

Statement from PennEnergy Resources, LLC

CRANBERRY TWP., Pa. – December 10, 2024 – Following a period of cooperative negotiation, PennEnergy Resources (“PennEnergy” or “the Company”) voluntarily entered into a Consent Decree with the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Justice (DOJ) to resolve alleged Clean Air Act violations related to natural gas production facilities acquired by the Company in 2018.

PennEnergy is pleased to have reached mutually-acceptable terms and conditions, which avoids litigation. This Consent Decree settles the alleged violations that were observed during inspections of 16 well pads by EPA in October of 2018 – the subject assets were acquired by the Company from another operator roughly two (2) weeks prior to the EPA inspections and before PennEnergy had the opportunity to take action to bring them up to the Company’s high operational and environmental performance standards.

In connection with the Consent Decree, PennEnergy agreed to:

- (1) pay a \$2 million civil penalty;
- (2) implement additional strict operational, monitoring, recordkeeping and reporting requirements far beyond the codified regulatory baseline; and
- (3) retrofit over 200 natural gas-driven pneumatic controllers to zero-emission devices, further reducing volatile organic compound (VOC) and greenhouse gas (GHG) emissions associated with PennEnergy’s natural gas production operations.

The compliance and mitigation measures included within the Consent Decree align with PennEnergy’s existing best-in-class air quality programs and [core value of environmental stewardship](#), complementing our goal of continuous improvement related to air quality and emissions management.

To learn more about PennEnergy’s commitment to operational excellence and environmental stewardship, and specifically air quality, please review the Company’s latest sustainability report: pennenergyresources.com/sustainability.

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