



**Part II** Organizational Action *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached.](#)

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**18** Can any resulting loss be recognized? ▶ [See attached.](#)

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attached.](#)

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**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**ATTACHMENT TO FORM 8937**

**Form 8937, Part II Box 9:**

<u>Earthstone Energy, Inc.</u> Class A common stock	<u>Permian Resources Corporation</u> Class A common stock
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**Form 8937, Part II Box 10:**

<u>Earthstone Energy, Inc.</u> Class A common stock (27032D304)	<u>Permian Resources Corporation</u> Class A common stock (71424F105)
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**Form 8937, Part II Box 12:**

<u>Earthstone Energy, Inc.</u> Class A common stock (ESTE)	<u>Permian Resources Corporation</u> Class A common stock (PR)
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**Form 8937, Part II Box 14:**

The parties to the organizational action include Permian Resources Corporation (“**Permian Resources**”); Permian Resources Operating, LLC (“**Permian Resources OpCo**”); Smits Merger Sub I, Inc. (“**Merger Sub I**”), a wholly owned subsidiary of Permian Resources; Earthstone Energy, LLC (f/k/a Smits Merger Sub II, LLC) (“**Merger Sub II**”), a wholly owned subsidiary of Permian Resources; Earthstone Energy, Inc. (“**Earthstone**”); and Earthstone Energy Holdings, LLC (“**Earthstone OpCo**”).

On November 1, 2023, Merger Sub I merged with and into Earthstone, with Earthstone surviving as a wholly owned subsidiary of Permian Resources (the “**Initial Company Merger**”). On the same day, following the Initial Company Merger, Earthstone merged with and into Merger Sub II, with Merger Sub II surviving as a wholly owned subsidiary of Permian Resources (the “**Subsequent Company Merger**”). The Subsequent Company Merger, together with the Initial Company Merger, are referred to as the “**Company Mergers**”. On the same day, following the Subsequent Company Merger, Earthstone OpCo merged with and into Permian Resources OpCo (the “**OpCo Merger**”), with Permian Resources OpCo continuing its existence as the surviving operating company following the OpCo Merger.

Pursuant to the Company Mergers, each outstanding share of Earthstone Class A common stock was converted into the right to receive 1.446 shares of Permian Resources Class A common stock, with cash paid in lieu of the issuance of any fractional shares. In addition, each outstanding share of Earthstone Class A common stock became entitled to receive a distribution in the amount of \$0.1446 per share of Earthstone Class A common stock (the “**Pre-Closing Dividend**”).

This attachment to Form 8937 is applicable to U.S. holders of Earthstone Class A common stock who exchanged such stock for Permian Resources Class A common stock pursuant to the Company Mergers. For purposes of this attachment, the term “U.S. holder” has the meaning assigned in the registration statement on Form S-4 (File No. 333-274355) initially filed by Permian Resources on September 6, 2023 (including the joint proxy statement/prospectus forming a part thereof, the “**Form S-4**”).<sup>1</sup> The information contained herein does not constitute tax advice and this attachment does not purport to address all aspects of U.S. federal income taxation that may be relevant to particular U.S. holders or to U.S. holders that are subject to special treatment under the U.S. federal income tax laws, as described in the Form S-4. Further discussion of the material U.S. federal income tax consequences of the Company Mergers can be found in the Form S-4, under the heading “Material U.S. Federal Income Tax Consequences of the Company Mergers”, beginning on page 129 of the Form S-4.

### **Form 8937, Part II Box 15:**

The Company Mergers, taken together, are intended to qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”). No ruling from the Internal Revenue Service has been requested or is intended to be obtained as to the U.S. federal income tax consequences of the Company Mergers.

Although not free from doubt, Permian Resources expects the Pre-Closing Dividend received by a U.S. holder of shares of Earthstone Class A common stock to be treated for U.S. federal income tax purposes as consideration received in connection with the exchange of such U.S. holder’s shares of Earthstone Class A common stock pursuant to the Company Mergers. As further described in the Form S-4, however, it is possible that the Pre-Closing Dividend could be characterized as a distribution by either of Earthstone (prior to the Company Mergers) or Permian Resources (after the Company Mergers). U.S. holders of shares of Earthstone Class A common stock are urged to review the Form S-4 for further discussion of the Pre-Closing Dividend.

Assuming that the Company Mergers and Pre-Closing Dividend are treated as described above:

- a U.S. holder of shares of Earthstone Class A common stock generally will recognize gain, but not loss, equal to the lesser of (i) the excess, if any, of (A) the sum of the fair market value of the Permian Resources Class A common stock received by such U.S. holder pursuant to the Company Mergers (including any fractional share of Permian Resources Class A common stock deemed received and treated as exchanged for cash, as discussed below) and the amount of cash received by such U.S. holder pursuant to the Pre-Closing Dividend over (B) the U.S. holder’s tax basis in the shares of Earthstone Class A common stock surrendered in the Company Mergers, and (ii) the amount of cash received by such U.S. holder pursuant to the Pre-Closing Dividend; and
- the aggregate tax basis of the shares of Permian Resources Class A common stock received by a U.S. holder of Earthstone Class A common stock pursuant to the Company Mergers (including any fractional share of Permian Resources Class A common stock deemed received

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<sup>1</sup> The Form S-4 is available at:  
<https://www.sec.gov/Archives/edgar/data/10254/000119312523241634/d460039ddefm14a.htm>.

and treated as exchanged for cash, as discussed below) generally will equal the aggregate adjusted tax basis of such U.S. holder's shares of Earthstone Class A common stock exchanged for such Permian Resources Class A common stock, increased by the amount of gain recognized and decreased by the amount of cash received pursuant to the Pre-Closing Dividend.

If a U.S. holder of shares of Earthstone Class A common stock acquired different blocks of Earthstone Class A common stock at different times or at different prices, such U.S. holder's basis in its shares of Permian Resources Class A common stock may be determined separately with reference to each block of Earthstone Class A common stock.

A U.S. holder of shares of Earthstone Class A common stock who received cash in lieu of a fractional share of Permian Resources Class A common stock generally will be treated as having received such fractional share pursuant to the Company Mergers and then as having exchanged such fractional share of Permian Resources Class A common stock for cash. As a result, such U.S. holder generally will recognize gain or loss equal to the difference between the amount of cash received in lieu of such fractional share and the portion of the U.S. holder's aggregate adjusted tax basis in its Earthstone Class A common stock surrendered that is allocated to such fractional share of Permian Resources Class A common stock.

**Form 8937, Part II Box 16:**

As discussed in the response to Box 15, the calculation of the tax basis in the Permian Resources Class A common stock received pursuant to the Company Mergers is dependent on the tax basis in the Earthstone Class A common stock surrendered, the total amount of the Pre-Closing Dividend received and the fair market value of the Permian Resources Class A common stock received. U.S. federal income tax law does not specifically identify how U.S. holders should determine the fair market value of the Permian Resources Class A common stock for this purpose. There are various possible methods of measuring the fair market value, including the opening trading price, the closing trading price or the average of the highest and lowest quoted trading prices of Permian Resources Class A common stock on November 1, 2023, the date of the Company Mergers.

The average of the highest and lowest quoted trading prices of Permian Resources Class A common stock on the NYSE on November 1, 2023 was \$14.44. Since there can be no assurance regarding the method by which the Internal Revenue Service will measure the fair market value of Permian Resources Class A common stock, U.S. holders are urged to consult their own tax advisors regarding how to calculate the tax basis in the Permian Resources Class A common stock received pursuant to the Company Mergers.

**Form 8937, Part II Box 17:**

The applicable Code sections and subsections upon which the tax treatment is based are as follows: 354, 356, 358, 368(a), 1001, and 1221.

**Form 8937, Part II Box 18:**

The Company Mergers are intended to qualify as a reorganization under Section 368(a) of the Code. As described in the response to box 15, if the Company Mergers are respected as a

reorganization, a U.S. holder of Earthstone Class A common stock will not recognize any loss upon receipt of Permian Resources Class A common stock pursuant to the Company Mergers, except with respect to any cash received in lieu of a fractional share of Permian Resources Class A common stock. A U.S. holder that received cash in lieu of a fractional share of Permian Resources Class A common stock generally will be treated as having received such fractional share pursuant to the Company Mergers and then as having exchanged such fractional share of Permian Resources Class A common stock for cash, and may recognize loss as a result of such exchange.

**Form 8937, Part II Box 19:**

The Company Mergers were effective on November 1, 2023. Therefore, the reportable tax year is the year of the U.S. holder that includes such date.