is effective for tax years beginning after December 31, 2022. These changes include, among others, a new 15% corporate alternative minimum tax on adjusted financial statement income of corporations with profits over \$1 billion, a 1% excise tax on stock buybacks, and various tax incentives for energy and climate initiatives. As of December 31, 2023, the Company is in compliance with all applicable provisions of the IRA, including the excise tax on stock buybacks. The Company is not subject to the corporate alternative minimum tax. The stock buyback excise tax did not have a material impact on the Company's consolidated financial statements. The Company will continue to evaluate the impacts of the IRA in future tax years.

12. Stockholders' Equity

Class A Common Stock

At December 31, 2023, there were 214.5 million shares of Class A Common Stock issued and 183.2 million shares of Class A Common Stock outstanding. The holders of Class A Common Stock and Class B Common Stock vote together as a single class on all matters and are entitled one vote for each share held. There is no cumulative voting with respect to the election of directors, which results in the holders of more than 50% of the Company's outstanding common shares being able to elect all of the directors, subject to voting obligations under the Stockholder Agreement, dated as of July 31, 2018, by and between the Company and the other parties thereto. In the event of a liquidation, dissolution, or winding up of the Company, the holders of the Class A Common Stock are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of stock, if any, having preference over the common stock. The holders of the Class A Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Class B Common Stock

As of December 31, 2023, there were 21.8 million shares of Class B Common Stock issued and outstanding. Holders of Class B Common Stock vote together as a single class with holders of Class A Common Stock on all matters properly submitted to a vote of the stockholders. The holders of Class B Common Stock generally have the right to exchange all or a portion of their shares of Class B Common Stock, together with an equal number of Magnolia LLC Units, for the same number of shares of Class A Common Stock or, at Magnolia LLC's option, an equivalent amount of cash. Upon the future redemption or exchange of Magnolia LLC Units held by any holder of Class B Common Stock, a corresponding number of shares of Class B Common Stock held by such holder of Class B Common Stock will be canceled. In the event of a liquidation, dissolution, or winding up of Magnolia LLC, the holders of the Class B Common Stock, through their ownership of Magnolia LLC Units, are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of units of Magnolia LLC, if any, having preference over the common units. The holders of the Class B Common Stock have no preemptive or other subscription rights, and there are no sinking fund provisions applicable to such shares.

Share Repurchases

As of December 31, 2023, the Company's board of directors had authorized a share repurchase program of up to 40.0 million shares of Class A Common Stock. In addition, the Company may repurchase shares pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Act of 1934, which would permit the Company to repurchase shares at times that may otherwise be prohibited under the Company's insider trading policy. The share repurchase program does not require purchases to be made within a particular time frame. As of December 31, 2023, the Company had repurchased 30.8 million shares under the program at a cost of \$525.0 million.

During the year ended December 31, 2022, the Company repurchased 0.6 million shares of Class A Common Stock for \$11.6 million from EnerVest Energy Institutional Fund XIV-C, L.P. outside of the share repurchase program.

During the year ended December 31, 2022, Magnolia LLC repurchased and subsequently canceled 7.9 million Magnolia LLC Units with an equal number of shares of corresponding Class B Common Stock for \$187.3 million of cash consideration (the "Class B Common Stock Repurchases"). During the same period, the Magnolia LLC Unit Holders redeemed 19.5 million Magnolia LLC Units (and a corresponding number of shares of Class B Common Stock) for an equivalent number of shares of Class A Common Stock and subsequently sold these shares to the public. Magnolia did not receive any proceeds from the sale of shares of Class A Common Stock by the Magnolia LLC Unit Holders. Magnolia funded the Class B Common Stock Repurchases with cash on hand.

Dividends and Distributions

In 2021, the Company's board of directors announced the Company's first dividend, payable on issued and outstanding shares of Class A Common Stock, and a corresponding distribution from Magnolia LLC to Magnolia LLC Unit Holders.

Dividends in excess of retained earnings are recorded as a reduction of additional paid-in capital. The distributions to the Magnolia LLC Unit Holders were recorded as a reduction of noncontrolling interest on the Company's consolidated balance sheets as of December 31, 2023 and December 31, 2022.

The following table sets forth information with respect to cash dividends and distributions declared by the Company's board of directors during the years ended December 31, 2023 and December 31, 2022, on its own behalf and in its capacity as the managing member of Magnolia LLC, on issued and outstanding shares of Class A Common Stock and Magnolia LLC Units:

Record Date	Payment Date	Dividend/ Distribution Amount per share	Distributions by (2) Magnolia LLC	Dividends Declared by the Company	Distributions to Magnolia LLC Unit Holders
<i>(In thousands, except per share amounts)</i>					
November 9, 2023	December 1, 2023	\$ 0.115	\$ 24,023	\$ 21,513	\$ 2,510
August 10, 2023	September 1, 2023	0.115	24,321	21,811	2,510
May 11, 2023	June 1, 2023	0.115	24,627	22,117	2,510
February 10, 2023	March 1, 2023	0.115	24,878	22,368	2,510
November 7, 2022	December 1, 2022	0.100	21,867	18,996	2,871
August 12, 2022	September 1, 2022	0.100	21,983	19,112	2,871
February 14, 2022	March 1, 2022	0.200	45,851	37,283	8,568

(1) Per share of Class A Common Stock and per Magnolia LLC Unit.

(2) Reflects total cash dividend and distribution payments made, or to be made, to holders of Class A Common Stock and Magnolia LLC Unit Holders (other than the Company) as of the applicable record date.

Noncontrolling Interest

Noncontrolling interest in Magnolia's consolidated subsidiaries includes amounts attributable to Magnolia LLC Units that were issued to the Magnolia LLC Unit Holders in connection with the Business Combination. The noncontrolling interest percentage is affected by various equity transactions such as issuances and repurchases of Class A Common Stock, the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) for Class A Common Stock, or the cancellation of Class B Common Stock (and corresponding Magnolia LLC Units). As of December 31, 2023, Magnolia owned approximately 89.4% of the interest in Magnolia LLC and the noncontrolling interest was 10.6%.

Highlander Oil & Gas Holdings LLC was a joint venture whereby MGY Louisiana LLC, a wholly owned subsidiary of Magnolia Operating, held approximately 84.7% of the units of Highlander, with the remaining 15.3% attributable to noncontrolling interest. On May 30, 2023, the Company sold its interest in Highlander and recognized a gain on sale of \$3.9 million included within "Other income, net" on the Company's consolidated statements of operations.

13. Stock Based Compensation

The Company's board of directors adopted the "Magnolia Oil & Gas Corporation Long Term Incentive Plan" (as amended, the "Plan"), effective as of July 17, 2018. A total of 16.8 million shares of Class A Common Stock have been authorized for issuance under the Plan as of December 31, 2023. The Company grants stock based compensation awards in the form of restricted stock units ("RSU"), performance restricted stock units ("PRSU"), and performance stock units ("PSU") to eligible employees and directors to enhance the Company and its affiliates' ability to attract, retain, and motivate persons who make important contributions to the Company and its affiliates by providing these individuals with equity ownership opportunities. Shares issued as a result of awards granted under the Plan are generally new shares of Class A Common Stock.

Stock based compensation expense is recognized net of forfeitures within "General and administrative expenses" and "Lease operating expenses" on the consolidated statements of operations and was \$16.2 million, \$13.3 million, and \$11.7 million for the years ended December 31, 2023, 2022, and 2021. The Company has elected to account for forfeitures of awards granted under the Plan as

they occur in determining compensation expense. The total income tax benefit recognized for stock that vested during the years ended December 31, 2023, 2022, and 2021 was \$5.3 million, \$5.1 million, and \$3.5 million, respectively.

The following table presents a summary of Magnolia's unvested RSU, PRSU, and PSU activity for the year ended December 31, 2023.

	Restricted Stock Units		Performance Restricted Stock Units		Performance Stock Units	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Unvested, beginning of period	911,286	\$ 12.89	1,257,583	\$ 13.36	278,486	\$ 6.14
Granted ⁽¹⁾	724,908	22.78	15,524	22.28	232,700	24.69
Granted for performance multiple ⁽²⁾	—	—	—	—	12,981	6.14
Vested	(503,308)	10.57	(318,984)	12.75	(291,467)	6.14
Forfeited	(58,000)	18.72	(10,549)	17.45	—	—
Unvested, end of period	1,074,886	\$ 20.32	943,574	\$ 13.66	232,700	\$ 24.69

(1) The weighted average grant date fair values of the RSUs granted during the years ended December 31, 2022 and 2021 were \$21.14 and \$10.98 per share, respectively. The weighted average grant date fair values of the PRSUs granted during the years ended December 31, 2022 and 2021 were \$19.22 and \$9.36 per share, respectively.

(2) Upon completion of the performance period for the PSUs granted in 2020, a performance multiple of 105% was applied to each of the grants resulting in additional grants of PSUs in 2023.

Restricted Stock Units

The Company grants service-based RSU awards to employees, which generally vest and settle ratably over a three-year or four-year service period, and to non-employee directors, which vest in full after one year. Non-employee directors may elect to defer the RSU settlement date. RSUs represent the right to receive shares of Class A Common Stock at the end of the vesting period equal to the number of RSUs that vest. RSUs are subject to restrictions on transfer and are generally subject to a risk of forfeiture if the award recipient ceases to be an employee or director of the Company prior to vesting of the award. Compensation expense for the service-based RSU awards is based upon the grant date market value of the award and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards. The aggregate fair values of RSUs that vested during the years ended December 31, 2023, 2022, and 2021 were \$11.2 million, \$13.8 million, and \$12.6 million, respectively. Unrecognized compensation expense related to unvested RSUs as of December 31, 2023 was \$14.4 million, which the Company expects to recognize over a weighted average period of 2.2 years.

Performance Restricted Stock Units and Performance Stock Units

The Company has granted PRSUs to certain employees. Each PRSU represents the contingent right to receive one share of Class A Common Stock once the PRSU is both vested and earned. PRSUs generally vest either ratably over a three-year service period or at the end of a three-year service period, in each case, subject to the recipient's continued employment or service through each applicable vesting date. Each PRSU is earned based on whether Magnolia's stock price achieves a target average stock price for any 20 consecutive trading days during the five-year performance period ("Performance Condition"). If PRSUs are not earned by the end of the five-year performance period, the PRSUs will be forfeited and no shares of Class A Common Stock will be issued, even if the vesting conditions have been met. Compensation expense for the PRSU awards is based upon grant date fair market value of the award, calculated using a Monte Carlo simulation, as presented below, and such costs are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award, as if the award was, in-substance, multiple awards, as applicable. The aggregate fair value of PRSUs that vested during the years ended December 31, 2023 and 2022 were \$7.1 million and \$4.8 million, respectively. Unrecognized compensation expense related to unvested PRSUs as of December 31, 2023 was \$3.1 million, which the Company expects to recognize over a weighted average period of 1.2 years.

Since the Performance Conditions for the PRSUs granted in 2022 and 2021 were met on March 28, 2022 and March 17, 2021, respectively, the fair value of the PRSUs granted after the Performance Conditions were met was based upon the grant date market value of the award. The fair value of the awards granted prior to the date the Performance Conditions were met was determined using a Monte Carlo simulation, the assumptions of which are summarized in the table below.

The Company has granted PSUs to certain employees. Each PSU, to the extent earned, represents the contingent right to receive one share of Class A Common Stock and the awardee may earn between zero and 150% of the target number of PSUs granted based on the total shareholder return ("TSR") of the Class A Common Stock relative to the TSR achieved by a specific industry peer group over a three-year performance period. In addition to the TSR conditions, vesting of the PSUs is subject to the awardee's continued employment through the date of settlement of the PSUs, which will occur within 60 days following the end of the

performance period. The aggregate fair value of PSUs that vested during the years ended December 31, 2023, 2022, and 2021 were \$6.7 million, \$5.5 million, and \$4.0 million, respectively. Unrecognized compensation expense related to unvested PSUs as of December 31, 2023 was \$4.0 million, which the Company expects to recognize over a weighted average period of 2.1 years.

PRSU and PSU Grant Date Fair Value Assumptions	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Expected term (in years)	2.88	3.55	3.64
Expected volatility	60.80%	59.58%	55.18%
Risk-free interest rate	4.15%	1.89%	0.56%
Dividend yield	1.93%	1.97%	—%

14. Earnings Per Share

The Company's unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are deemed participating securities, and therefore dividends and net income allocated to such awards have been deducted from earnings in computing basic and diluted net income per share under the two-class method. Diluted net income per share attributable to Class A Common Stock is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented.

The components of basic and diluted net income per share attributable to Class A Common Stock are as follows:

(In thousands, except per share data)	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Basic:			
Net income attributable to Class A Common Stock	\$ 388,301	\$ 893,837	\$ 417,282
Less: Dividends and net income allocated to participating securities	4,345	8,204	2,789
Net income, net of participating securities	\$ 383,956	\$ 885,633	\$ 414,493
Weighted average number of common shares outstanding during the period - basic	188,174	187,433	174,364
Net income per share of Class A Common Stock - basic	\$ 2.04	\$ 4.73	\$ 2.38
Diluted:			
Net income attributable to Class A Common Stock	\$ 388,301	\$ 893,837	\$ 417,282
Less: Dividends and net income allocated to participating securities	4,342	8,185	2,775
Net income, net of participating securities	\$ 383,959	\$ 885,652	\$ 414,507
Weighted average number of common shares outstanding during the period - basic	188,174	187,433	174,364
Add: Dilutive effect stock based compensation and other	181	468	996
Weighted average number of common shares outstanding during the period - diluted	188,355	187,901	175,360
Net income per share of Class A Common Stock - diluted	\$ 2.04	\$ 4.71	\$ 2.36

The Company excluded 21.8 million, 32.8 million, and 64.0 million of weighted average shares of Class A Common Stock issuable upon the exchange of Class B Common Stock (and corresponding Magnolia LLC Units) for the years ended December 31, 2023, 2022, and 2021, respectively, as the effect was anti-dilutive.

15. Related Party Transactions

As of December 31, 2023, no entity held more than 10% of the Company's common stock or qualified as a principal owner of the Company, as defined in ASC 850, "Related Party Disclosures."

16. Major Customers

For the year ended December 31, 2023, three customers, including their subsidiaries, accounted for 25%, 22%, and 11% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2022, four customers, including their

subsidiaries, accounted for 19%, 17%, 14%, and 11% of the Company's combined oil, natural gas, and NGL revenue. For the year ended December 31, 2021, four customers, including their subsidiaries, accounted for 22%, 15%, 15% and 11% of the Company's combined oil, natural gas, and NGL revenue. The Company is exposed to credit risk in the event of nonpayment by counterparties. The creditworthiness of customers and other counterparties is subject to continuing review, including the use of master netting agreements, where appropriate.

17. Supplemental Cash Flow Information

Supplemental cash flow disclosures are presented below:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Supplemental cash items:			
Cash paid for income taxes	\$ 38,834	\$ 72,230	\$ 3,157
Cash paid for interest	26,350	26,648	26,933
Supplemental non-cash investing and financing activity:			
Accrued capital expenditures	34,131	67,923	29,936
Contingent consideration associated with acquisitions	21,913	—	—
Supplemental non-cash lease operating activity:			
Right-of-use assets obtained in exchange for operating lease obligations	15,053	4,578	4,668

18. Subsequent Events

On February 5, 2024, the Company's board of directors declared a quarterly cash dividend of \$0.13 per share of Class A Common Stock, and Magnolia LLC declared a cash distribution of \$0.13 per Magnolia LLC Unit to each holder of Magnolia LLC Units, each payable on March 1, 2024 to shareholders or members of record, as applicable, as of February 16, 2024.

Supplemental Information About Oil & Natural Gas Producing Activities (Unaudited)

The Company operates in one reportable segment engaged in the acquisition, development, exploration, and production of oil and natural gas properties located in the United States.

Capitalized Costs

The aggregate amounts of costs capitalized for oil and natural gas exploration and development activities and the related amounts of accumulated depreciation, depletion and amortization are shown below:

<i>(In thousands)</i>	December 31, 2023	December 31, 2022
Proved properties	\$ 3,535,922	\$ 2,739,911
Unproved properties	207,658	200,100
Total proved and unproved properties	3,743,580	2,940,011
Accumulated depreciation, depletion and amortization	(1,697,113)	(1,412,381)
Net capitalized costs	\$ 2,046,467	\$ 1,527,630

Costs Incurred For Oil and Natural Gas Producing Activities

The following table sets forth the costs incurred in the Company's oil and natural gas production, exploration, and development activities:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Acquisition costs:			
Proved properties	\$ 326,150	\$ 53,781	\$ 12,354
Unproved properties	68,177	37,994	10,483
Exploration and development costs	471,238	477,995	240,815
Total	\$ 865,565	\$ 569,770	\$ 263,652

Oil and Natural Gas Reserve Quantities

The Company's proved reserves volumes as of December 31, 2023 are based on evaluations prepared by the independent petroleum engineering firm of Miller and Lents, in accordance with Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and definitions and guidelines established by the SEC. Miller and Lents employed all methods, procedures and assumptions considered necessary in utilizing the data provided to prepare the December 31, 2023 reserve report, which was completed on January 19, 2024. There are numerous uncertainties inherent in estimating quantities of proved oil and natural gas reserves. Oil and natural gas reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be precisely measured and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing, and production subsequent to the date of the estimate may justify revision of such estimate. Accordingly, reserve estimates are often different from the quantities of oil and natural gas that are ultimately recovered.

The following table summarizes the average price during the 12-month period, determined as the unweighted arithmetic average of the first-day-of-the-month price for the years ended December 31, 2023, 2022, and 2021. The following prices, as adjusted for transportation, quality, and basis differentials, were used in the calculation of the Standardized Measure of discounted future net cash flows:

	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Oil (per Bbl)	\$ 77.97	\$ 93.42	\$ 64.93
Natural gas (per Mcf)	1.59	5.90	3.28
NGLs (per Bbl)	20.75	34.41	27.45

The table below presents a summary of changes in the Company's proved reserves. Magnolia's proved undeveloped reserves are planned to be developed within one year.

	Crude Oil (MMBbls)	Natural Gas (Bcf)	Natural Gas Liquids (MMBbls)	Total (MMboe)
Total proved reserves:				
Balance, December 31, 2020	49.3	207.6	28.5	112.3
Extensions	15.6	61.7	11.3	37.2
Revisions of previous estimates	4.8	29.0	(0.1)	9.6
Purchases of reserves in place	0.2	0.5	0.1	0.4
Production	(11.2)	(43.4)	(5.7)	(24.1)
Balance December 31, 2021	58.7	255.4	34.1	135.4
Extensions	9.7	67.0	10.6	31.5
Revisions of previous estimates	5.6	29.9	2.5	13.0
Purchases of reserves in place	1.1	11.5	1.6	4.6
Production	(12.2)	(50.7)	(6.9)	(27.5)
Balance December 31, 2022	62.9	313.1	41.9	157.0
Extensions	12.5	87.0	12.9	39.9
Revisions of previous estimates	(1.7)	(38.6)	(1.3)	(9.4)
Purchases of reserves in place	11.1	11.6	2.2	15.3
Sales of reserves in place	—	(17.4)	—	(2.9)
Production	(12.6)	(55.1)	(8.3)	(30.1)
Balance December 31, 2023	72.2	300.6	47.4	169.8
Proved developed reserves:				
Balance, December 31, 2020	38.1	165.5	20.2	85.8
Balance, December 31, 2021	46.7	216.3	27.1	109.8
Balance, December 31, 2022	53.5	244.6	31.3	125.6
Balance, December 31, 2023	61.2	227.2	36.1	135.2
Proved undeveloped reserves:				
Balance, December 31, 2020	11.2	42.1	8.3	26.5
Balance, December 31, 2021	12.0	39.1	7.0	25.6
Balance, December 31, 2022	9.4	68.5	10.6	31.4
Balance, December 31, 2023	11.0	73.4	11.3	34.6

For the year ended December 31, 2023, extensions contributed approximately 39.9 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Giddings and Karnes operations that extended the proved areas. This was comprised of 24.6 MMboe from adding new proved undeveloped reserves and 15.3 MMboe resulting from adding new

proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to evaluating the drilling results. Additionally, the Company had downward revisions of 9.4 MMboe. Downward revisions were comprised of a decrease of 15.3 MMboe due to lower year-end 2023 SEC-based prices and 4.6 MMboe for optimizing development activity primarily in the Giddings area. This was partially offset by upward revisions of approximately 5.4 MMboe for improved performance in the Giddings area, 3.8 MMboe related to infill drilling in the Karnes area, and 1.3 MMboe related to cost updates. In addition, bolt-on acquisitions added approximately 15.3 MMboe. A decrease of 2.9 MMboe is related to the sale of the Company's interest in Highlander.

For the year ended December 31, 2022, extensions contributed approximately 31.5 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Giddings and Karnes operations that extended the proved areas. This was comprised of 25.5 MMboe from adding new proved undeveloped reserves and 6.0 MMboe resulting from adding new proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to evaluating the drilling results. Additionally, the Company had positive revisions of 13.0 MMboe. Upward revisions were comprised of an increase of 10.5 MMboe due to the impact of higher year-end 2022 SEC-based prices, 6.2 MMboe related to improved production performance for wells in the Karnes area, and 3.2 MMboe related to infill drilling in the Karnes area. This was partially offset by downward revisions of approximately 6.7 MMboe related to cost updates and 0.2 MMboe for optimizing development activity. Acquisitions of approximately 4.6 MMboe during 2022 were related to acquisitions primarily in the Giddings area.

For the year ended December 31, 2021, extensions contributed approximately 37.2 MMboe to proved reserves. This was primarily related to developing new well locations at the Company's Karnes and Giddings operations that extended the proved areas. This was comprised of 22.4 MMboe from adding new proved undeveloped reserves and 14.8 MMboe resulting from adding new proved developed reserves attributed to drilling wells in areas that did not meet the requirements for proved reserves prior to evaluating the drilling results. Additionally, the Company had positive revisions of 9.6 MMboe. Revisions were comprised of an increase of 17.1 MMboe due to the impact of higher year-end 2021 SEC-based prices and an increase of 2.8 MMboe related to infill drilling in the Karnes area. This was partially offset by downward revisions of approximately 6.3 MMboe for optimizing development activity, 3.2 MMboe for cost updates and 0.8 MMboe for performance adjustments for wells in the Karnes and Giddings areas. Acquisitions of approximately 0.4 MMboe during 2021 were related to acquisitions primarily in the Giddings area.

Standardized Measure of Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows does not purport to be, nor should it be interpreted to present, the fair value of the oil and natural gas reserves. An estimate of fair value would take into account, among other things, the recovery of reserves not presently classified as proved, the value of unproved properties, and consideration of expected future economic and operating conditions. Estimated future production of proved reserves, estimated future production costs of proved reserves, and estimated future development costs of proved reserves, which include estimated future abandonment costs, are based on current costs and economic conditions. The estimated future net cash flows are then discounted at a rate of 10%.

It is not intended that the Financial Accounting Standards Board's standardized measure of discounted future net cash flows represent the fair market value of the proved reserves. The Company cautions that the disclosures shown are based on estimates of proved reserve quantities and future production schedules which are inherently imprecise and subject to revision, and the 10% discount rate is arbitrary. Proved undeveloped reserves volumes are expected to be converted to proved developed reserves within one year, which may not be comparable to other oil and gas companies. In addition, costs and prices as of the measurement date are used in the determinations and no value may be assigned to probable or possible reserves.

The following table presents the Company's standardized measure of discounted future net cash flows:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Future cash inflows	\$ 7,010,267	\$ 9,103,255	\$ 5,592,621
Future production costs	(2,408,679)	(2,713,151)	(1,769,004)
Future development costs	(386,194)	(307,848)	(273,480)
Future income tax expenses	(599,386)	(1,021,211)	(452,020)
Future net cash flows	3,616,008	5,061,045	3,098,117
10% discount to reflect timing of cash flows	(1,196,202)	(1,712,681)	(1,025,855)
Standardized measure of discounted future net cash flows	\$ 2,419,806	\$ 3,348,364	\$ 2,072,262

The following table summarizes the principal sources of change in the standardized measure of discounted future net cash flows:

<i>(In thousands)</i>	Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021
Standardized measure of discounted future net cash flows, beginning of period	\$ 3,348,364	\$ 2,072,262	\$ 1,004,952
Sales of oil, natural gas, and NGLs produced during the period, net of production costs	(961,596)	(1,404,194)	(883,958)
Purchases of reserves in place	333,713	93,686	2,874
Sales of reserves in place	(67,169)	—	—
Extensions	599,215	722,877	792,602
Changes in estimated future development costs	7,735	4,418	(9,172)
Net change in prices and production costs	(1,680,852)	1,532,971	1,184,351
Previously estimated development costs incurred during the period	158,399	188,421	81,918
Revisions in quantity estimates	101,991	398,529	256,470
Accretion of discount	403,589	238,057	102,725
Net change in income taxes	270,038	(379,218)	(286,028)
Net change in timing of production and other	(93,621)	(119,445)	(174,472)
Standardized measure of discounted future net cash flows, end of period	<u>\$ 2,419,806</u>	<u>\$ 3,348,364</u>	<u>\$ 2,072,262</u>

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, Magnolia has evaluated, under the supervision and with the participation of the Company's management, including Magnolia's principal executive officer and principal financial officer, the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the fiscal year covered by this Annual Report on Form 10-K. Based on such evaluation, Magnolia's principal executive officer and principal financial officer have concluded that as of such date, its disclosure controls and procedures were effective. The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by it in reports that it files under the Exchange Act is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023, using the criteria in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management believes that the Company's internal control over financial reporting was effective as of December 31, 2023.

This Annual Report on Form 10-K includes an attestation report of KPMG LLP, the Company's independent registered public accounting firm, on the Company's internal control over financial reporting as of December 31, 2023, which is included in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in the system of internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Trading Arrangements

During the three and twelve months ended December 31, 2023 no director or officer of Magnolia adopted, modified, or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) and (c) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Code of Ethics

The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of the Code of Business Conduct and Ethics applicable to the principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions by posting such information in the "Corporate Governance" subsection of the Company's website at www.magnoliaoilgas.com.

Item 11. Executive Compensation

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The Company's independent registered public accounting firm is KPMG LLP, Houston, TX, Auditor Firm ID: 185.

The information required in response to this item will be set forth in Magnolia's Definitive Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statements Schedules

(a)(1) The following financial statements are included in Part II, Item 8 of this Annual Report on Form 10-K:

	<u>Page</u>
Consolidated Balance Sheets as of December 31, 2023 and 2022.	46
Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021.	47
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021.	48
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021.	50
Notes to Consolidated Financial Statements.	51

(2) Financial Statement Schedules

Financial statement schedules have been omitted because they either are not required, not applicable, or the information required to be presented is including in the Company's financial statements and related notes.

(3) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
2.1*†	Contribution and Merger Agreement, dated as of March 20, 2018, by and among TPG Pace Energy Holdings Corp., TPG Pace Energy Parent LLC, EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., EnerVest Energy Institutional Fund XIV-2A, L.P., and EnerVest Energy Institutional Fund XIV-3A, L.P. and EnerVest Energy Institutional Fund XIV-C, L.P. (incorporated herein by reference to Exhibit 2.1 filed with the Current Report on Form 8-K, as amended, filed on March 20, 2018 (File No. 001-38083)).
2.2*†	Amendment No. 1 to the Contribution and Merger Agreement, dated May 10, 2018, by and among TPG Pace Energy Holdings Corp., TPG Pace Energy Parent, L.L.C., EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., EnerVest Energy Institutional Fund XIV-2A, L.P., EnerVest Energy Institutional Fund XIV-3A, L.P. and EnerVest Energy Institutional Fund XIV-C, L.P. (incorporated herein by reference to Exhibit 2.2 filed with the Quarterly Report on Form 10-Q filed on May 14, 2018 (File No. 001-38083)).
2.3*†	Amendment No. 2 to the Contribution and Merger Agreement, dated June 27, 2018, by and among TPG Pace Energy Holdings Corp., TPG Pace Energy Parent, L.L.C., EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., EnerVest Energy Institutional Fund XIV-2A, L.P., EnerVest Energy Institutional Fund XIV-3A, L.P. and EnerVest Energy Institutional Fund XIV-C, L.P. (incorporated by reference to Exhibit 2.3 filed with the Quarterly Report on Form 10-Q filed on August 14, 2018 (File No. 001-38083)).
2.4*†	Purchase and Sale Agreement, dated as of March 20, 2018, by and among TPG Pace Energy Parent LLC, EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Holding, L.P., and EnerVest Wachovia Co-Investment Partnership, L.P. (incorporated herein by reference to Exhibit 2.2 filed with the Current Report on Form 8-K, as amended, filed on March 20, 2018 (File No. 001-38083)).
2.5*†	Membership Interest Purchase Agreement, dated as of March 20, 2018, by and among TPG Pace Energy Parent LLC, EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P. and EnerVest Energy Institutional Fund XIV-C, L.P. (incorporated herein by reference to Exhibit 2.3 filed with the Current Report on Form 8-K, as amended, filed on March 20, 2018 (File No. 001-38083)).
2.6*†	Amendment No. 1 to the Purchase and Sale Agreement, dated September 28, 2018, by and among EnerVest Energy Institutional Fund XI-A, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Holding, L.P., EnerVest Wachovia Co-Investment Partnership, L.P. (incorporated herein by reference to Exhibit 2.6 filed with the Quarterly Report on Form 10-Q filed on November 13, 2018 (File No. 001-38083)).
3.1*	Second Amended and Restated Certificate of Incorporation of the Company, dated as of July 31, 2018 (incorporated herein by reference to Exhibit 3.1 filed with the Current Report on Form 8-K filed on August 6, 2018 (File No. 001-38083)).
3.2*	Bylaws of the Company (incorporated herein by reference to Exhibit 3.3 filed with the Registration Statement on Form S-1 filed on April 17, 2017 (File No. 333-217338)).
4.1*	Specimen Class A Common Stock Certificate (incorporated herein by reference to Exhibit 4.2 filed with the Registration Statement on Form S-1 filed on April 17, 2017 (File No. 333-217338)).

Exhibit Number	Description
4.2*	Indenture, dated as of July 31, 2018, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Finance Corp. and Deutsche Bank Trust Company Americas, as trustee (incorporated herein by reference to Exhibit 4.1 filed with the Current Report on Form 8-K, filed on August 6, 2018 (File No. 001-38083)).
4.3*	First Supplemental Indenture, dated as of April 5, 2021 by and among Magnolia Oil & Gas Corporation, Magnolia Oil & Gas Finance Corp. and Deutsche Bank Trust Company Americas, as trustee (incorporated herein by reference to Exhibit 4.1 filed with the Quarterly Report on Form 10-Q, filed on August 3, 2021 (File No. 001-38083)).
4.4*	Registration Rights Agreement, dated as of July 31, 2018, by and among Magnolia Oil & Gas Corporation, EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., EnerVest Energy Institutional Fund XIV-2A, L.P., EnerVest Energy Institutional Fund XIV-3A, L.P., EnerVest Energy Institutional Fund XIV-C, L.P., TPG Pace Energy Sponsor, LLC, Arcilia Acosta, Edward Djerejian, Chad Leat and Dan F. Smith (incorporated herein by reference to Exhibit 4.2 filed with the Current Report on Form 8-K, filed on August 6, 2018 (File No. 001-38083)).
4.5*	First Amendment to Registration Rights Agreement, dated as of February 25, 2019, by and among Magnolia Oil & Gas Corporation, EnerVest Energy Institutional Fund XIV-A, L.P., EnerVest Energy Institutional Fund XIV-WIC, L.P., EnerVest Energy Institutional Fund XIV-2A, L.P., EnerVest Energy Institutional Fund XIV-3A, L.P., EnerVest Energy Institutional Fund XIV-C, L.P., EnerVest Energy Institutional Fund XIV-AIV, L.P. TPG Pace Energy Sponsor Successor, LLC, Peterson Capital Partners, L.P., Miller Creek Investments, LLC and Stephen Chazen (incorporated herein by reference to Exhibit 4.6 filed with the Annual Report on Form 10-K, filed on February 27, 2019 (File No. 001-38083)).
4.6*	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934, as amended (incorporated herein by reference to Exhibit 4.6 filed with the Annual Report on Form 10-K, filed on February 26, 2020 (File No. 001-38083)).
10.1*	Credit Agreement, dated as of July 31, 2018, by and among Magnolia Oil & Gas Intermediate LLC (f/k/a TPG Pace Energy Intermediate LLC), Magnolia Oil & Gas Operating LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent, as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.1 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.2*	Borrowing Base Redetermination Agreement and Amendment No. 1 to Credit Agreement, dated as of November 30, 2018, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.2 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.3*	Borrowing Base Redetermination Agreement and Amendment No. 2 to Credit Agreement, dated as of October 15, 2020, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on November 6, 2020 (File No. 001-38083)).
10.4*	Amended and Restated Credit Agreement, dated as of February 16, 2022, by and among Magnolia Oil & Gas Operating LLC, Magnolia Oil & Gas Intermediate LLC, the lenders from time to time party thereto, Citibank, N.A., as administrative agent and collateral agent as the swingline lender and an issuing bank and each other issuing bank from time to time party thereto (incorporated herein by reference to Exhibit 10.4 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.5*	Amended and Restated Limited Liability Company Agreement of Magnolia Oil & Gas Parent LLC, dated as of July 31, 2018 (incorporated herein by reference to Exhibit 10.2 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.6*††	Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.6 filed with the Current Report on Form 8-K/A, filed on August 6, 2018 (File No. 001-38083)).
10.7*††	First Amendment to Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.25 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.8*††	Second Amendment to Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.4 filed with the Quarterly Report on Form 10-Q, filed on August 3, 2021 (File No. 001-38083)).
10.9*††	Form of 2020 Non-Employee Director Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on May 11, 2020 (File No. 001-38083)).
10.10*††	Form of 2021 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.26 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).

Exhibit Number	Description
10.11*††	Form of 2021 Performance Restricted Stock Unit (Ratable Vesting) Grant Notice and attached Performance Restricted Stock Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.27 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.12*††	Form of 2021 Performance Restricted Stock Unit (Cliff Vesting) Grant Notice and attached Performance Restricted Stock Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.28 filed with the Annual Report on Form 10-K, filed on February 23, 2021 (File No. 001-38083)).
10.13*††	Form of 2021 Non-Employee Director Restricted Stock Unit Grant Notice and attached Form of Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on August 3, 2021 (File No. 001-38083)).
10.14*††	Form of 2022 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.28 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.15*††	Form of 2022 Performance Restricted Stock Unit (Ratable Vesting) Grant Notice and attached Performance Restricted Stock Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.29 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.16*††	Form of 2022 Performance Restricted Stock Unit (Cliff Vesting) Grant Notice and attached Performance Restricted Stock Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.30 filed with the Annual Report on Form 10-K, filed on February 17, 2022 (File No. 001-38083)).
10.17*††	Form of 2022 Non-Employee Director Restricted Stock Unit Grant Notice and attached Form of Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on May 10, 2022 (File No. 001-38083)).
10.18*††	Form of 2023 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.24 filed with the Annual Report on Form 10-K, filed on February 16, 2023 (File No. 001-38083)).
10.19*††	Form of 2023 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under Magnolia Oil & Gas Corporation Long Term Incentive Plan (incorporated herein by reference to Exhibit 10.25 filed with the Annual Report on Form 10-K, filed on February 16, 2023 (File No. 001-38083)).
10.20*††	Form of 2023 Non-Employee Director Restricted Stock Unit Grant Notice and attached Form of Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended (incorporated herein by reference to Exhibit 10.1 filed with the Quarterly Report on Form 10-Q, filed on August 2, 2023 (File No. 001-38083)).
10.21*††	Magnolia Oil & Gas Corporation Executive Severance and Change in Control Plan (incorporated herein by reference to Exhibit 10.2 filed with the Quarterly Report on Form 10-Q, filed on August 2, 2023 (File No. 001-38083)).
10.22*†††	Form of Indemnity Agreement.
10.23*†††	Form of 2024 Restricted Stock Unit Grant Notice and attached Restricted Stock Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan.
10.24*†††	Form of 2024 Performance Share Unit Grant Notice and attached Performance Share Unit Agreement under the Magnolia Oil & Gas Corporation Long Term Incentive Plan.
21.1**	Subsidiaries of Magnolia Oil & Gas Corporation.
23.1**	Consent of KPMG LLP.
23.2**	Consent of Miller and Lents, Ltd.
24.1**	Power of Attorney.
31.1**	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description
32.1***	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1**	Magnolia Oil & Gas Corporation Clawback Policy.
99.1**	Summary Report of Miller and Lents, Ltd., dated as of January 19, 2024, for proved reserves as of December 31, 2023.
101.INS**	XBRL Instance Document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Incorporated herein by reference as indicated.

** Filed herewith.

*** Furnished herewith.

† Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplemental to the SEC upon request.

†† Management contract of compensatory plan or agreement.

Item 16. Form 10-K Summary

None.

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.

Date: February 15, 2024

MAGNOLIA OIL & GAS CORPORATION

By: /s/ Christopher Stavros

Christopher Stavros

Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1934, this registration statement has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Christopher Stavros</u> Christopher Stavros	President, Chief Executive Officer and Director (Principal Executive Officer)	February 15, 2024
<u>/s/ Brian Corales</u> Brian Corales	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 15, 2024
<u>/s/ Dan F. Smith*</u> Dan F. Smith	Chairman	February 15, 2024
<u>/s/ Arcilia C. Acosta*</u> Arcilia C. Acosta	Director	February 15, 2024
<u>/s/ Angela M. Busch*</u> Angela M. Busch	Director	February 15, 2024
<u>/s/ Edward P. Djerejian*</u> Edward P. Djerejian	Director	February 15, 2024
<u>/s/ David M. Khani*</u> David M. Khani	Director	February 15, 2024
<u>/s/ James R. Larson*</u> James R. Larson	Director	February 15, 2024
<u>/s/ John B. Walker*</u> John B. Walker	Director	February 15, 2024
<u>By* /s/ Marina Kitikar</u> Marina Kitikar as Attorney-in-fact		

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT (this “**Agreement**”) is made as of [],

Between:

- (1) **MAGNOLIA OIL & GAS CORPORATION**, a Delaware corporation (the “**Company**”); and
- (2) [] (“**Indemnitee**”).

Whereas:

- (A) Highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of such corporations;
- (B) The board of directors of the Company (the “**Board**”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among publicly traded corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Second Amended and Restated Certificate of Incorporation (the “**Charter**”) and Bylaws (the “**Bylaws**”) of the Company require the indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Delaware General Corporation Law (“**DGCL**”). The Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification, hold harmless, exoneration, advancement and reimbursement rights;
- (C) The uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;
- (D) The Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;
- (E) It is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, hold harmless, exonerate and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so protected against liabilities;

- (F) This Agreement is a supplement to and in furtherance of the Charter and the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and
- (G) Indemnitee may not be willing to serve as an officer or director, advisor or in another capacity without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

TERMS AND CONDITIONS

1. SERVICES TO THE COMPANY

Indemnitee will serve or continue to serve as an officer, director, advisor, key employee or in any other capacity of the Company, as applicable, for so long as Indemnitee is duly elected, appointed or retained or until Indemnitee tenders Indemnitee's resignation or until Indemnitee is removed. The foregoing notwithstanding, this Agreement shall continue in full force and effect after Indemnitee has ceased to serve as an officer, director, advisor, key employee or in any other capacity of the Company, as provided in Section 17 hereto. This Agreement, however, shall not impose any obligation on Indemnitee or the Company to continue Indemnitee's service to the Company beyond any period otherwise required by law or by other agreements or commitments of the parties, if any.

2. DEFINITIONS

As used in this Agreement:

- 2.1 References to "**agent**" shall mean any person who is or was a director, officer or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, advisor, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.
- 2.2 The terms "**Beneficial Owner**" and "**Beneficial Ownership**" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as defined below) as in effect on the date hereof.
- 2.3 A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:
- (a) *Acquisition of Stock by Third Party.* Any Person (as defined below) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors, unless (1) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (2) such acquisition was approved in advance by the

Continuing Directors (as defined below) and such acquisition would not constitute a Change in Control under part (c) of this definition.

- (b) *Change in Board of Directors.* Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two thirds of the directors then still in office who were directors on the date hereof or whose election for nomination for election was previously so approved (collectively, the "**Continuing Directors**"), cease for any reason to constitute at least a majority of the members of the Board;
 - (c) *Corporate Transactions.* The effective date of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination, involving the Company and one or more businesses (a "**Business Combination**"), in each case, unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries (as defined below)) in substantially the same proportions as their ownership immediately prior to such Business Combination, of the securities entitled to vote generally in the election of directors; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of the surviving corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination;
 - (d) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets, other than factoring the Company's current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or
 - (e) *Other Events.* There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.
- 2.4 "**Corporate Status**" describes the status of a person who is or was a director, officer, trustee, general partner, manager, managing member, fiduciary, employee or agent of the Company or of any other Enterprise (as defined below) which such person is or was serving at the request of the Company.
- 2.5 "**Delaware Court**" shall mean the Court of Chancery of the State of Delaware.

- 2.6 “**Disinterested Director**” shall mean a director of the Company who is not and was not a party to the Proceeding (as defined below) in respect of which indemnification is sought by Indemnitee.
- 2.7 “**Enterprise**” shall mean the Company and any other corporation, constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.
- 2.8 “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- 2.9 “**Expenses**” shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including, without limitation, all attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in, a Proceeding (as defined below), including reasonable compensation for time spent by Indemnitee for which he or she is not otherwise compensated by the Company or any third party. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding (as defined below), including without limitation the principal, premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.
- 2.10 “**Independent Counsel**” shall mean a law firm or a member of a law firm with significant experience in matters of corporation law and that neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding (as defined below) giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “**Independent Counsel**” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.
- 2.11 References to “**fines**” shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to “**servicing at the request of the Company**” shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner “**not opposed to the best interests of the Company**” as referred to in this Agreement.
- 2.12 The term “**Person**” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that “**Person**” shall exclude: (i) the Company; (ii) any Subsidiaries (as defined below) of the Company; (iii) any employment benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of any corporation owned, directly or indirectly, by the stockholders of the

Company in substantially the same proportions as their ownership of stock of the Company; and (iv) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary (as defined below) of the Company or of a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

- 2.13 The term “**Proceeding**” shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, or investigative or related nature, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action (or failure to act) taken by Indemnitee or of any action (or failure to act) on Indemnitee’s part while acting as a director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.
- 2.14 The term “**Subsidiary**,” with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

3. INDEMNITY IN THIRD-PARTY PROCEEDINGS

To the fullest extent permitted by applicable law, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Section 3 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness, deponent or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor by reason of Indemnitee’s Corporate Status. Pursuant to this Section 3, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

4. INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY

To the fullest extent permitted by applicable law, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness, deponent or otherwise) in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of Indemnitee’s Corporate Status. Pursuant to this Section 4, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification, hold harmless or exoneration for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court

shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification, to be held harmless or to exoneration.

5. INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL

Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee was or is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. If Indemnitee is not wholly successful in such Proceeding, the Company also shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue, or matter on which Indemnitee was successful. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. INDEMNIFICATION FOR EXPENSES OF A WITNESS

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness or deponent in any Proceeding to which Indemnitee was or is not a party or threatened to be made a party, Indemnitee shall, to the fullest extent permitted by applicable law, be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

7. ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS

- 7.1 Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding. No indemnification, hold harmless or exoneration rights shall be available under this Section 7.1 on account of Indemnitee's conduct which constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.
- 7.2 Notwithstanding any limitation in Sections 3, 4, 5 or 7.1, the Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and exonerate Indemnitee if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against

all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding.

8. CONTRIBUTION IN THE EVENT OF JOINT LIABILITY

- 8.1 To the fullest extent permissible under applicable law, if the indemnification, hold harmless and/or exoneration rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying, holding harmless or exonerating Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.
- 8.2 The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.
- 8.3 The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company other than Indemnitee who may be jointly liable with Indemnitee.

9. EXCLUSIONS

Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification, advance expenses, hold harmless or exoneration payment in connection with any claim made against Indemnitee:

- (a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity or advancement provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity or advancement provision or otherwise;
- (b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law; or
- (c) except as otherwise provided in Sections 14.5 and 14.6 hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, advancement of expenses, hold harmless or exoneration payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. ADVANCES OF EXPENSES; DEFENSE OF CLAIM

- 10.1 Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent not prohibited by applicable law, the Company shall pay the Expenses incurred by Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with any Proceeding within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, prior to the final disposition of any Proceeding. Advances shall, to the fullest extent permitted by law, be unsecured and interest free. Advances shall, to the fullest extent permitted by law, be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to be indemnified, held harmless or exonerated under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. To the fullest extent required by applicable law, such payments of Expenses in advance of the final disposition of the Proceeding shall be made only upon the Company's receipt of an undertaking, by or on behalf of Indemnitee, to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Charter, the Bylaws, applicable law or otherwise. This Section 10.1 shall not apply to any claim made by Indemnitee for which an indemnification, advance of expenses, hold harmless or exoneration payment is excluded pursuant to Section 9.
- 10.2 The Company will be entitled to participate in the Proceeding at its own expense.
- 10.3 The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, liability, fine, penalty or limitation on Indemnitee without Indemnitee's prior written consent.

11. PROCEDURE FOR NOTIFICATION AND APPLICATION FOR INDEMNIFICATION

- 11.1 Indemnitee agrees to notify promptly the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, hold harmless or exoneration rights, or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement, or otherwise.
- 11.2 Indemnitee may deliver to the Company a written application to indemnify, hold harmless or exonerate Indemnitee in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, Indemnitee's entitlement to indemnification shall be determined according to Section 12.1 of this Agreement.

12. PROCEDURE UPON APPLICATION FOR INDEMNIFICATION

- 12.1 A determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification shall be made in the specific case by one of the following methods, which shall be at the election of Indemnitee: (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board; (ii) by a committee of such directors or, if such directors so direct, by Independent Counsel in a written opinion to the Board, a copy

of which shall be delivered to Indemnitee; or (iii) by vote of the stockholders. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies Indemnitee and agrees to hold Indemnitee harmless therefrom.

- 12.2 In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12.1 hereof, the Independent Counsel shall be selected as provided in this Section 12.2. The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "**Independent Counsel**" as defined in Section 2 of this Agreement. If the Independent Counsel is selected by the Board, the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "**Independent Counsel**" as defined in Section 2 of this Agreement. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11.2 hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12.1 hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14.1 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).
- 12.3 The Company agrees to pay the reasonable fees and expenses of Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

13. PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS

- 13.1 In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11.2 of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.
- 13.2 If the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent permitted by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.
- 13.3 The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.
- 13.4 For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, manager or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board, any committee of the Board or any director, trustee, general partner, manager or managing member, or on information or records given or reports made to the Enterprise, its Board, any committee of the Board or any director, trustee, general partner, manager or managing member, by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise, its Board, any committee of the Board or any director, trustee, general partner, manager or managing member. The provisions of this Section 13.4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

- 13.5 The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, manager, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

14. REMEDIES OF INDEMNITEE

- 14.1 In the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12.1 of this Agreement within thirty (30) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 5, 6, 7 or the last sentence of Section 12.1 of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vii) payment to Indemnitee pursuant to any hold harmless or exoneration rights under this Agreement or otherwise is not made within ten (10) days after receipt by the Company of a written request therefor, Indemnitee shall be entitled to an adjudication by the Delaware Court to such indemnification, hold harmless, exoneration, contribution or advancement rights. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.
- 14.2 In the event that a determination shall have been made pursuant to Section 12.1 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, Indemnitee shall be presumed to be entitled to be indemnified, held harmless, exonerated and to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to be indemnified, held harmless, exonerated and to receive advances of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 12.1 of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 10 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).
- 14.3 If a determination shall have been made pursuant to Section 12.1 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

- 14.4 The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.
- 14.5 The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) pay to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement or any other indemnification, hold harmless, exoneration, advancement or contribution agreement or provision of the Charter or the Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, hold harmless or exoneration right, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).
- 14.6 Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies, holds harmless or exonerates, or advances, or is obliged to indemnify, hold harmless or exonerate or advance for the period commencing with the date on which Indemnitee requests indemnification, to be held harmless, exonerated, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

15. SECURITY

Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

16. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; SUBROGATION

- 16.1 The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any Proceeding (regardless of when such Proceeding is first threatened, commenced or completed) or claim, issue or matter therein arising out of, or related to, any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification, hold harmless or exoneration rights or advancement of Expenses than would be afforded currently under the Charter, the Bylaws or this Agreement, then this Agreement (without any further action by the parties hereto) shall automatically be deemed to be amended to require that the Company indemnify Indemnitee to the fullest extent permitted by law. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of

any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

- 16.2 The DGCL, the Charter and the Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("**Indemnification Arrangements**") on behalf of Indemnitee against any liability asserted against Indemnitee or incurred by or on behalf of Indemnitee or in such capacity as a director, officer, employee or agent of the Company, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.
- 16.3 To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managers, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, manager, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness, deponent or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.
- 16.4 In the event of any payment under this Agreement, the Company, to the fullest extent permitted by law, shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.
- 16.5 The Company's obligation to indemnify, hold harmless, exonerate or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, manager, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification, hold harmless or exoneration payments or advancement of expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (i) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification, hold harmless, exoneration, advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (ii) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, hold harmless, exoneration, contribution or insurance coverage rights against any person or entity other than the Company. For the avoidance of doubt, the Company and Indemnitee hereby acknowledge that the Company shall be the indemnitor

of first resort with respect to any Proceeding or amounts that are the subject of the Company's obligations under this Agreement (that is, the obligations of the Company and its insurers to Indemnitee shall be primary and any obligation of other parties having indemnification, advancement, hold harmless, exoneration, contribution or insurance coverage duties to Indemnitee for the same Proceeding or amounts shall be secondary).

17. DURATION OF AGREEMENT

All agreements and obligations of the Company contained herein shall continue during the period Indemnitee serves as a director or officer of the Company or as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee serves at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement) by reason of Indemnitee's Corporate Status, whether or not he or she is acting in any such capacity at the time any liability or expense is incurred for which indemnification or advancement can be provided under this Agreement.

18. SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

19. ENFORCEMENT AND BINDING EFFECT

- 19.1 The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer or key employee of the Company.
- 19.2 Without limiting any of the rights of Indemnitee under the Charter or the Bylaws as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.
- 19.3 The indemnification, hold harmless, exoneration and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, officer, trustee, general partner, manager, managing member, fiduciary,

employee or agent of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

19.4 The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to 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 such succession had taken place.

19.5 The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may, to the fullest extent permitted by law, enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. The Company and Indemnitee further agree that Indemnitee shall, to the fullest extent permitted by law, be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court of competent jurisdiction and the Company hereby waives any such requirement of such a bond or undertaking to the fullest extent permitted by law.

20. MODIFICATION AND WAIVER

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

21. NOTICES

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(b) If to the Company, to:

Magnolia Oil & Gas Corporation
 Nine Greenway Plaza, Suite 1300
 Houston, Texas 77046
 Attn: Office of General Counsel

With a copy, which shall not constitute notice, to:

Kirkland & Ellis L.L.P.
 609 Main Street

Houston, Texas 77002
Attn: Michael Rigdon

or to any other address as may have been furnished to Indemnitee in writing by the Company.

22. APPLICABLE LAW AND CONSENT TO JURISDICTION

This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14.1 of this Agreement, to the fullest extent permitted by law, the Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial. To the fullest extent permitted by law, the parties hereby agree that the mailing of process and other papers in connection with any such action or proceeding in the manner provided by Section 21 or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

23. IDENTICAL COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

24. MISCELLANEOUS

Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

25. PERIOD OF LIMITATIONS

No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

26. ADDITIONAL ACTS

If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Indemnity Agreement to be signed as of the day and year first above written.

MAGNOLIA OIL & GAS CORPORATION

By:
Name:
Title:

INDEMNITEE

By:
Name:
Title:

**MAGNOLIA OIL & GAS CORPORATION
LONG TERM INCENTIVE PLAN**

RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended from time to time (the “*Plan*”), Magnolia Oil & Gas Corporation (the “*Company*”) hereby grants to the individual listed below (“*you*” or the “*Participant*”) the number of Restricted Stock Units (“*RSUs*”) set forth below in this Restricted Stock Unit Grant Notice (this “*Grant Notice*”). This award of RSUs (this “*Award*”) is subject to the terms and conditions set forth herein, in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the “*Agreement*”) and in the Plan attached hereto as Exhibit B, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant: [_____]

Date of Grant: [_____]

Total Number of Restricted Stock Units: [_____] (“*Grant Date Number of RSUs*”)

Vesting Commencement Date: [_____] (“*Vesting Commencement Date*”)

Vesting Schedule: Subject to the terms and conditions of this Grant Notice, the Agreement, and the Plan, the RSUs shall vest according to the following schedule:

1/3rd of the Grant Date Number of RSUs on the first anniversary of the Vesting Commencement Date;

1/3rd of the Grant Date Number of RSUs on the second anniversary of the Vesting Commencement Date;
and

1/3rd of the Grant Date Number of RSUs on the third anniversary of the Vesting Commencement Date;

except as otherwise provided below, so long as you remain continuously employed or engaged by the Company or an Affiliate, as applicable, from the Date of Grant through each such vesting date.

Impact of Change in Control and Certain Qualifying Terminations of Employment:

In the event of the termination of your employment or service by the Company or an Affiliate without Cause or your resignation for Good Reason, in each case, during the Change in Control Protection Period, the RSUs will vest in full as of such termination. In the event of a Change in Control pursuant to which the successor company or a parent or subsidiary thereof does not assume the RSUs, then so long as you have remained continuously employed by or have continued to provide services to the Company or an Affiliate, as applicable, from the Date of Grant through the date of such Change in Control, the RSUs will vest in full upon such Change in Control.

In the event of termination of your employment or service (i) by the Company or an Affiliate without Cause, (ii) due to your resignation for Good Reason, (iii) due to your death, or (iv) due to your Disability, in each case, before the third anniversary of the Vesting Commencement Date and unless the immediately preceding paragraph is applicable, then a number of RSUs will vest on the termination date equal to the product of (a) the number of RSUs scheduled to vest on the anniversary of the Vesting Commencement Date immediately following the termination date, times (b) a fraction, the numerator of which is the number of full months (counting the month in which your termination of employment occurs as a full month), beginning with the Vesting Commencement Date or anniversary thereof immediately preceding the termination date, during which you were employed or engaged by the Company or an Affiliate, and the denominator of which is 12. The portion, if any, of your RSUs that have not vested as of the termination date after applying the provisions of this paragraph shall become null and void as of the termination date.

“Cause” means (a) the Participant’s material breach of this Agreement, of any other written agreement between the Participant and the Company or an Affiliate, or of any material policy or code of conduct established by the Company or an Affiliate and applicable to the Participant; (b) the commission of a material act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of the Participant upon the Company; (c) the conviction of the Participant for, or plea of *nolo contendere* by the Participant to, any felony (or state law equivalent) or any crime involving moral turpitude; or (d) the Participant’s willful failure or refusal, other than due to Disability, to perform the Participant’s obligations pursuant to this Agreement or any employment agreement with the Company or an Affiliate, as applicable, or to follow any lawful directive from the Company or any Affiliate, as determined by the Company; *provided, however*, that if the Participant’s actions or omissions as set forth in this clause (d) are of such a nature that the Company determines they are curable by the Participant, such actions or omissions must remain uncured 30 days after the Company has provided the Participant written notice of the obligation to cure such actions or omissions.

“Change in Control” has the meaning set forth in Section 2(g) of the Plan, except that (i) in clause (A) of paragraph (iii) of such definition, “50%” shall be replaced with “60%,” and (ii) in the flush paragraph at the end of Section 2(g), clause (x) is removed. For the avoidance of doubt, in no event shall a series of unrelated transactions collectively constitute a Change in Control whether or not such transactions would otherwise constitute Business Combinations for this purpose.

“Change in Control Protection Period” means the 24 month period beginning immediately prior to the consummation of a Change in Control.

“Disability” means (a) a physical or mental impairment of sufficient severity that (1) you are unable to continue performing the duties assigned to you prior to such impairment, or (2) your condition entitles you to disability benefits under any insurance or employee benefit plan of the Company or its Affiliates, and (b) the impairment or condition is cited by the Company as the reason for your termination; *provided* that, in all cases, the term Disability shall be applied and interpreted in compliance with the Nonqualified Deferred Compensation Rules.

“Good Reason” means the Participant’s resignation within 120 days after any of the following events, unless the Participant consents to the applicable event: (i) a material decrease in the Participant’s base salary, other than a reduction in annual base salary of less than 10% that is implemented in connection with a contemporaneous reduction in annual base salaries affecting other similarly-situated employees of the Company; (ii) following the occurrence of a Change in Control, a material reduction in the aggregate amount of compensation opportunity and benefits provided to the Participant or in the level of the Participant’s participation relative to other similarly-situated participants; (iii) a material decrease in (a) the Participant’s then-current title or position, or (b) authority or areas of responsibility as are commensurate with the Participant’s then-current title or position; (iv) a relocation of the Participant’s principal work location to a location more than 50 miles from the Participant’s then-current principal location of employment; or (v) a material breach by the Company or any Affiliate of any provision of this Agreement or any material agreement between the Participant, the Company or any Affiliate. Notwithstanding the foregoing, any assertion by the Participant of a termination for Good Reason will not be effective unless and until the Participant has: (x) provided the Company, within 60 days of the Participant’s knowledge of the occurrence of the facts and circumstances underlying the Good Reason event, written notice stating with specificity the applicable facts and circumstances underlying such Good Reason event; and (y) provided the Company or any Affiliate with an opportunity to cure the same within 30 days after the receipt of such notice.

By clicking to accept, you agree to be bound by the terms and conditions of the Agreement, the Plan, and this Grant Notice. You acknowledge that you have reviewed in their entirety and fully understand all provisions of the Agreement, the Plan, and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan, or this Grant Notice.

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by applicable law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this Award. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which you have access. You hereby consent to all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents.

You acknowledge and agree that clicking to accept this Award constitutes your electronic signature and is intended to have the same force and effect as your manual signature.

[Remainder of Page Intentionally Blank; Signature Page Follows]

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

MAGNOLIA OIL & GAS CORPORATION

By:
Title: President and Chief Executive Officer
Name: Chris Stavros

Signature Page
to
Restricted Stock Unit Grant Notice

Exhibit A

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (together with the Grant Notice, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice (the “**Date of Grant**”) by and between Magnolia Oil & Gas Corporation, a Delaware corporation (the “**Company**”), and [_____] (the “**Participant**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant, the Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one share of Stock, subject to the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan. Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company. Consistent with the terms of the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the terms of the Plan or the Agreement shall be within the sole discretion of the Committee, and shall be final, conclusive, and binding upon all persons.

2. **Vesting of RSUs.**

(a) The RSUs shall vest in accordance with the vesting schedule and other vesting terms set forth in the Grant Notice. Except in the case of vesting pursuant to a qualifying termination of employment as set forth in the Grant Notice, in the event of the termination of the Participant’s employment prior to the vesting of all of the RSUs, all unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without consideration or notice on the date of such termination. Notwithstanding the foregoing, in the event of a termination of the Participant’s employment for Cause, (i) all unvested RSUs and (ii) all RSUs that have vested but have not been settled in accordance with Section 4 (including all rights arising from such RSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without consideration or notice on the date of such termination. For the avoidance of doubt, in the event the Participant is or becomes a member of the Board, the Participant will be considered to have remained continuously employed or engaged by the Company or an Affiliate following the termination of the Participant’s employment with the Company or an Affiliate so long as the Participant is a member of the Board as of the date of such termination.

(b) Notwithstanding any provision herein to the contrary, in the event of any inconsistency between this Section 2 and any written employment agreement entered into by and between the Participant and the Company or an Affiliate, as applicable, the terms of such employment agreement shall control.

3. **Dividend Equivalents.** In the event that the Company declares and pays a dividend in respect of its outstanding shares of Stock and, on the record date for such dividend, the Participant holds RSUs granted pursuant to this Agreement that have not been settled or forfeited as of such record date, the Company shall pay Dividend Equivalents to the Participant in the form of cash in an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of the number of shares of Stock related to the portion of the Participant’s RSUs granted pursuant to this Agreement that

have not been settled or forfeited as of such record date, such payment to be made promptly following the date that the Company pays such dividend to its shareholders generally (however, in no event shall the Dividend Equivalents be paid later than 30 days following the date on which the Company pays such dividend).

4. **Settlement of RSUs.** Except as otherwise provided in Section 2, RSUs that have vested in accordance with the terms of the Grant Notice shall be settled within 60 days following the applicable vesting date. Pursuant to this Section 4, the Company shall deliver to the Participant a number of shares of Stock equal to the number of RSUs that become vested as of each such vesting date, subject to the satisfaction of any tax withholding obligations under Section 5. All shares of Stock issued hereunder shall be delivered either by delivering one or more certificates for such shares to the Participant or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. In the event the Participant would otherwise become vested in a fractional portion of a RSU (a "**Fractional RSU**") based on the vesting terms set forth in the Grant Notice, the Fractional RSU shall instead remain unvested until the final vesting date provided in the Grant Notice; *provided, however*, that if the Participant would otherwise vest in a subsequent Fractional RSU prior to the final vesting date for the RSUs and such Fractional RSU taken together with a previous Fractional RSU that remained unvested would equal a whole RSU, then such Fractional RSUs shall vest to the extent they equal a whole RSU. Upon such final vesting date, the value of any Fractional RSUs shall be rounded up to the nearest whole RSU.

5. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award, including without limitation any payment made pursuant to Section 3 of this Agreement, results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award. In order to satisfy obligations for the payment of withholding taxes and other tax obligations related to the issuance of shares, the Company shall reduce the number of shares of Stock deliverable hereunder with respect to the RSUs by a number of shares of Stock up to the number of shares having an aggregate Fair Market Value on the date of withholding that does not exceed the aggregate amount of such obligations determined based on the maximum statutory withholding rates in the Participant's jurisdiction that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. In the event the Company subsequently determines that the aggregate Fair Market Value of any shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then the Participant shall pay to the Company, immediately upon the Company's request, the amount of that deficiency. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company, or any of its Affiliates or any of their respective managers, directors, officers, employees or authorized representatives for tax advice or an assessment of such tax consequences.

6. **Non-Transferability.** None of the RSUs, rights to receive Dividend Equivalents or any interest or right therein may be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Stock underlying the RSUs have been issued (or, in the case of Dividend Equivalents, the Dividend Equivalents have been paid in cash), and all restrictions applicable to such shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment,

levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect against the Company and its Affiliates, except to the extent that such disposition is expressly permitted by the preceding sentence.

7. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Stock hereunder will be subject to compliance with all requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No shares of Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, shares of Stock will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued, (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act, or (c) the Company has attained from any regulatory body having jurisdiction the requisite authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Stock hereunder. As a condition to any issuance of Stock hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance.

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

9. **Full Satisfaction.** Any issuance or transfer of shares of Stock or other property to the Participant or the Participant's legal representative, heir, legatee, or distributee in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder.

10. **No Right to Continued Employment or Awards.** Nothing in the adoption of the Plan, nor the grant of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity, to terminate such employment at any time. The grant of the RSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future.

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

12. **Entire Agreement; Amendment.** This Agreement, the Grant Notice and the Plan constitute the entire agreement of the parties with regard to the subject matter hereof and contain all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; *provided, however*, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance arrangement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement (including, for the avoidance of doubt, the Magnolia Oil & Gas Corporation Executive Severance and

Change in Control Plan). Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan.

13. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

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

15. **Clawback.** Notwithstanding any provision in this Agreement, the Grant Notice or the Plan to the contrary, to the extent required by (a) applicable law and/or (b) any policy that may be adopted or amended by the Board from time to time, all shares of Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy. For the avoidance of doubt, the Participant acknowledges that Participant is bound by the terms of the Company's Clawback Policy, effective as of October 30, 2023, to the extent Participant qualifies as a "Covered Executive" thereunder, and that the Company may pursue recoupment in accordance with the terms of such policy, including without limitation by seeking recovery of any gains realized on the vesting, exercise, settlement, sale, transfer, or other disposition of RSUs subject to this Award and/or of Stock received with respect thereto.

16. **Severability.** If a court of competent jurisdiction determines that any provision of this Agreement (or any portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of such provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

17. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs and all rights related thereto granted pursuant to this Agreement are intended to be exempt from the applicable requirements of the Nonqualified Deferred Compensation Rules and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the RSUs provided under this Agreement are exempt from or compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules. The Participant's employment or service shall terminate on the date that he or she experiences a "separation from service" as defined under the Nonqualified Deferred Compensation Rules.

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EXHIBIT B

MAGNOLIA OIL & GAS CORPORATION LONG TERM INCENTIVE PLAN

[SEE ATTACHED]

B-1

RSU

**MAGNOLIA OIL & GAS CORPORATION
LONG TERM INCENTIVE PLAN**

PERFORMANCE SHARE UNIT GRANT NOTICE

Pursuant to the terms and conditions of the Magnolia Oil & Gas Corporation Long Term Incentive Plan, as amended from time to time (the “*Plan*”), Magnolia Oil & Gas Corporation (the “*Company*”) hereby grants to the individual listed below (“*you*” or the “*Participant*”) the number of Performance Share Units (“*PSUs*”) set forth below in this Performance Share Unit Grant Notice (this “*Grant Notice*”). This award of PSUs (this “*Award*”) is subject to the terms and conditions set forth herein, in the Performance Share Unit Agreement attached hereto as Exhibit A (the “*Agreement*”), in the Performance Share Unit Vesting Criteria and Methodology attached hereto as Exhibit B and in the Plan attached hereto as Exhibit C, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant: []
Date of Grant: []
Grant Date Number of Performance Share Units: [] (“*Target Number of PSUs*”)

General Requirements: Subject to the terms and conditions of this Grant Notice, the Agreement and the Plan, a number of PSUs, ranging from 0% to 150% of the Target Number of PSUs, are eligible to become earned and vest, and Stock may become issuable with respect to such PSUs, based on (i) the Committee’s certification of the level of achievement of the specified performance criteria, and (ii) your satisfaction of the service-based vesting conditions.

Performance Criteria and Performance Period: The performance criteria for the PSUs is based on relative total shareholder return, as described in Exhibit B attached hereto. PSUs actually earned upon satisfaction of the performance criteria requirements may range from 0% to 150% of the Target Number of PSUs and are referred to herein as the “*Earned PSUs*.”

The period over which the Company’s performance will be measured for purposes of applying the methodology set forth in Exhibit B shall be from [_____, 20__] to [_____, 20__] (the “*Performance Period*”).

Service-Based Vesting Conditions:

Except as otherwise described below, in order to be eligible to receive Stock in settlement of any Earned PSUs, you must remain continuously employed or engaged by the Company or an Affiliate, as applicable, from the Date of Grant through the date on which the PSUs are settled in accordance with Section 4 of the Agreement following the conclusion of the Performance Period.

In the event of the termination of your employment or service with the Company or an Affiliate other than as described below, at any time prior to the date on which the PSUs are settled in accordance with Section 4 of the Agreement following the conclusion of the Performance Period, all PSUs (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without consideration or notice.

Treatment upon a Change in Control:

Upon a Change in Control during the Performance Period, the PSUs will cease to be subject to the performance goals set forth in Exhibit B and a number of PSUs equal to the greater of (i) the Target Number of PSUs or (ii) the percentage of the Target Number of PSUs that is deemed to have been earned upon such Change in Control based on actual performance assuming the Performance Period ended on the date of such Change in Control, as determined by the Committee (the "**Frozen PSUs**"), will remain outstanding and will be deemed Earned PSUs and, except as provided below, the Frozen PSUs shall vest subject to your continued employment or service through the conclusion of the original Performance Period and will be settled in accordance with Section 4 of the Agreement within 60 days thereafter.

Notwithstanding the foregoing, in the event of a Change in Control pursuant to which the successor company or a parent or subsidiary thereof does not assume the PSUs (a "**Change in Control Vesting Event**"), then so long as you have remained continuously employed by or have continued to provide services to the Company or an Affiliate, as applicable, from the Date of Grant through the date of such Change in Control, the Frozen PSUs will become Earned PSUs and will vest upon such Change in Control and will be settled in accordance with Section 4 of the Agreement within 60 days thereafter.

Vesting upon Certain Terminations following a Change in Control:

In the event of the termination of your employment or service by the Company or an Affiliate without Cause or upon your resignation for Good Reason, in each case, during the Change in Control Protection Period (a "**Change in Control Termination**"), the Frozen PSUs will remain outstanding and will be deemed Earned PSUs and will vest as of the date of such Change in Control Termination and will be settled in accordance with Section 4 of the Agreement within 60 days thereafter.

Vesting upon Certain Other Qualifying Terminations of Employment:

If termination of your employment or service (A) by the Company or an Affiliate without Cause, (B) due to your resignation for Good Reason, (C) due to your death, or (D) due to your Disability, occurs:

(i) during the Performance Period and the preceding section “Vesting upon Certain Terminations following a Change in Control” does not apply, then, in each case (a “*Pro-Rata Vesting Event*”), (a) the PSUs will cease to be subject to the performance criteria set forth in Exhibit B as of the date of such Pro-Rata Vesting Event and a number of PSUs equal to the Target Number of PSUs will remain outstanding and will be deemed Earned PSUs for purposes of this Grant Notice and the Agreement (unless a Change in Control has previously occurred during the Performance Period, in which case the Frozen PSUs will be deemed Earned PSUs); and (b) a number of such Earned PSUs will vest as of the date of such Pro-Rata Vesting Event, equal to the product of (1) the total number of Earned PSUs times (2) a fraction, the numerator of which is the number of full months beginning with the first month of the Performance Period and ending on the date of your termination of employment or service (and counting the month in which such termination occurs as a full month), and the denominator of which is [___]. The portion, if any, of the Earned PSUs that have not vested as of the date of the Pro-Rata Vesting Event after applying the provisions of this paragraph shall become null and void and shall be forfeited as of such date.

(ii) following the conclusion of the Performance Period, but prior to the date on which the PSUs are settled in accordance with Section 4 of the Agreement, you shall not forfeit your PSUs and the Earned PSUs (determined as of the end of the Performance Period in accordance with Exhibit B), if any, shall be settled in accordance with Section 4 of the Agreement.

The date of a Change in Control Vesting Event, a Change in Control Termination or a Pro-Rata Vesting Event is referred to herein and in the Agreement as an “*Early Vesting Event*.”

“*Cause*” means (a) the Participant’s material breach of this Agreement, of any other written agreement between the Participant and the Company or an Affiliate, or of any material policy or code of conduct established by the Company or an Affiliate and applicable to the Participant; (b) the commission of a material act of gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement on the part of the Participant upon the Company; (c) the conviction of the Participant for, or plea of *nolo contendere* by the Participant to, any felony (or state law equivalent) or any crime involving moral turpitude; or (d) the Participant’s willful failure or refusal, other than due to Disability, to perform the Participant’s obligations pursuant to this Agreement or any employment agreement with the Company or an Affiliate, as applicable, or to follow any lawful directive from the Company or any Affiliate, as determined by the Company; *provided, however*, that if the Participant’s actions or omissions as set forth in this clause (d) are of such a nature that the

Company determines they are curable by the Participant, such actions or omissions must remain uncured 30 days after the Company has provided the Participant written notice of the obligation to cure such actions or omissions.

“Change in Control” has the meaning set forth in Section 2(g) of the Plan, except that (i) in clause (A) of paragraph (iii) of such definition, “50%” shall be replaced with “60%,” and (ii) in the flush paragraph at the end of Section 2(g), clause (x) is removed. For the avoidance of doubt, in no event shall a series of unrelated transactions collectively constitute a Change in Control whether or not such transactions would otherwise constitute Business Combinations for this purpose.

“Change in Control Protection Period” means the 24 month period beginning immediately prior to the consummation of a Change in Control.

“Disability” means (a) a physical or mental impairment of sufficient severity that (1) you are unable to continue performing the duties assigned to you prior to such impairment, or (2) your condition entitles you to disability benefits under any insurance or employee benefit plan of the Company or its Affiliates, and (b) the impairment or condition is cited by the Company as the reason for your termination; *provided that*, in all cases, the term Disability shall be applied and interpreted in compliance with the Nonqualified Deferred Compensation Rules.

“Good Reason” means the Participant’s resignation within 120 days after any of the following events, unless the Participant consents to the applicable event: (i) a material decrease in the Participant’s base salary, other than a reduction in annual base salary of less than 10% that is implemented in connection with a contemporaneous reduction in annual base salaries affecting other similarly situated employees of the Company; (ii) following the occurrence of a Change in Control, a material reduction in the aggregate amount of compensation opportunity and benefits provided to the Participant or in the level of the Participant’s participation relative to other similarly-situated participants; (iii) a material decrease in (a) the Participant’s then-current title or position, or (b) authority or areas of responsibility as are commensurate with the Participant’s then-current title or position; (iv) a relocation of the Participant’s principal work location to a location more than 50 miles from the Participant’s then-current principal location of employment; or (v) a material breach by the Company or any Affiliate of any provision of this Agreement or any material agreement between the Participant, the Company or any Affiliate. Notwithstanding the foregoing, any assertion by the Participant of a termination for Good Reason will not be effective unless and until the Participant has: (x) provided the Company, within 60 days of the Participant’s knowledge of the occurrence of the facts and circumstances underlying the Good Reason event, written notice stating with specificity the applicable facts and circumstances underlying such Good Reason event; and (y) provided the Company or any Affiliate with an opportunity to cure the same within 30 days after the receipt of such notice.

By clicking to accept, you agree to be bound by the terms and conditions of the Agreement, the Plan, and this Grant Notice. You acknowledge that you have reviewed in their entirety and fully understand all provisions of the Agreement, the Plan, and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan, or this Grant Notice.

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by applicable law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this Award. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which you have access. You hereby consent to all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents.

You acknowledge and agree that clicking to accept this Award constitutes your electronic signature and is intended to have the same force and effect as your manual signature.

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Signature Page Follows]

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

MAGNOLIA OIL & GAS CORPORATION

By: _____
Title: President and Chief Executive Officer
Name: Chris Stavros

Signature Page
to
Performance Share Unit Grant Notice

Exhibit A

PERFORMANCE SHARE UNIT AGREEMENT

This Performance Share Unit Agreement (together with the Grant Notice, this “*Agreement*”) is made as of the Date of Grant set forth in the Grant Notice (the “*Date of Grant*”) by and between Magnolia Oil & Gas Corporation, a Delaware corporation (the “*Company*”), and [Participant Name] (the “*Participant*”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant, the Company hereby grants to the Participant the Target Number of PSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. The PSUs are Other Stock-Based Awards granted pursuant to Section 6(h) of the Plan. To the extent earned and vested, each PSU represents the right to receive one share of Stock, subject to the terms and conditions set forth in the Grant Notice, this Agreement, and the Plan; *provided, however*, that, depending on the level of performance attained with respect to the applicable performance criteria, the number of shares of Stock that may be earned hereunder in respect of this Award may range from 0% to 150% of the Target Number of PSUs. Unless and until the PSUs have become Earned PSUs and the Participant has satisfied the continued employment or service requirements in the manner set forth in this Agreement, the Participant will have no right to receive any Stock or other payments in respect of the PSUs (except to the extent provided in Section 3). Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company. Consistent with the terms of the Plan, all designations, determinations, interpretations, and other decisions under and with respect to the terms of the Plan or the Agreement shall be within the sole discretion of the Committee, and shall be final, conclusive, and binding upon all persons.

2. **Vesting of PSUs.**

(a) Subject to the terms of the Grant Notice and this Agreement, the PSUs shall vest and become Earned PSUs in accordance with the service-based vesting schedule and based on the level of performance attainment with respect to the applicable performance criteria set forth in the Grant Notice and Exhibit B, which shall be determined by the Committee in its sole discretion. Any PSUs (including all rights arising from such PSUs and from being a holder thereof) that do not become Earned PSUs upon the conclusion of the Performance Period or, if earlier, upon an Early Vesting Event will terminate automatically without any further action by the Company and will be forfeited without consideration or notice. Except as set forth in the Grant Notice, in the event of a termination of the Participant’s employment, all PSUs that have not been settled in accordance with Section 4 (including all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without consideration or notice. For the avoidance of doubt, in the event the Participant is or becomes a member of the Board, the Participant will be considered to have remained continuously employed or engaged by the Company or an Affiliate following the termination of the Participant’s employment with the Company or an Affiliate so long as the Participant is a member of the Board as of the date of such termination.

(b) Notwithstanding any provision herein to the contrary, in the event of any inconsistency between this Section 2 and any written employment agreement entered into by and between the Participant and the Company or an Affiliate, as applicable, the terms of such employment agreement shall control.

3. **Dividend Equivalents.** In the event that the Company declares and pays a dividend in respect of its outstanding shares of Stock and, on the record date for such dividend, the Participant holds PSUs granted pursuant to this Agreement that have not been settled or forfeited as of such record date, the Company shall pay Dividend Equivalents to the Participant in the form of cash in an amount equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of shares of Stock equal to the Target Number of PSUs, such payment to be made promptly following the date that the Company pays such dividend to its shareholders generally (however, in no event shall such Dividend Equivalents be paid later than 30 days following the date on which the Company pays such dividend). In addition, in the event the number of PSUs that ultimately become vested Earned PSUs pursuant to this Agreement exceeds the Target Number of PSUs (such number of Earned PSUs in excess of the Target Number of PSUs, the “*Excess Payable PSUs*”), then, on the date that the PSUs are settled in accordance with Section 4 (or as soon as administratively practicable thereafter, but in all cases within 60 days following the date such Excess Payable PSUs vest), the Company will pay to the Participant an additional amount in cash equal to the amount of cash dividends the Participant would have received if the Participant was the holder of record, from the Date of Grant until the date of settlement pursuant to Section 4, of a number of shares of Stock equal to the Excess Payable PSUs. Any such amount with respect to Excess Payable PSUs, if any, shall be unfunded, and neither this Section 3 nor any action taken pursuant to or in accordance with this Section 3 shall be construed to create a trust of any kind. No interest will accrue on the Dividend Equivalents between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalents.

4. **Settlement of PSUs.** Subject to the Participant’s continued employment or service through the applicable date specified by the Grant Notice, PSUs that have become Earned PSUs as of the conclusion of the Performance Period shall be settled within 60 days following the conclusion of the Performance Period; *provided, however*, that, (1) upon a Change in Control, Frozen PSUs that do not vest upon an Early Vesting Event will be settled within 60 days following the conclusion of the original Performance Period (subject to your continued employment or service through that date), and (2) upon an Early Vesting Event, the PSUs that have become vested Earned PSUs as of the date of such Early Vesting Event shall be settled within 60 days following such Early Vesting Event; *provided, further*, that in all cases payment shall be made no later than the 15th day of the third month following the end of the Company’s taxable year in which such PSUs are no longer subject to a substantial risk of forfeiture. The Company shall settle each vested Earned PSU, or fraction thereof, by delivering to the Participant one share of Stock, subject to the satisfaction of any tax withholding obligations under Section 5. All shares of Stock issued hereunder shall be delivered either by delivering one or more certificates for such shares to the Participant or by entering such shares in book-entry form, as determined by the Committee in its sole discretion.

5. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award, including without limitation any payment made pursuant to Section 3 of this Agreement, results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award. In order to satisfy obligations for the payment of withholding taxes and other tax obligations related to the issuance of shares, the Company shall reduce the number of shares of Stock deliverable hereunder with respect to the PSUs by a number of shares of Stock up to the number of shares having an aggregate Fair Market Value on the date of withholding that does not exceed the aggregate amount of such obligations determined based on the maximum statutory withholding rates in the Participant’s jurisdiction that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. In the event the Company subsequently determines that the aggregate Fair Market Value of any shares of Stock withheld as payment of any tax withholding obligation is

insufficient to discharge that tax withholding obligation, then the Participant shall pay to the Company, immediately upon the Company's request, the amount of that deficiency. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company, or any of its Affiliates or any of their respective managers, directors, officers, employees or authorized representatives for tax advice or an assessment of such tax consequences.

6. **Non-Transferability.** None of the PSUs, rights to receive Dividend Equivalents or any interest or right therein may be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Stock underlying the PSUs have been issued (or, in the case of Dividend Equivalents, the Dividend Equivalents have been paid in cash), and all restrictions applicable to such shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect against the Company and its Affiliates, except to the extent that such disposition is expressly permitted by the preceding sentence.

7. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Stock hereunder will be subject to compliance with all requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No shares of Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, shares of Stock will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued, (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act, or (c) the Company has attained from any regulatory body having jurisdiction the requisite authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Stock hereunder. As a condition to any issuance of Stock hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance.

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

9. **Full Satisfaction.** Any issuance or transfer of shares of Stock or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder.

10. **No Right to Continued Employment or Awards.** Nothing in the adoption of the Plan, nor the grant of the PSUs thereunder pursuant to the Grant Notice and this Agreement,

shall confer upon the Participant the right to continued employment by the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment at any time. The grant of the PSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future.

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

12. **Entire Agreement; Amendment.** This Agreement, the Grant Notice and the Plan constitute the entire agreement of the parties with regard to the subject matter hereof and contain all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; *provided, however*, that the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance arrangement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement (including, for the avoidance of doubt, the Magnolia Oil & Gas Corporation Executive Severance and Change in Control Plan). Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan.

13. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflicts of law principles thereof.

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

15. **Clawback.** Notwithstanding any provision in this Agreement, the Grant Notice or the Plan to the contrary, to the extent required by (a) applicable law and/or (b) any policy that may be adopted or amended by the Board from time to time, all shares of Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy. For the avoidance of doubt, the Participant acknowledges that Participant is bound by the terms of the Company's Clawback Policy, effective as of October 30, 2023, to the extent Participant qualifies as a "Covered Executive" thereunder, and that the Company may pursue recoupment in accordance with the terms of such policy, including without limitation by seeking recovery of any gains realized on the vesting, exercise, settlement, sale, transfer, or other disposition of PSUs subject to this Award and/or of Stock received with respect thereto.

16. **Severability.** If a court of competent jurisdiction determines that any provision of this Agreement (or any portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of such provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

17. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the PSUs and all rights related thereto granted pursuant to this Agreement are intended to be exempt from the applicable requirements of the Nonqualified Deferred Compensation Rules and shall be limited, construed, and interpreted in accordance with such intent. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the PSUs provided under this Agreement are exempt from or compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules. The Participant's employment or service shall terminate on the date that he or she experiences a "separation from service" as defined under the Nonqualified Deferred Compensation Rules.

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EXHIBIT B

PERFORMANCE SHARE UNIT VESTING CRITERIA AND METHODOLOGY

This Exhibit B to the Grant Notice contains the performance requirements and methodology applicable to the PSUs. Subject to the terms and conditions set forth in the Plan, the Agreement and the Grant Notice, the percentage of the Target Number of PSUs, if any, that become Earned PSUs at the conclusion of the Performance Period, subject to the Participant's continued employment or service through the date on which the PSUs are settled in accordance with Section 4 of the Agreement, will be determined in accordance with this Exhibit B. Capitalized terms used but not defined herein or in the Grant Notice shall have the same meaning assigned to them in the Agreement or the Plan.

A. Performance Criteria

The performance criteria for the PSUs is relative total shareholder return ("**Relative TSR**"), which measures the Company's TSR (as defined below) as compared to the TSR of the following companies (the "**Peer Group**") over the period from [_____, 20__] through [_____, 20__] (the "**Performance Period**"):

- APA Corporation
- Chord Energy Corporation
- Civitas Resources, Inc.
- Coterra Energy Inc.
- CNX Resources Corporation
- Devon Energy Corporation
- EOG Resources, Inc.
- Kosmos Energy Ltd.
- Marathon Oil Corporation
- Matador Resources Company
- Murphy Oil Corporation
- Range Resources Corporation
- SM Energy Company
- Talos Energy Inc.
- Vital Energy, Inc.

Notwithstanding the foregoing, the following events shall be used to adjust the Peer Group in response to changes in the corporate structure of a company in the Peer Group during the Performance Period, unless otherwise determined by the Committee:

1. If a company in the Peer Group is acquired or becomes a private company, in each case, prior to the first anniversary of the commencement of the Performance Period, such company shall be removed from the Peer Group.
2. If a company in the Peer Group is acquired or becomes a private company, in each case, on or after the first anniversary of the commencement of the Performance Period, the TSR of such company shall be measured on the effective date of the consummation of such acquisition.
3. In the event of a merger or other business combination of two Peer Group members (including, without limitation, the acquisition of one Peer Group member, or all or substantially all of its assets, by another Peer Group member), the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Peer Group, provided that the common stock (or similar equity security) of such company is listed or traded on a national securities exchange through the last trading day of the Performance Period.
4. If a company in the Peer Group files for bankruptcy or liquidates due to an insolvency or is delisted, the TSR of such company shall be deemed to be negative 100% (and if multiple members of the Peer Group file for bankruptcy or

liquidate due to an insolvency or are delisted, such members shall be ranked in order of when such bankruptcy or liquidation occurs, with earlier bankruptcies, liquidations and delistings ranking lower than later bankruptcies, liquidations and delistings).

Total shareholder return (“**TSR**”) shall be calculated as the change in stock price plus dividends paid over the Performance Period, assuming that the dividends were reinvested in the applicable company. The stock price at the beginning of the Performance Period will be calculated using the relevant company’s 20 trading-day average closing stock price leading up to, but not including, [_____, 20__]. The stock price at the end of the Performance Period will be calculated using the relevant company’s 20 trading-day average closing stock price leading up to, and including, [_____, 20__].

To determine Relative TSR, the companies in the Peer Group will be arranged by their respective TSR (highest to lowest) excluding the Company. The Company’s percentile rank will be interpolated between the company with the next highest TSR and the company with the next lowest TSR based on the differential between the Company’s TSR and the TSR of such companies.

B. Threshold(s)

No later than 60 days following the end of the Performance Period, the Committee shall certify the Company’s Relative TSR for the Performance Period and, based on the performance so certified, the PSUs shall become Earned PSUs, as follows:

Company Performance Ranking and Payout Schedule

Level	Relative TSR Performance (Percentile Rank vs. Peers)	Earned PSUs (% of Target)*
< Threshold	< 30 th Percentile	0%
Threshold	30 th Percentile	50%
Target	50 th Percentile	100%
Maximum	≥ 80 th Percentile	150%

*The percentage of Target Number of PSUs that become Earned PSUs for performance between the threshold, target and maximum achievement levels shall be calculated using linear interpolation.

Notwithstanding the foregoing, in the event the Company’s TSR over the Performance Period is negative, the percentage of the Target Number of PSUs that become Earned PSUs shall not exceed 100%, regardless of Company’s actual percentile ranking for the Performance Period.

C. Additional Factors or Information Regarding Performance Vesting Methodology

Upon a Change in Control, the PSUs will cease to be subject to the performance goals set forth in [Exhibit B](#) and a number of PSUs equal to the greater of (i) the Target Number of PSUs or (ii) the percentage of the Target Number of PSUs that is deemed to have been earned upon such Change in Control based on actual performance assuming the Performance Period ended on the date of such Change in Control, as determined by the Committee (the “**Frozen PSUs**”), will remaining outstanding and will be deemed to be Earned PSUs and, except as otherwise provided in the Grant Notice, such PSUs shall vest subject to continued employment or service through the conclusion of the original Performance Period.

Consistent with the terms of the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the terms of the Plan or the Agreement, including this Exhibit B shall be within the sole discretion of the Committee, and shall be final, conclusive, and binding upon all persons.

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EXHIBIT C

MAGNOLIA OIL & GAS CORPORATION LONG TERM INCENTIVE PLAN

[SEE ATTACHED]

C-1

PSU

MAGNOLIA OIL & GAS CORPORATION**Subsidiaries**

<u>Company</u>	<u>Jurisdiction of Organization</u>
Magnolia Oil & Gas Holdings LLC	Delaware
Magnolia Oil & Gas Parent LLC	Delaware
Magnolia Oil & Gas Intermediate LLC	Delaware
Magnolia Oil & Gas Operating LLC	Delaware
Magnolia Oil & Gas Finance Corp.	Delaware
MGY Louisiana LLC	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-226795 and 333-232593) on Form S-3 and registration statements (Nos. 333-227722 and 333-256164) on Form S-8 of our reports dated February 15, 2024, with respect to the consolidated financial statements of Magnolia Oil & Gas Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas
February 15, 2024

Exhibit 23.2



909 Fannin St. • Suite 1300
Houston, Texas 77010

713.651.9455
millerandlents.com

February 5, 2024

Magnolia Oil & Gas Corporation
Nine Greenway Plaza
Suite 1300
Houston, TX 77046

Re: Securities and Exchange Commission
Form 10-K of Magnolia Oil & Gas Corporation

Ladies and Gentlemen:

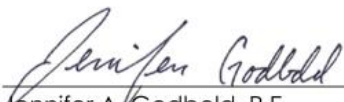
We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-226795 and 333-232593) and Form S-8 (File Nos. 333-227722 and 333-256164) of Magnolia Oil & Gas Corporation of our report dated January 19, 2024, regarding the Magnolia Oil & Gas Corporation Proved Reserves and Future Net Revenues as of December 31, 2023, and of references to our firm which report and references are to be included in the Form 10-K for the year ended December 31, 2023 to be filed by Magnolia Oil & Gas Corporation with the Securities and Exchange Commission.

Miller and Lents, Ltd. has no financial interest in Magnolia Oil & Gas Corporation or in any of its affiliated companies or subsidiaries and is not to receive any such interest as payment for such report. Miller and Lents, Ltd. also has no director, officer, or employee employed or otherwise connected with Magnolia Oil & Gas Corporation. We are not employed by Magnolia Oil & Gas Corporation on a contingent basis.

Very truly yours,

MILLER AND LENTS, LTD.

Texas Registered Engineering Firm No. F-1442


Jennifer A. Godbold, P.E.
Senior Vice President

MAGNOLIA OIL & GAS CORPORATION**POWER OF ATTORNEY**

Each person whose signature appears below hereby constitutes and appoints Christopher Stavros, Timothy Yang, Brian Corales and Marina Kitikar, or any of them, each with power to act without the other, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K of Magnolia Oil & Gas Corporation (the "*Company*") and any or all subsequent amendments and supplements to the Annual Report on Form 10-K, and to file the same, or cause to be filed the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby qualifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Each person whose signature appears below may at any time revoke this power of attorney as to himself or herself only by an instrument in writing specifying that this power of attorney is revoked as to him or her as of the date of execution of such instrument or at a subsequent specified date. This power of attorney shall be revoked automatically with respect to any person whose signature appears below effective on the date he or she ceases to be a member of the Board of Directors or an officer of the Company. Any revocation hereof shall not void or otherwise affect any acts performed by any attorney-in-fact and agent named herein pursuant to this power of attorney prior to the effective date of such revocation. The execution of this power of attorney is not intended to, and does not, revoke any prior powers of attorney.

This power of attorney will be governed by and construed in accordance with the laws of the State of Delaware.

Dated: February 15, 2024

Name

/s/ Christopher Stavros
Christopher Stavros

/s/ Brian Corales
Brian Corales

/s/ Dan F. Smith
Dan F. Smith

/s/ Arcilia C. Acosta
Arcilia C. Acosta

/s/ Angela M. Busch
Angela M. Busch

/s/ Edward P. Djerejian
Edward P. Djerejian

/s/ David M. Khani
David M. Khani

/s/ James R. Larson
James R. Larson

/s/ John B. Walker
John B. Walker

Title

Director, President and Chief Executive Officer
(Principal Executive Officer)

Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Chairman

Director

Director

Director

Director

Director

Director

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher Stavros, Chief Executive Officer of Magnolia Oil & Gas Corporation, certify that:

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

Date: February 15, 2024

By: /s/ Christopher Stavros

**Christopher Stavros
Chief Executive Officer
(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Corales, Chief Financial Officer of Magnolia Oil & Gas Corporation, certify that:

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

Date: February 15, 2024

By: /s/ Brian Corales

Brian Corales
Chief Financial Officer
(Principal 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 Annual Report of Magnolia Oil & Gas Corporation (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Christopher Stavros and Brian Corales, Principal Executive Officer and Principal Financial Officer, respectively, of the Company, certify, in the capacity and on the date indicated below, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my 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.

Date: February 15, 2024

By: /s/ Christopher Stavros

**Christopher Stavros
Chief Executive Officer
(Principal Executive Officer)**

Date: February 15, 2024

By: /s/ Brian Corales

**Brian Corales
Chief Financial Officer
(Principal Financial Officer)**

MAGNOLIA OIL & GAS CORPORATION

CLAWBACK POLICY

1. PURPOSE

Magnolia Oil & Gas Corporation, a Delaware corporation (the “Company”), believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Company’s Board of Directors (the “Board”) has therefore adopted this Clawback Policy (this “Policy”), which is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the rules promulgated thereunder by the Securities and Exchange Commission (“SEC”), and the listing standards of the New York Stock Exchange (“NYSE”) (collectively, the “Clawback Rules”).

2. ADMINISTRATION

This Policy shall be administered by the Compensation Committee of the Board (the “Compensation Committee”). Any determinations made by the Compensation Committee shall be final and binding on all affected individuals.

3. COVERED EXECUTIVES

This Policy applies to the Company’s current and former Executive Officers and such other senior executives or employees who may from time to time be deemed subject to this Policy by the Compensation Committee (collectively, the “Covered Executives”). This Policy shall be binding on and enforceable against all Covered Executives. An “Executive Officer” for purposes of this Policy means each individual who is or was designated as an “officer” of the Company for purposes of Section 16 of the Exchange Act.

4. REQUIRED RECOUPMENT

In the event that the Company is required to prepare an Accounting Restatement, the Compensation Committee will reasonably promptly require recoupment, in accordance with Section 5 of this Policy, of any Overpayment Received by any Covered Executive (a) on or after October 2, 2023, (b) after beginning service as a Covered Executive, (c) who served as a Covered Executive at any time during the performance period for the applicable Incentive-Based Compensation, and (d) during the three (3) completed fiscal years immediately preceding the Accounting Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine (9) months within or immediately following those three (3) completed fiscal years, in any case, whether or not such Covered Executive is serving at the time such Overpayment is required to be repaid to the Company.

For purposes of this Policy, the following capitalized terms have the meanings given below:

“Accounting Restatement” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) to correct errors that are not material to previously issued financial statements but would result in a material misstatement if the error correction was recognized in the current period or the errors were left uncorrected in the current report.

“Accounting Restatement Date” means the date on which the Company is required to prepare an Accounting Restatement, which is the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes or reasonably should have concluded that the Company’s previously issued financial

statements contain a material error; or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

“Financial Reporting Measure” means: (i) any measure that is determined and presented in accordance with the accounting principles used in preparing financial statements, or any measure derived wholly or in part from such measure, or (ii) stock price and total shareholder return. Financial Reporting Measures include, but are not limited to: revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization (EBITDA); funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such Financial Reporting Measures relative to a peer group, where the Company’s Financial Reporting Measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC.

“Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, but not limited to: (i) non-equity incentive plan awards that are earned solely or in part by satisfying a Financial Reporting Measure performance goal; (ii) bonuses paid from a bonus pool, where the size of the pool is determined solely or in part by satisfying a Financial Reporting Measure performance goal; (iii) other cash awards based on satisfaction of a Financial Reporting Measure performance goal; (iv) restricted stock, restricted stock units, stock options, stock appreciation rights, and performance share units that are granted or vest solely or in part based on satisfaction of a Financial Reporting Measure performance goal; and (v) proceeds from the sale of shares acquired through an incentive plan that were granted or vested solely or in part based on satisfaction of a Financial Reporting Measure performance goal. Compensation that would not be considered Incentive-Based Compensation includes, but is not limited to: (i) salaries; (ii) bonuses paid solely based on satisfaction of subjective standards, such as demonstrating leadership, and/or completion of a specified employment period; (iii) non-equity incentive plan awards earned solely based on satisfaction of strategic or operational measures; (iv) wholly time-based equity awards; and (v) discretionary bonuses or other compensation that is not paid from a bonus pool that is determined by satisfying a Financial Reporting Measure performance goal.

“Overpayment” means the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts. The amount of any Overpayment must be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Accounting Restatement, the Overpayment amount must be determined based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

“Received” means, with respect to any Incentive-Based Compensation, actual or deemed receipt, and Incentive-Based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the vesting, payment or grant of the Incentive-Based Compensation occurs after the end of that period.

5. METHOD OF RECOUPMENT

The Compensation Committee shall provide each Covered Executive with a written notice containing the amount of any Overpayment and a demand for recoupment. The Compensation

Committee will determine, in its sole discretion, the method or methods for recouping any Overpayment hereunder, which may include, without limitation:

- requiring reimbursement of cash Incentive-Based Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards granted as Incentive-Based Compensation;
- offsetting any or all of the Overpayment from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and/or
- taking any other remedial or recovery action permitted by law, as determined by the Compensation Committee.

6. LIMITATION ON RECOVERY; NO ADDITIONAL PAYMENTS

The right to recovery will be limited to Overpayments Received during the three (3) completed fiscal years prior to the Accounting Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine (9) months within or immediately following those three (3) completed fiscal years. In no event shall the Company be required to award Covered Executives an additional payment if the restated or accurate financial results would have resulted in a higher Incentive-Based Compensation payment.

7. NO INDEMNIFICATION

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive-Based Compensation.

8. INTERPRETATION

The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of the Clawback Rules.

9. EFFECTIVE DATE

This Policy shall be effective as of October 30, 2023, the date it is adopted by the Board (the "Effective Date") and shall apply to Incentive-Based Compensation (including Incentive-Based Compensation granted pursuant to arrangements existing prior to the Effective Date). Notwithstanding the foregoing, this Policy shall only apply to Incentive-Based Compensation Received on or after October 2, 2023, which is the effective date of Section 303A.14 of the NYSE Listed Company Manual. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Clawback Rules.

10. AMENDMENT; TERMINATION

The Board may amend this Policy from time to time in its discretion. The Board may terminate this Policy at any time.

11. OTHER RECOUPMENT RIGHTS

The Board intends that this Policy will be applied to the fullest extent of the law. The Compensation Committee may require that any employment or service agreement, cash-based bonus

plan or program, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, cash-based bonus plan or program, or similar agreement and any other legal remedies available to the Company.

12. IMPRACTICABILITY

The Compensation Committee shall recover any Overpayment in accordance with this Policy except to the extent that the Compensation Committee determines such recovery would be impracticable because:

- The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (provided the Company has made a reasonable attempt to recover such Overpayment, has documented such reasonable attempt(s) to recover, and has provided that documentation to the NYSE); or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

13. SUCCESSORS

This Policy will be binding upon and inure to the benefit of the successors and assigns of the Company. This Policy will be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.



909 Fannin St. • Suite 1300
Houston, Texas 77010

713.651.9455
millerandlents.com

January 19, 2024

Mr. Peter Corbeil
Director, Reserves
Magnolia Oil & Gas Operating LLC
Nine Greenway Plaza, Suite 1300
Houston, Texas 77046

Re: Magnolia Oil & Gas Operating LLC
Proved Reserves and Future Net Revenues
As of December 31, 2023
SEC Reserves Case

Mr. Corbeil:

At your request, Miller and Lents, Ltd. (M&L) performed an evaluation of the proved reserves and future net revenues attributable to interests owned by Magnolia Oil & Gas Operating LLC (Magnolia) as of December 31, 2023. This report was prepared for use by Magnolia in its annual financial and reserves reporting and was completed on January 19, 2024. M&L's estimates, shown below, are in accordance with the definitions contained in Securities and Exchange Commission (SEC) Regulation S-X, Rule 4-10(a). The total proved reserves reviewed by M&L and reported herein represent 100 percent of the total proved reserves reported by Magnolia. The combined results of M&L's evaluation using constant pricing and costs are as follows:

Reserves and Future Net Revenues as of December 31, 2023

Reserves Category	Net Reserves			Future Net Revenues	
	Oil and	Gas	NGL	Undisc.	Disc. at 10% Per Year
	Cond.				
Proved Developed Producing	60,816	226,680	36,026	3,574,353	2,432,539
Proved Developed Nonproducing	401	524	61	25,247	20,229
Total Proved Developed	61,216	227,204	36,087	3,599,600	2,452,768
Proved Undeveloped	11,043	73,441	11,342	615,794	384,531
Total Proved	72,259	300,644	47,429	4,215,394	2,837,298

Oil and condensate volumes are expressed in thousand barrels (MBBL). Gas volumes are expressed in million cubic feet (MMCF). NGL volumes are expressed in thousand barrels. Future net revenues are expressed in thousand dollars (M\$).

All reserves discussed herein were estimated for properties located within the Continental United States. The various properties are located in Central Texas, mainly in the Austin Chalk and Georgetown formations, and in South Texas, mainly in the Eagle Ford and Austin Chalk formations.



Definitions

The reserves reported herein were estimated in accordance with the definitions and regulations contained in Title 17 of the Code of Federal Regulations, Modernization of Oil and Gas Reporting: Final Rule, released January 2009. This includes Regulation S-X, Rule 4-10, as well as the regulations specified under Subpart 1200 of Regulation S-K. The estimates in this report further conform to the Financial Accounting Standards Board Accounting Standards Codification Topic 932, Extractive Activities – Oil and Gas, pertaining to oil and gas reserves estimation and disclosures, amended in January 2010.

Gross volumes as used herein are defined as full wellstream volumes as produced in the field. Net volumes are defined as the portion of the gross volumes attributable to the interests of Magnolia and are reported at the terminal point.

Future net revenues as used herein are defined as the net product revenues less net operating expenses, net taxes, net abandonment expenses, and net capital. The net product revenues are determined from the net volumes and average prices after accounting for quality differential. Future net revenues do not include deductions for either federal or local income taxes. The future net revenues were discounted at 10 percent per year (hereafter "discounted future net revenues") to illustrate the time value of future cash flows. Estimates of future net revenues and discounted future net revenues are not intended and should not be interpreted to represent fair market values for the estimated volumes or reserves.

Reserves for all categories are considered to be economic for development if undiscounted future net revenues are positive.

Economic Considerations

The average prices employed in this evaluation are based on a benchmark West Texas Intermediate (WTI) Price of \$78.22 per barrel of oil, a benchmark Henry Hub Spot Price of \$2.64 per MMBTU of gas, and a benchmark Mont Belvieu NGL Basket Spot Price of \$27.87 per barrel of NGL. Magnolia represented these prices to be in accordance with SEC guidelines as the unweighted arithmetic 12-month average of the first-day-of-the-month price for each month within the 12-month period prior to December 31, 2023. Differentials were calculated by Magnolia based on the monthly average price received and the monthly average historical benchmark prices, and were applied on a constant \$/BBL basis for oil and NGL volumes and a constant \$/MMBTU basis for gas. The average prices used for proved reserves, after appropriate adjustments, were \$77.97 per barrel of oil, \$1.59 per MCF of gas, and \$20.75 per barrel of NGL. These average prices are multiplied by the forecast net volumes to calculate net product revenues, as reported herein.

The future net revenues reported herein are computed based on operating expenses, capital expenditures, development schedules, and average prices provided by Magnolia. Future costs of abandoning facilities and wells, as provided by Magnolia, were included in the evaluation; total abandonment costs were partially offset by salvage values. The net abandonment expenses as shown in the calculation of future net revenues include abandonment costs for the wells contributing to the net product revenues contained in this report; abandonment expenses for uneconomic wells were not included in the cash flows as presented herein.

M&L's estimates include no adjustments for production prepayments, exchange agreements, gas balancing, or similar arrangements. No information concerning these matters was provided to M&L, and it has made no investigations of these matters as such was beyond the scope of this evaluation.



Reserves Considerations

Reserves were estimated using standard geologic and engineering methods generally accepted by the petroleum industry. Estimates of ultimate recovery were derived either from decline extrapolations or from application of recovery factors to the in place volumes. Reserves were calculated by subtracting historical production from the ultimate recovery and further assigning the volumes to the appropriate reserves category.

Proved developed producing reserves and production forecasts were estimated by production decline extrapolations, analogous well performance, material balance calculations, and/or volumetric calculations. Production declines were extrapolated to economic limits based on application of appropriate economic parameters. Extrapolations of future performance are based, whenever possible, upon the average performance trend of active wells during periods of stable field activity.

Proved developed nonproducing reserves can be produced from existing wellbores but require capital costs for activities such as recompletion, stimulation, or restoration. In this case, the estimates of reserves and producing rates are typically based on volumetric calculations and/or analogies with other wells that commercially produce from analogous formations.

Proved undeveloped reserves require significant capital expenditures, such as well costs for development drilling and completion. Proved undeveloped reserves are expected to be produced from undeveloped portions of known reservoirs that have been adequately defined by wells. All proved undeveloped reserves reported herein are scheduled to be developed in the year 2024.

Gas volumes were estimated at the appropriate pressure base and temperature base that are established for each well or field by the applicable sales contract or regulatory body. Total gas reserves were obtained by summation of the reserves for all the individual properties and may therefore be stated herein at a mixed pressure base.

Other Considerations

In conducting this evaluation, M&L relied upon, without independent verification, Magnolia's representation of (1) ownership interests, (2) production histories, (3) accounting and cost data, (4) geological, geophysical, and engineering data, and (5) development schedules. These data were accepted as represented and were considered appropriate for the purpose of this report. To a lesser extent, nonproprietary data existing in the files of M&L, and data obtained from commercial services were used. M&L employed all methods, procedures, and assumptions considered necessary in utilizing the data provided to prepare the report.

The evaluations presented in this report, with the exceptions of those parameters specified by others, reflect M&L's informed judgments and are subject to inherent uncertainties associated with interpretation of geological, geophysical, and engineering information. These uncertainties include, but are not limited to (1) the utilization of analogous or indirect data and (2) the application of professional judgments. Government policies and market conditions different from those employed in this study may cause (1) the total quantity of hydrocarbons to be recovered, (2) actual production rates, (3) prices received, or (4) operating and capital costs to vary from those presented in this report. At this time, M&L is not aware of any regulations that would affect Magnolia's ability to recover the estimated reserves. Minor precision inconsistencies may exist in the report due to truncation or rounding of aggregated values.



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Magnolia Oil & Gas Operating LLC
January 19, 2024

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Very truly yours,

MILLER AND LENTS, LTD.
Texas Registered Engineering Firm No. F-1442


Jennifer A. Godbold, P.E.
Senior Vice President



