

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

FORM 10-Q

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

For the quarterly period ended June 30, 2025

OR

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

Commission file number 001-15555

Riley Exploration Permian, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
29 E. Reno Avenue, Suite 500 Oklahoma City, Oklahoma
(Address of Principal Executive Offices)

87-0267438
(I.R.S. Employer Identification No.)
73104
(Zip Code)

Registrant's telephone number, including area code: (405) 415-8699

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001	REPX	NYSE American

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

The total number of shares of common stock, par value \$0.001 per share, outstanding as of August 1, 2025, was 22,042,244.

RILEY EXPLORATION PERMIAN, INC.
FORM 10-Q
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025
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DEFINITIONS

As used in this Quarterly Report on Form 10-Q (the "Quarterly Report"), unless otherwise noted or the context otherwise requires, we refer to Riley Exploration Permian, Inc., together with its consolidated subsidiaries, as "Riley Permian," "REPX," "the Company," "Registrant," "we," "our," or "us." In addition, this Quarterly Report includes certain terms commonly used in the oil and natural gas industry, and the following are abbreviations and definitions of certain terms used within this Quarterly Report:

Measurements.	
<i>Bbl</i>	One barrel or 42 U.S. gallons liquid volume of oil or other liquid hydrocarbons
<i>Boe</i>	One stock tank barrel equivalent of oil, calculated by converting gas volumes to equivalent oil barrels at a ratio of 6 thousand cubic feet of gas to 1 barrel of oil and by converting NGL volumes to equivalent oil barrels at a ratio of 1 barrel of NGL to 1 barrel of oil
<i>Boe/d</i>	Stock tank barrel equivalent of oil per day
<i>Btu</i>	British thermal unit. One British thermal unit is the amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit
<i>MBbl</i>	One thousand barrels of oil or other liquid hydrocarbons
<i>MBoe</i>	One thousand Boe
<i>MBoe/d</i>	One thousand Boe per day
<i>Mcf</i>	One thousand cubic feet of gas
<i>MMBtu</i>	One million British thermal units
<i>MMcf</i>	One million cubic feet of gas
Abbreviations.	
<i>ARO</i>	Asset Retirement Obligation
<i>ATM</i>	At-the-market equity sales program
<i>CODM</i>	Chief Operating Decision Maker as defined by the FASB under the Accounting Standards Codification 280. Together, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Chief Accounting Officer form a collaborative team that functions as the CODM.
<i>Credit Facility</i>	A credit agreement among Riley Exploration - Permian, LLC, as borrower, and Riley Exploration Permian, Inc, as parent guarantor, with Truist Bank and certain lenders party thereto, as amended
<i>ERCOT</i>	Electric Reliability Council of Texas
<i>FASB</i>	Financial Accounting Standards Board
<i>NGL</i>	Natural gas liquids
<i>NYMEX</i>	New York Mercantile Exchange
<i>NYSE</i>	New York Stock Exchange
<i>Oil</i>	Crude oil and condensate
<i>OPEC+</i>	Organization of the Petroleum Exporting Countries ("OPEC") members and non-OPEC allies
<i>RRC</i>	Railroad Commission of Texas
<i>SEC</i>	Securities and Exchange Commission
<i>Senior Notes</i>	The Company's unsecured 10.5% senior notes due April 2028
<i>U.S. GAAP</i>	Accounting principles generally accepted in the United States of America
<i>WTI</i>	West Texas Intermediate

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains "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. All statements, other than statements of historical fact, contained in this Quarterly Report that include information concerning our possible or assumed future results of operations, business strategies, need for financing, competitive position and potential growth opportunities represent management's beliefs and assumptions based on currently available information and they do not consider the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "intends," "may," "should," "anticipates," "expects," "could," "plans," "estimates," "projects," "targets" or comparable terminology or by discussions of strategy or trends. Such statements by their nature involve risks and uncertainties that could significantly affect expected results, and actual future results could differ materially from those described in such forward-looking statements.

Among the factors that could cause actual future results to differ materially are the risks and uncertainties discussed under "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II, Item 1A. Risk Factors" in this Quarterly Report and "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report"). We continue to face many risks and uncertainties including, but not limited to:

- the volatility of oil, natural gas and NGL prices;
- regional supply and demand factors, any delays, curtailment delays or interruptions of production, and any governmental order, rule or regulation that may impose production limits;
- cost and availability of gathering, pipeline, refining, transportation, power and other midstream and downstream activities, which could result in a prolonged shut-in of our wells that may adversely affect our reserves, financial condition and results of operations;
- severe weather and other risks that lead to a lack of any available markets;
- our ability to successfully complete mergers, acquisitions or divestitures;
- the inability or failure of the Company to successfully integrate the acquired assets into our operations and development activities;
- the potential delays in the development, construction or start-up of planned projects;
- failure to realize any of the anticipated benefits of our joint ventures or other equity investments;
- risks relating to our operations, including development drilling and testing results and performance of acquired properties and newly drilled wells;
- inability to prove up undeveloped acreage and maintain production on leases;
- any reduction in our borrowing base on our Credit Facility from time to time and our ability to repay any excess borrowings as a result of such reduction;
- the impact of our derivative strategy and the results of future settlement;
- our ability to comply with the financial covenants contained in our Credit Facility and in our Senior Notes;
- changes in general economic, business or industry conditions, including changes in inflation rates, interest rates and foreign currency exchange rates;
- conditions in the capital, financial and credit markets and our ability to obtain capital needed to fund our exploration and development and midstream project on favorable terms or at all;
- the loss of certain tax deductions;
- risks associated with executing our business strategy, including any changes in our strategy;
- risks associated with concentration of operations in one major geographic area;
- legislative or regulatory changes, including initiatives related to hydraulic fracturing, regulation of greenhouse gases, water conservation, seismic activity, weatherization, or protection of certain species of wildlife, or of sensitive environmental areas;
- the ability to receive drilling and other permits or approvals and rights-of-way in a timely manner (or at all), which may be restricted by governmental regulation and legislation;
- restrictions on the use of water, including limits on the use of produced water and a moratorium on new produced water well permits recently imposed by the RRC in an effort to control induced seismicity in the Permian Basin;
- changes in government environmental policies and other environmental risks;

- the availability of drilling equipment and the timing of production;
- tax consequences of business transactions;
- public health crises, such as pandemics and epidemics, and any related government policies and actions and the effects of such public health crises on the oil and natural gas industry, pricing and demand for oil and natural gas and supply chain logistics;
- general domestic and international economic, market and political conditions, including military conflicts, global economic growth, unpredictability of new tariffs, actions of OPEC+ countries and changes to the current political environment under the new administration;
- risks related to litigation; and
- cybersecurity threats, technology system failures and data security issues.

In light of such risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date of this Quarterly Report, or if earlier, as of the date they were made. We do not intend to, and disclaim any obligation to, update or revise any forward-looking statements unless required by securities law.

Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

RILEY EXPLORATION PERMIAN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2025	December 31, 2024
	(In thousands, except share amounts)	
Assets		
Current Assets:		
Cash	\$ 14,026	\$ 13,124
Accounts receivable, net	35,295	44,411
Prepaid expenses	2,828	1,592
Inventory	3,685	5,734
Current derivative assets	11,160	3,264
Total Current Assets	66,994	68,125
Oil and natural gas properties, net (successful efforts)	867,218	860,797
Other property and equipment, net	40,744	30,477
Non-current derivative assets	—	585
Equity method investment	28,813	22,811
Funds held in escrow	14,201	—
Other non-current assets, net	15,597	10,706
Total Assets	\$ 1,033,567	\$ 993,501
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$ 9,231	\$ 13,937
Accrued liabilities	31,198	33,918
Revenue payable	32,799	34,786
Current derivative liabilities	12	—
Current portion of long-term debt	20,000	20,000
Other current liabilities	11,535	20,123
Total Current Liabilities	104,775	122,764
Non-current derivative liabilities	1,109	414
Asset retirement obligations	33,592	32,706
Long-term debt	255,191	249,494
Deferred tax liabilities	79,587	76,547
Other non-current liabilities	2,432	961
Total Liabilities	476,686	482,886
Commitments and Contingencies (Note 15)		
Shareholders' Equity:		
Preferred stock, \$0.0001 par value, 25,000,000 shares authorized; 0 shares issued and outstanding	—	—
Common stock, \$0.001 par value, 240,000,000 shares authorized; 22,045,608 and 21,482,555 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	22	21
Additional paid-in capital	313,908	310,232
Retained earnings	242,951	200,362
Total Shareholders' Equity	556,881	510,615
Total Liabilities and Shareholders' Equity	\$ 1,033,567	\$ 993,501

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

RILEY EXPLORATION PERMIAN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands, except per share amounts)				
Revenues:				
Oil and natural gas sales, net	\$ 85,394	\$ 105,343	\$ 187,851	\$ 204,767
Contract services - related parties	—	60	—	380
Total Revenues	85,394	105,403	187,851	205,147
Costs and Expenses:				
Lease operating expenses	18,880	16,492	37,211	33,261
Production and ad valorem taxes	6,126	7,174	12,796	14,405
Exploration costs	47	60	56	64
Depletion, depreciation, amortization and accretion	19,563	17,470	38,701	35,249
Impairment of oil and natural gas properties	1,214	—	1,214	—
General and administrative:				
Administrative costs	6,199	6,644	13,637	11,983
Share-based compensation expense	2,685	3,281	4,054	4,973
Cost of contract services - related parties	—	—	—	363
Transaction costs	1,926	670	1,926	670
Total Costs and Expenses	56,640	51,791	109,595	100,968
Income from Operations	28,754	53,612	78,256	104,179
Other Income (Expense):				
Interest expense, net	(7,171)	(8,857)	(13,832)	(17,924)
Gain (loss) on derivatives, net	18,720	(359)	12,870	(17,436)
Loss from equity method investment	(129)	(192)	(248)	(25)
Total Other Income (Expense)	11,420	(9,408)	(1,210)	(35,385)
Net Income from Operations before Income Taxes	40,174	44,204	77,046	68,794
Income tax expense	(9,704)	(10,656)	(17,943)	(16,488)
Net Income	\$ 30,470	\$ 33,548	\$ 59,103	\$ 52,306
Net Income per Share:				
Basic	\$ 1.44	\$ 1.61	\$ 2.80	\$ 2.57
Diluted	\$ 1.44	\$ 1.59	\$ 2.80	\$ 2.55
Weighted Average Common Shares Outstanding:				
Basic	21,141	20,866	21,126	20,378
Diluted	21,158	21,087	21,135	20,539

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

RILEY EXPLORATION PERMIAN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands)

Shareholders' Equity						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity	
	Shares	Amount				
Balance, December 31, 2024	21,483	\$ 21	\$ 310,232	\$ 200,362	\$ 510,615	
Share-based compensation expense	404	—	1,369	—	1,369	
Repurchased shares for tax withholding	(2)	—	(72)	—	(72)	
Dividends declared	—	—	—	(8,162)	(8,162)	
Net income	—	—	—	28,633	28,633	
Balance, March 31, 2025	21,885	\$ 21	\$ 311,529	\$ 220,833	\$ 532,383	
	Three Months Ended June 30, 2025	Three Months Ended June 30, 2025	Three Months Ended June 30, 2025	Three Months Ended June 30, 2025		
Share-based compensation expense	171	—	2,684	—	2,685	
Repurchased shares for tax withholding	(10)	—	(305)	—	(305)	
Dividends declared	—	—	—	(8,352)	(8,352)	
Net income	—	—	—	30,470	30,470	
Balance, June 30, 2025	22,046	\$ 22	\$ 313,908	\$ 242,951	\$ 556,881	

Shareholders' Equity						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity	
	Shares	Amount				
Balance, December 31, 2023	20,405	\$ 20	\$ 279,112	\$ 142,463	\$ 421,595	
Share-based compensation expense	—	—	1,692	—	1,692	
Repurchased shares for tax withholding	(5)	—	(106)	—	(106)	
Dividends declared	—	—	—	(7,329)	(7,329)	
Net income	—	—	—	18,758	18,758	
Balance, March 31, 2024	20,400	\$ 20	\$ 280,698	\$ 153,892	\$ 434,610	
Share-based compensation expense	147	—	3,281	—	3,281	
Repurchased shares for tax withholding	(2)	—	(52)	—	(52)	
Issuance of common shares, net	1,015	1	25,414	—	25,415	
Dividends declared	—	—	—	(7,770)	(7,770)	
Net income	—	—	—	33,548	33,548	
Balance, June 30, 2024	21,560	\$ 21	\$ 309,341	\$ 179,670	\$ 489,032	

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

RILEY EXPLORATION PERMIAN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
	(In thousands)	
Cash Flows from Operating Activities:		
Net income	\$ 59,103	\$ 52,306
Adjustments to reconcile net income to net cash provided by operating activities:		
Exploratory well costs and lease expirations	10	—
Depletion, depreciation, amortization and accretion	38,701	35,249
Impairment of oil and natural gas properties	1,214	—
(Gain) loss on derivatives, net	(12,870)	17,436
Settlements on derivative contracts	6,266	(1,725)
Amortization of deferred financing costs and discount	2,373	2,632
Share-based compensation expense	4,054	4,973
Deferred income tax expense	3,040	5,073
Loss from equity method investment	248	25
Other	(8)	(42)
Changes in operating assets and liabilities		
Accounts receivable, net	9,116	(6,951)
Prepaid expenses	(1,281)	(186)
Inventory	(1,989)	442
Other non-current assets, net	(1,154)	(302)
Accounts payable and accrued liabilities	(10,243)	(2,665)
Revenue payable	(1,987)	1,931
Other current liabilities	(10,572)	(430)
Net Cash Provided by Operating Activities	84,021	107,766
Cash Flows from Investing Activities:		
Additions to oil and natural gas properties	(40,938)	(53,926)
Additions to midstream property and equipment	(6,294)	—
Additions to other property and equipment	(636)	(430)
Acquisitions of oil and natural gas properties	(2,138)	(18,138)
Contributions to equity method investment	(6,250)	(15,162)
Funds held in escrow	(14,201)	—
Net Cash Used in Investing Activities	(70,457)	(87,656)
Cash Flows from Financing Activities:		
Deferred financing costs	(164)	(69)
Proceeds from Credit Facility	30,000	15,000
Repayments under Credit Facility	(16,000)	(40,000)
Repayments of Senior Notes	(10,000)	(10,000)
Payment of common share dividends	(16,121)	(14,707)
Proceeds from issuance of common shares, net	—	25,415
Common stock repurchased for tax withholding	(377)	(158)
Net Cash Used in Financing Activities	(12,662)	(24,519)
Net Increase (Decrease) in Cash	902	(4,409)
Cash, Beginning of Period	13,124	15,319
Cash, End of Period	\$ 14,026	\$ 10,910

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

RILEY EXPLORATION PERMIAN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)
(Unaudited)

		Six Months Ended June 30,	
		2025	2024
		(In thousands)	
Supplemental Disclosure of Cash Flow Information			
Cash Paid For:			
Interest, net of capitalized interest	\$	11,187	\$ 16,372
Income taxes	\$	14,784	\$ 10,773
Non-cash Investing and Financing Activities:			
Changes in capital expenditures in accounts payable and accrued liabilities	\$	2,596	\$ (2,699)
Transfer of inventory to oil and natural gas properties	\$	2,307	\$ —
Right-of-use assets obtained in exchange for operating lease liability	\$	2,133	\$ 386
Asset retirement obligations assumed in acquisitions	\$	—	\$ 9,727

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

RILEY EXPLORATION PERMIAN, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) Nature of Business

Riley Permian is a growth-oriented, independent oil and natural gas company focused on horizontal drilling of conventional oil-saturated and liquids-rich formations in the Permian Basin that produce long-term cash flows. The majority of our acreage is located in Yoakum County, Texas, which represents our Champions field and Eddy County, New Mexico, which represents our Red Lake field.

(2) Basis of Presentation

These unaudited condensed consolidated financial statements as of June 30, 2025, and for the three and six months ended June 30, 2025, and 2024, include the accounts of Riley Permian and our consolidated subsidiaries and have been prepared in accordance with U.S. GAAP. All intercompany balances and transactions have been eliminated upon consolidation.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. Certain prior period amounts have been reclassified to conform to the current period financial statement presentation. These reclassifications had no effect on the previously reported total assets, total liabilities, shareholders' equity, results of operations or cash flows. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's 2024 Annual Report.

These condensed consolidated financial statements have not been audited by an independent registered public accounting firm. In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary for fair presentation of the results of operations for the periods presented, which adjustments were of a normal recurring nature, except as disclosed herein. The results of operations for the three and six months ended June 30, 2025, are not necessarily indicative of the results to be expected for the full-year ending December 31, 2025, for various reasons, including fluctuations in prices received for oil and natural gas, natural production declines, the uncertainty of exploration and development drilling results, fluctuations in the fair value of derivative instruments, unpredictability of new tariffs, the current and future impacts of military conflicts, changes to the political environment under the new administration and other factors.

(3) Summary of Significant Accounting Policies

Significant Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. These estimates and assumptions may also affect disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company evaluates these estimates on an ongoing basis, using historical experience, consultation with experts and other methods the Company considers reasonable in the particular circumstances. Actual results may differ significantly from the Company's estimates. Any effects on the Company's business, financial position or results of operations resulting from revisions to these estimates are recorded in the period in which the facts that give rise to the revision become known. Significant items subject to such estimates and assumptions include, but are not limited to, estimates of proved oil and natural gas reserves and related present value estimates of future net cash flows therefrom, the carrying value of oil and natural gas properties, accounts receivable, accrued capital expenditures and operating expenses, ARO, the fair value determination of acquired assets and assumed liabilities, certain tax accruals and the fair value of derivatives.

RILEY EXPLORATION PERMIAN, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accounts Receivable, net

Accounts receivable, net is summarized below:

	June 30, 2025	December 31, 2024
	(In thousands)	
Oil, natural gas and NGL sales	\$ 29,566	\$ 33,632
Joint interest accounts receivable	4,464	9,626
Allowance for credit losses	(70)	(62)
Other accounts receivable	1,335	1,215
Total accounts receivable, net	<u>\$ 35,295</u>	<u>\$ 44,411</u>

As of December 31, 2023, the Company had accounts receivables, net from oil, natural gas and NGL sales of \$31.1 million.

The Company estimates uncollectible amounts based on the length of time that the accounts receivable has been outstanding, historical collection experience and current and future economic and market conditions, if failure to collect is expected to occur. Allowances for credit losses are recorded as reductions to the carrying values of the accounts receivable included in the accompanying condensed consolidated balance sheets and are recorded in administrative costs in our accompanying condensed consolidated statements of operations if failure to collect an estimable portion is determined to be probable.

Other Property and Equipment, net

Other property and equipment, net is summarized below:

	June 30, 2025	December 31, 2024
	(In thousands)	
Midstream property and equipment	\$ 21,631	\$ 11,297
Furniture, fixtures and other	6,351	5,882
Land	16,673	16,673
	<u>\$ 44,655</u>	<u>\$ 33,852</u>
Accumulated depreciation and amortization	(3,911)	(3,375)
Total other property and equipment, net	<u>\$ 40,744</u>	<u>\$ 30,477</u>

Other Non-Current Assets, net

Other non-current assets, net consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Deferred financing costs, net ⁽¹⁾	\$ 4,482	\$ 4,949
Right of use assets	2,886	1,398
Prepaid capital expenditures	4,840	2,124
Deposits	2,423	2,168
Other	966	67
Total other non-current assets, net	<u>\$ 15,597</u>	<u>\$ 10,706</u>

(1) Deferred financing costs, net reflects costs associated with the Company's Credit Facility which are amortized over the term of the Credit Facility.

RILEY EXPLORATION PERMIAN, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accrued Liabilities

Accrued liabilities consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Accrued capital expenditures	\$ 16,859	\$ 10,441
Accrued lease operating expenses	4,257	7,676
Accrued general and administrative costs	5,681	8,123
Accrued inventory	—	1,709
Accrued ad valorem tax	2,560	5,396
Other accrued expenditures	1,841	573
Total accrued liabilities	<u>\$ 31,198</u>	<u>\$ 33,918</u>

Other Current Liabilities

Other current liabilities consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Advances from joint interest owners	\$ 2,465	\$ 11,278
Income taxes payable	5,351	5,233
Current ARO liabilities	2,123	2,562
Other	1,596	1,050
Total other current liabilities	<u>\$ 11,535</u>	<u>\$ 20,123</u>

Asset Retirement Obligations

Components of the changes in ARO for the six months ended June 30, 2025, and the year ended December 31, 2024, are shown below:

	June 30, 2025	December 31, 2024
	(In thousands)	
ARO, beginning balance	\$ 35,268	\$ 23,044
Liabilities incurred	13	78
Liabilities assumed in acquisitions	—	9,727
Revision of estimated obligations	—	1,856
Liability settlements and disposals	(926)	(2,291)
Accretion	1,360	2,854
ARO, ending balance	<u>\$ 35,715</u>	<u>\$ 35,268</u>
Less: current ARO ⁽¹⁾	<u>(2,123)</u>	<u>(2,562)</u>
ARO, long-term	<u>\$ 33,592</u>	<u>\$ 32,706</u>

(1) Current ARO is included within other current liabilities in our accompanying condensed consolidated balance sheets.

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Revenue Recognition

The following table presents oil and natural gas sales disaggregated by product:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands)				
Oil and natural gas sales:				
Oil	\$ 85,921	\$ 106,353	\$ 184,513	\$ 203,345
Natural gas	(874)	(977)	710	(294)
NGLs	347	(33)	2,628	1,716
Total oil and natural gas sales, net ⁽¹⁾	<u>\$ 85,394</u>	<u>\$ 105,343</u>	<u>\$ 187,851</u>	<u>\$ 204,767</u>

(1) The Company's oil, natural gas and NGL sales are presented net of gathering, processing and transportation costs. The costs, related to natural gas and NGLs, at times exceeded the price received and resulted in negative average realized prices.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this standard provide for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid. This ASU is effective for the Company prospectively to all annual periods beginning after December 15, 2024. The Company does not expect this standard to have a material impact on our disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement (Subtopic 220-40) Reporting Comprehensive Income-Expense Disaggregation Disclosures, which broadens the disclosures required for certain costs and expenses in the Company's annual and interim consolidated financial statements. This ASU is effective prospectively for fiscal years beginning after December 15, 2026, and interim reporting periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact to disclosures related to our annual report for fiscal year 2027.

(4) Acquisitions of Oil and Natural Gas Properties

Silverback Acquisition

On July 1, 2025 (the "Closing Date"), the Company closed the acquisition of 100% of the ownership interests of Silverback Exploration II, LLC and its subsidiaries which own oil and natural gas assets located primarily in the Yeso trend of the Permian Basin in Eddy County, New Mexico (the "Silverback Acquisition").

Transaction costs associated with the acquisition were approximately \$1.9 million for the three and six months ended June 30, 2025, respectively. In connection with the acquisition, a deposit of \$14.2 million was paid by the Company and is reflected as funds held in escrow in our accompanying condensed consolidated balance sheets as of June 30, 2025. See Note 16 - Subsequent Events for additional information.

New Mexico Mineral Rights Acquisition

In April 2025, the Company closed on its acquisition of undivided interests in oil, natural gas and minerals, which added approximately 140 contiguous net acres to our Red Lake field for approximately \$2.1 million.

2024 New Mexico Asset Acquisition

On May 7, 2024, the Company completed the acquisition of oil and natural gas properties in Eddy County, New Mexico ("2024 New Mexico Asset Acquisition"), which added 13,900 contiguous net acres to the Company's existing acreage in Eddy County, for a cash purchase price of approximately \$19.1 million plus \$0.5 million in transaction costs. The 2024 New Mexico Asset Acquisition was accounted for as an asset acquisition, with the final purchase price and transaction costs being capitalized to oil and natural gas properties. This acquisition was funded through a combination of proceeds from the 2024 equity issuance ("2024 Equity Offering") discussed in Note 11 - Shareholders' Equity and cash on hand.

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(5) Oil and Natural Gas Properties

Oil and natural gas properties are summarized below:

	June 30, 2025	December 31, 2024
	(In thousands)	
Proved	\$ 1,053,197	\$ 1,027,183
Unproved	104,789	100,974
Work-in-progress	34,439	21,318
	\$ 1,192,425	\$ 1,149,475
Accumulated depletion, amortization and impairment	(325,207)	(288,678)
Total oil and natural gas properties, net	\$ 867,218	\$ 860,797

Depletion and amortization expense for proved oil and natural gas properties was \$17.8 million and \$16.5 million, respectively, for the three months ended June 30, 2025, and 2024 and \$35.3 million and \$33.5 million, respectively, for the six months ended June 30, 2025, and 2024.

The cost of proved and unproved oil and natural gas properties are assessed for impairment at least annually or whenever events and circumstances indicate that a decline in the recoverability of their carrying value may have occurred. We compare the undiscounted future cash flows to the carrying amount to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, we adjust the carrying amount to their estimated fair value which is considered a Level 3 measurement.

Certain oil and natural gas property in New Mexico outside of the Company's acreage in the Red Lake field failed the initial step assessment, which looked at the carrying value compared to undiscounted cash flows for this property. Based on this assessment of our long-lived assets impairment test, the carrying value exceeded the estimated fair market value and we recognized a \$1.2 million non-cash impairment on proved properties during the three and six months ended June 30, 2025.

(6) Derivative Instruments

Oil and Natural Gas Contracts

The Company uses commodity based derivative contracts to reduce exposure to fluctuations in oil and natural gas prices. While the use of these contracts partially limits the downside risk for adverse price changes, their use also partially limits future revenues from favorable price changes. We have not designated our derivative contracts as hedges for accounting purposes, and therefore changes in the fair value of derivatives are included and recognized in other income (expense) in our accompanying condensed consolidated statements of operations.

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As of June 30, 2025, the Company's oil and natural gas derivative contracts consisted of fixed price swaps, costless collars and basis swaps. The following table summarizes the open financial derivative positions as of June 30, 2025, related to our future oil and natural gas production:

Calendar Quarter / Year	Notional Volume	Weighted Average Price		
		Fixed	Put	Call
		(\$ per unit)		
Oil Swaps (Bbl)				
Q3 2025	675,000	\$	67.08	
Q4 2025	630,000	\$	66.68	
2026	1,740,000	\$	61.33	
2027	285,000	\$	61.26	
Natural Gas Swaps (MMbtu)				
Q3 2025	480,000	\$	3.30	
Q4 2025	965,000	\$	3.74	
2026	2,255,000	\$	3.87	
2027	600,000	\$	4.19	
Oil Collars (Bbl)				
Q3 2025	452,000		\$ 64.23	\$ 74.19
Q4 2025	480,000		\$ 63.10	\$ 77.07
2026	1,602,000		\$ 57.84	\$ 74.67
2027	310,000		\$ 57.16	\$ 66.16
Natural Gas Collars (MMbtu)				
Q3 2025	1,110,000		\$ 3.12	\$ 3.76
Q4 2025	400,000		\$ 3.30	\$ 4.00
2026	2,625,000		\$ 3.19	\$ 4.03
2027	450,000		\$ 3.80	\$ 5.84
Natural Gas Basis Swaps (MMbtu)				
Q3 2025	450,000	\$	(2.18)	
Q4 2025	450,000	\$	(2.07)	
2026	1,950,000	\$	(1.91)	
2027	675,000	\$	(0.99)	

Interest Rate Contracts

In March 2024, the Company entered into a fixed-to-floating interest rate swap for the period from May 2024 to December 2024, to reduce our interest rate exposure, which resulted in a gain of approximately \$1 million on a notional amount of \$80 million. This gain was realized upon settlement of the contracts throughout 2024.

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The following table summarizes the open interest rate derivative positions as of June 30, 2025:

Open Coverage Period	Position	Notional Amount (In thousands)	Fixed Rate
July 2025 - April 2026	Long	\$ 30,000	3.18 %
July 2025 - April 2026	Long	\$ 50,000	3.04 %
July 2026 - April 2027	Long	\$ 45,000	3.90 %

Balance Sheet Presentation of Derivatives

The following tables present the location and fair value of the Company's derivative contracts included in our accompanying condensed consolidated balance sheets:

Balance Sheet Classification	June 30, 2025		
	Gross Fair Value	Amounts Netted	Net Fair Value
	(In thousands)		
Current derivative assets	\$ 16,747	\$ (5,587)	\$ 11,160
Non-current derivative assets	6,611	(6,611)	—
Current derivative liabilities	(5,599)	5,587	(12)
Non-current derivative liabilities	(7,720)	6,611	(1,109)
Total	\$ 10,039	\$ —	\$ 10,039

Balance Sheet Classification	December 31, 2024		
	Gross Fair Value	Amounts Netted	Net Fair Value
	(In thousands)		
Current derivative assets	\$ 9,817	\$ (6,553)	\$ 3,264
Non-current derivative assets	6,661	(6,076)	585
Current derivative liabilities	(6,553)	6,553	—
Non-current derivative liabilities	(6,490)	6,076	(414)
Total	\$ 3,435	\$ —	\$ 3,435

The following table presents the components of the Company's gain (loss) on derivatives, net for the periods presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Settlements on derivative contracts	\$ 5,151	\$ (1,829)	\$ 6,266	\$ (1,725)
Non-cash gain (loss) on derivatives	13,569	1,470	6,604	(15,711)
Gain (loss) on derivatives, net	\$ 18,720	\$ (359)	\$ 12,870	\$ (17,436)

(7) Fair Value Measurements

The FASB has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs are the highest priority and consist of unadjusted quoted prices in active markets for identical assets and liabilities. Level 2 are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 are unobservable inputs for an asset or liability.

The carrying values of financial instruments comprising cash, payables, receivables and advances from joint interest owners approximate fair values due to the short-term maturities of these instruments and are classified as Level 1 in the fair value hierarchy. The carrying value reported for the Credit Facility approximates fair value because the underlying instruments are at interest rates which approximate current market rates. The fair value of the Senior Notes is based on estimates of current

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rates available for similar issuances with similar maturities and is classified as Level 2 in the fair value hierarchy. The oil and natural gas properties acquired and ARO assumed in the 2024 New Mexico Asset Acquisition and the fair value of assets and liabilities when considered for impairment are considered Level 3 measurements.

Assets and Liabilities Measured on a Recurring Basis

The fair value of commodity derivatives and interest rate swaps is estimated using discounted cash flow calculations based upon forward curves and are classified as Level 2 in the fair value hierarchy. The following table presents the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis by level within the fair value hierarchy:

	June 30, 2025						
	Level 1		Level 2		Level 3		Total
	(In thousands)						
Financial assets:							
Commodity derivative assets	\$	—	\$	22,848	\$	—	\$ 22,848
Interest rate assets	\$	—	\$	510	\$	—	\$ 510
Financial liabilities:							
Commodity derivative liabilities	\$	—	\$	(13,027)	\$	—	\$ (13,027)
Interest rate liabilities	\$	—	\$	(292)	\$	—	\$ (292)
	December 31, 2024						
	Level 1		Level 2		Level 3		Total
	(In thousands)						
Financial assets:							
Commodity derivative assets	\$	—	\$	15,301	\$	—	\$ 15,301
Interest rate assets	\$	—	\$	1,177	\$	—	\$ 1,177
Financial liabilities:							
Commodity derivative liabilities	\$	—	\$	(13,043)	\$	—	\$ (13,043)

Liabilities Not Measured on a Recurring Basis

The following table summarizes the fair value and carrying amount of the Company's financial instruments:

	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In thousands)			
Credit Facility (Level 2)	\$ 129,000	\$ 129,000	\$ 115,000	\$ 115,000
Senior Notes (Level 2) ⁽¹⁾	\$ 146,191	\$ 156,671	\$ 154,494	\$ 172,864

(1) The carrying value for the Senior Notes is shown net of unamortized discount and unamortized deferred financing costs.

The carrying value reported for the Credit Facility approximates fair value because the underlying instruments are at interest rates which approximate current market rates. The fair value of the Senior Notes was determined utilizing a discounted cash flow approach.

(8) Equity Method Investment

In January 2023, the Company formed a joint venture, RPC Power LLC, a Delaware limited liability company ("RPC Power"), with Conduit Power LLC for the purpose of constructing, owning and operating power generation assets. RPC Power's initial scope and assets use the Company's produced natural gas to power a portion of our operations in Yoakum County, Texas which became fully operational in September 2024. In May 2024, the Company entered into the Second Amended and Restated Limited Liability Company Agreement ("A&R LLC Agreement") to expand the scope of our joint venture to include the constructing, owning and operating of additional new power generation and storage assets, for the sale of energy and ancillary services to ERCOT ("Merchant Deal"). Upon signing the A&R LLC Agreement, the Company invested an

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additional \$9.5 million and also increased our equity ownership in RPC Power from 35% to 50%. As the Company has significant influence due to our ownership percentage, but lacks control, RPC Power is accounted for as an equity method investment. In November 2024, the Company signed the Second Amendment to the A&R LLC Agreement, which increased the capital commitment for each owner from \$42.5 million to \$51.5 million. As of June 30, 2025, the Company had invested \$30 million in the joint venture, comprised of \$27.7 million in cash and \$2.3 million of contributed assets, which was reduced by the Company's share of losses and increased by our share of income in the joint venture. The Company also had a remaining commitment to invest up to an additional \$21.5 million, if required, to fund our portion of the remaining 2025 capital budget for the RPC Power joint venture.

See Note 9 - Transactions with Related Parties for further discussion of the contractual agreements between the Company and RPC Power and its affiliates and Note 15 - Commitments and Contingencies for additional information on future commitments.

The following table presents the Company's equity method investment activity:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Equity method investment, beginning balance	\$ 28,942	\$ 11,406	\$ 22,811	\$ 5,620
Contributions	—	9,543	6,250	15,162
Loss from equity method investment	(129)	(192)	(248)	(25)
Equity method investment, ending balance	<u>\$ 28,813</u>	<u>\$ 20,757</u>	<u>\$ 28,813</u>	<u>\$ 20,757</u>

(9) Transactions with Related Parties

RPC Power

In January 2023, the Company entered into a 10-year agreement with RPC Power, which provides for the conversion of specified quantities of the Company's produced natural gas to electricity to power a portion of our oilfield operations in Yoakum County, Texas ("Tolling Agreement"). The Tolling Agreement was amended and restated in June 2024 ("A&R Tolling Agreement") primarily to reflect the new in-service date of September 2024. The Company also entered into a 10-year agreement ("Asset Optimization Agreement") in January 2023 that requires RPC Power to provide operational expertise on the implementation and management of the power generating assets subject to the A&R Tolling Agreement for a monthly fee of \$20 thousand.

In May 2024, the Company entered into a 10-year natural gas supply agreement ("Supply Agreement") with RPC Merchant LLC, a wholly owned subsidiary of RPC Power ("RPC Merchant"), to supply natural gas to fuel the natural gas generators under the Merchant Deal. The Company's commitment under the Supply Agreement is contingent upon project start-up which is expected to occur before the end of 2026.

The Company incurred lease operating expenses ("LOE") from RPC Power of approximately \$2.1 million and \$0.4 million for the three months ended June 30, 2025, and 2024, respectively, and approximately \$3.7 million and \$1.1 million for the six months ended June 30, 2025, and 2024, respectively. As of June 30, 2025, and December 31, 2024, the Company had approximately \$0.6 million and \$1.2 million accrued for RPC Power, which was included in accrued liabilities in our accompanying condensed consolidated balance sheets.

See additional information related to RPC Power in Note 8 - Equity Method Investment and Note 15 - Commitments and Contingencies for additional information on future commitments.

Contract Services

The Company and Combo Resources, LLC ("Combo") own interests in six established units in Lee and Fayette Counties, Texas, which were jointly developed by the parties pursuant to participation agreements (collectively, the "Combo PA") and are currently operated by Riley Permian Operating Company, LLC ("RPOC"). RPOC also provided certain administrative and operational services to Combo pursuant to a management services agreement (the "Combo MSA") for a monthly fee and reimbursement of all third party expenses until the Combo MSA was terminated on January 31, 2024. Separately, the Combo PA was also terminated as of December 31, 2023, and pursuant to a letter agreement effective as of December 31, 2023, the

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Company agreed to relinquish our right to acquire additional working interests within a specified area. The rights of the Company in the six jointly owned units were not affected by this letter agreement and remain subject to the existing joint operating agreements between the parties.

The Company also provided certain administrative services pursuant to a services agreement (the "REG MSA") with Riley Exploration Group, LLC ("REG") for a monthly fee and reimbursement of all third party expenses until the REG MSA was terminated effective May 31, 2024.

The following table presents revenues from and related cost for contract services for related parties:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
	(In thousands)	
Combo	\$ —	\$ 100
REG	60	280
Contract services - related parties	<u>\$ 60</u>	<u>\$ 380</u>
Cost of contract services - related parties	\$ —	\$ 363

The Company had no revenues from or related cost for contract services for related parties as of the three and six months ended June 30, 2025, and no amounts payable or receivable to Combo or REG at June 30, 2025, and December 31, 2024.

Consulting and Legal Fees

The Company has an engagement agreement with di Santo Law PLLC ("di Santo Law"), a law firm owned by Beth di Santo, a member of our Board of Directors, pursuant to which di Santo Law's attorneys provide legal services to the Company.

The Company incurred legal fees from di Santo Law of approximately \$0.3 million and \$0.5 million for the three months ended June 30, 2025, and 2024, respectively, and approximately \$0.7 million and \$0.8 million for the six months ended June 30, 2025, and 2024, respectively. As of June 30, 2025, and December 31, 2024, the Company had approximately \$0.7 million and \$0.3 million, respectively, in amounts accrued for di Santo Law, which was included in other current liabilities in our accompanying condensed consolidated balance sheets.

(10) Long-Term Debt

The following table summarizes the Company's outstanding debt:

	June 30, 2025	December 31, 2024
	(In thousands)	
Credit Facility	\$ 129,000	\$ 115,000
Senior Notes		
Principal	\$ 155,000	\$ 165,000
Less: Unamortized discount ⁽¹⁾	6,319	7,547
Less: Unamortized deferred financing costs ⁽¹⁾	2,490	2,959
Total Senior Notes	<u>\$ 146,191</u>	<u>\$ 154,494</u>
Total debt	\$ 275,191	\$ 269,494
Less: Current portion of long-term debt ⁽²⁾	20,000	20,000
Total long-term debt	<u>\$ 255,191</u>	<u>\$ 249,494</u>

(1) Unamortized discount and unamortized deferred financing costs are attributable to and amortized over the term of the Senior Notes.

(2) As of June 30, 2025, and December 31, 2024, the current portion of long-term debt reflects \$20 million due on the Senior Notes over the next twelve months.

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Credit Facility

As of June 30, 2025, Riley Exploration - Permian, LLC ("REP LLC"), as borrower, and the Company, as parent guarantor, are parties to a credit agreement with Truist Bank and certain lenders party thereto, as amended, which provides for a Credit Facility with a borrowing base of \$400 million. On December 13, 2024, the Company entered into the sixteenth amendment to the Credit Facility to, among other things, extend the stated maturity date from April 2026 to December 2028 (or if any Senior Notes are then outstanding, the date that is 181 days prior to the earliest stated maturity date of such Senior Notes, in this case October 2027) and increased the borrowing base from \$375 million to \$400 million, which was reaffirmed in May 2025. Substantially all of the Company's assets are pledged to secure the Credit Facility.

The Credit Facility contains certain covenants, which, among other things, require the maintenance of (i) a total leverage ratio of not greater than 3.00 to 1.00 and (ii) a minimum current ratio of not less than 1.0 to 1.0 as of the last day of any quarter. The Credit Facility also contains a total leverage ratio for the regulation of Restricted Payments, as defined in the credit agreement after giving pro forma effect to such Restricted Payments, which includes payments to any holder of the Company's shares, would not exceed 2.50 to 1.00. If the Company's leverage ratio, after giving pro forma effect to such Restricted Payments (as defined in the Credit Agreement), is above 2.0 to 1.0, then an additional test of free cash flow is applied, and the Company will only be permitted to make such Restricted Payments if such payment does not exceed the Company's free cash flow. In addition to and after giving effect to such Restricted Payments, the availability of funds under the Company's Credit Facility must be greater than or equal to 20% of the elected commitments. The Company must maintain a minimum hedging requirement for oil and natural gas based on our proved developed producing projected volumes for oil and natural gas on a rolling 24-month basis.

The following table summarizes the Credit Facility balances:

	June 30, 2025	December 31, 2024
	(In thousands)	
Outstanding borrowings	\$ 129,000	\$ 115,000
Available under the borrowing base	\$ 271,000	\$ 285,000

Senior Notes

On April 3, 2023, the Company (as issuer) completed our issuance of \$200 million aggregate principal amount of 10.50% senior unsecured notes with final maturity in April 2028 pursuant to a note purchase agreement (the "Note Purchase Agreement"), with the Senior Notes issued at a 6% discount.

Interest is due and payable at the end of each quarter. In addition to interest, the Company will repay 2.50% of the original principal amount each quarter resulting in \$5 million quarterly principal payments until the maturity of the Senior Notes. As of June 30, 2025, the Company had \$20 million in current liabilities in our accompanying condensed consolidated balance sheets related to the quarterly principal payments due within the next 12 months.

The Company may, at our option, redeem, at any time and from time to time on or prior to April 3, 2026, some or all of the Senior Notes at 100% of the principal amount thereof plus the make-whole amount plus a premium of 5.25% as set forth in the Note Purchase Agreement plus accrued and unpaid interest, if any. After April 3, 2026, but on or prior to October 3, 2026, the Company may, at our option, redeem, at any time and from time to time some or all of the Senior Notes at 100% of the principal amount thereof plus a premium of 5.25% as set forth in the Note Purchase Agreement plus accrued and unpaid interest, if any. After October 3, 2026, the Company may redeem some or all of the Senior Notes at 100% of the principal amount thereof plus accrued and unpaid interest, if any. The principal remaining outstanding at the time of maturity is required to be paid in full by the Company. Certain note features, including those discussed above, were evaluated and deemed to be remote. Due to the remote nature, the fair value of these features was estimated to be approximately zero.

The Senior Notes contain certain covenants, which, among other things, require the maintenance of (i) a total leverage ratio of not greater than 3.00 to 1.00 and (ii) an asset coverage ratio greater than 1.50 to 1.00. The Senior Notes also contain a total leverage ratio and an asset coverage ratio for Restricted Payments, as defined in the Note Purchase Agreement. The leverage ratio, after giving pro forma effect to such Restricted Payments, cannot exceed 2.00 to 1.00, and the asset coverage ratio, after giving effect to such Restricted Payments, must be greater than or equal to 1.50 to 1.00. In addition to and after giving effect to such Restricted Payments, the availability of funds under the Company's Credit Facility must be greater than or equal to 15% of the Aggregate Elected Commitment Amount, as defined in the Note Purchase Agreement. Upon issuance of the Senior Notes,

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the Company must maintain a minimum hedging requirement included within the Senior Notes for oil and natural gas based on our proved developed producing projected volumes for oil and natural gas on a rolling 18-month basis.

The Senior Notes are general unsecured obligations ranking equally in right of payment with all other senior unsecured indebtedness of the Company and are senior in right of payment to all existing and future subordinated indebtedness of the Company. The Note Purchase Agreement contains customary terms and covenants, including limitations on the Company's ability to incur additional secured and unsecured indebtedness.

The following table summarizes the Company's interest expense:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands)				
Interest expense	\$ 6,228	\$ 8,409	\$ 12,253	\$ 17,152
Interest income	(149)	(236)	(279)	(443)
Capitalized interest	(364)	(834)	(1,055)	(1,798)
Amortization of deferred financing costs	576	680	1,144	1,351
Amortization of discount on Senior Notes	615	637	1,229	1,281
Unused commitment fees on Credit Facility	265	201	540	381
Total interest expense, net	<u>\$ 7,171</u>	<u>\$ 8,857</u>	<u>\$ 13,832</u>	<u>\$ 17,924</u>

As of June 30, 2025, and December 31, 2024, the weighted average interest rate on outstanding borrowings under the Credit Facility was 7.31% and 7.79%, respectively.

As of June 30, 2025, the Senior Notes had \$6.3 million of unamortized discount and \$2.5 million of unamortized deferred financing costs, resulting in an effective interest rate of 13.38% during the six months ended June 30, 2025. As of December 31, 2024, the Senior Notes had \$7.5 million of unamortized discount and \$3.0 million of unamortized deferred financing costs, resulting in an effective interest rate of 13.38% during the year ended December 31, 2024.

As of June 30, 2025, the Company was in compliance with all covenants contained in the Credit Agreement and Note Purchase Agreement.

(11) Shareholders' Equity

Dividends

For the three months ended June 30, 2025, and 2024, the Company declared quarterly dividends on our common stock totaling approximately \$8.4 million and \$7.8 million, respectively. For the six months ended June 30, 2025, and 2024, the Company declared quarterly dividends on its common stock totaling approximately \$16.5 million and \$15.1 million, respectively.

Share-Based Compensation

The Company's stockholders approved the Amended and Restated 2021 Long Term Incentive Plan (the "A&R LTIP") which authorized up to 2,337,022 shares of common stock that may be granted as awards under the A&R LTIP. In March 2025, the Company introduced performance-based restricted stock awards in addition to time-based restricted stock awards to further align the compensation of the Company's executive officers with the long-term growth and the interests of its shareholders. Performance-based restricted stock awards represent 30% of total executive award value and may be earned based on the Company's achievement of total shareholder return relative to its peer group during the applicable three-year performance period. Payouts for the executive officers can range from 0% to 200% of the target and have cliff-vesting after three years. As a result, the Company has reduced the remaining shares available to be granted as awards under the A&R LTIP by 168,406 shares (the full 200%), which assumes the highest percentage payout for the performance-based restricted stock awards. As of June 30, 2025, the A&R LTIP had 345,302 shares remaining that are available for future awards.

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2021 Long-Term Incentive Plan

The following table presents the Company's restricted stock activity during the six months ended June 30, 2025, under the A&R LTIP:

Amended and Restated 2021 Long-Term Incentive Plan			
	Restricted Shares	Weighted Average Grant Date Fair Value	
Unvested at December 31, 2024	387,915	\$	26.57
Granted	491,021	\$	30.07
Vested	(73,184)	\$	28.41
Forfeited	(6,311)	\$	27.31
Unvested at June 30, 2025	799,441	\$	28.54

For the three months ended June 30, 2025, and 2024, the total share-based compensation expense was \$2.7 million and \$3.3 million, respectively. For the six months ended June 30, 2025, and 2024, the total share-based compensation expense was \$4.1 million and \$5.0 million, respectively. Share-based compensation expense is included in general and administrative costs in the Company's accompanying condensed consolidated statements of operations for the restricted stock awards granted under the A&R LTIP. Approximately \$19.8 million of additional share-based compensation expense will be recognized over the weighted average life of 28 months for the unvested restricted stock awards as of June 30, 2025.

At-The-Market Equity Sales Program

The Company's Equity Distribution Agreement in connection with an ATM allows the Company to offer and sell from time to time up to an aggregate \$50 million in shares of the Company's common stock through our agents. During the six months ended June 30, 2025, the Company did not execute any sales under the ATM program. As of June 30, 2025, the Company had remaining capacity to sell up to an additional \$49.7 million of common stock under the ATM program.

2024 Equity Offering

On April 8, 2024, the Company issued and sold 1,015,000 shares of common stock at a price of \$27.00 per share. Net proceeds from the 2024 Equity Offering were approximately \$25.4 million, after deducting underwriting discounts and commissions and expenses. The proceeds were used for financing an acquisition, repayment of outstanding debt and general corporate purposes.

(12) Income Taxes

The components of the Company's consolidated provision for income taxes from operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Current income tax expense:				
Federal	\$ 4,345	\$ 6,952	\$ 13,469	\$ 10,529
State	493	517	1,434	886
Total current income tax expense	\$ 4,838	\$ 7,469	\$ 14,903	\$ 11,415
Deferred income tax expense:				
Federal	\$ 4,466	\$ 2,541	\$ 2,666	\$ 4,054
State	400	646	374	1,019
Total deferred income tax expense	\$ 4,866	\$ 3,187	\$ 3,040	\$ 5,073
Total income tax expense	\$ 9,704	\$ 10,656	\$ 17,943	\$ 16,488

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A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands)				
Tax at statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
Nondeductible compensation	0.4 %	0.8 %	0.6 %	0.7 %
Share-based compensation	(0.3)%	0.1 %	(0.2)%	0.1 %
State income taxes, net of federal benefit	1.7 %	2.1 %	1.9 %	2.2 %
Effective income tax rate	22.8 %	24.0 %	23.3 %	24.0 %

The Company's federal income tax returns for the years subsequent to December 31, 2020, remain subject to examination. The Company's income tax returns in major state income tax jurisdictions remain subject to examination for various periods subsequent to December 31, 2019. The Company currently believes that all other significant filing positions are highly certain and that all of our other significant income tax positions and deductions would be sustained under audit or the final resolution would not have a material effect on our consolidated financial statements. Therefore, the Company has not established any reserves for uncertain tax positions.

On July 4, 2025, new tax legislation known as the One Big Beautiful Bill Act was signed into law. The legislation, among other things, makes permanent, extends or modifies certain provisions under the 2017 Tax Cuts and Jobs Act, including permanent extension of 100% bonus depreciation for certain capital expenditures and the limitation on interest expense deductions. Pursuant to ASC Topic 740, Income Taxes, the effects of changes in tax law are recognized in the period of enactment. As such, this legislation is not reflected in the Company's unaudited condensed consolidated financial statements for the period ended June 30, 2025. The Company is currently evaluating the impact of this new legislation on our consolidated financial statements.

(13) Net Income Per Share

The Company calculated net income per share using the treasury stock method. The table below sets forth the computation of basic and diluted net income per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(In thousands, except per share amounts)				
Net income	\$ 30,470	\$ 33,548	\$ 59,103	\$ 52,306
Basic weighted average common shares outstanding	21,141	20,866	21,126	20,378
Restricted shares	17	221	9	161
Diluted weighted average common shares outstanding	21,158	21,087	21,135	20,539
Basic net income per share	\$ 1.44	\$ 1.61	\$ 2.80	\$ 2.57
Diluted net income per share	\$ 1.44	\$ 1.59	\$ 2.80	\$ 2.55

The following shares were excluded from the calculation of diluted net income per share due to their anti-dilutive effect:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Restricted shares	779,601	363,331	787,937	423,377

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(14) Segments

The Company's oil and gas exploration and production activities are solely focused in the U.S. For financial reporting purposes, the Company aggregates our operating segments into one reporting segment due to the similar nature of these operations.

The following table presents consolidated net income, the significant measure of profit and loss used by the CODM, as well as total assets, capital expenditures and our equity method investment for the Company's single reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Total Revenues	\$ 85,394	\$ 105,403	\$ 187,851	\$ 205,147
Less:				
Lease operating expenses	18,880	16,492	37,211	33,261
Production and ad valorem taxes	6,126	7,174	12,796	14,405
Exploration costs	47	60	56	64
Depletion, depreciation, amortization and accretion	19,563	17,470	38,701	35,249
Impairment of oil and natural gas properties	1,214	—	1,214	—
Administrative Costs	6,199	6,644	13,637	11,983
Share-based compensation expense	2,685	3,281	4,054	4,973
Other segment items ⁽¹⁾	1,926	670	1,926	1,033
Interest expense, net of capitalized interest ⁽²⁾	7,320	9,093	14,111	18,367
Interest income	(149)	(236)	(279)	(443)
(Gain) loss on derivatives, net	(18,720)	359	(12,870)	17,436
Loss from equity method investment	129	192	248	25
Income tax expense	9,704	10,656	17,943	16,488
Segment net income⁽³⁾	\$ 30,470	\$ 33,548	\$ 59,103	\$ 52,306
Total assets	\$ 1,033,567	\$ 1,002,957	\$ 1,033,567	\$ 1,002,957
Capital expenditures⁽⁴⁾	\$ 27,786	\$ 21,438	\$ 51,786	\$ 47,620
Equity method investment	\$ 28,813	\$ 20,757	\$ 28,813	\$ 20,757

(1) Other segment items include transaction costs and cost of contract services - related parties.

(2) Interest expense is shown gross of, or prior to the effect of interest income.

(3) There are no reconciling items between net income presented in our accompanying condensed consolidated statements of operations and segment net income.

(4) Capital expenditures are accrual (activity-based) before acquisitions.

(15) Commitments and Contingencies
Legal Matters

Due to the nature of the Company's business, the Company may at times be subject to claims and legal actions. The Company accrues liabilities when it is probable that future costs will be incurred, and such costs can be reasonably estimated. Such accruals are based on developments to date and the Company's estimates of the outcomes of these matters. The Company did not recognize any material liability for legal matters as of June 30, 2025, or December 31, 2024. Management believes it is remote that the impact of such matters will have a materially adverse effect on the Company's financial position, results of operations, or cash flows.

Environmental Matters

The Company is subject to various federal, state and local laws and regulations relating to the protection of the environment. These laws, which are often changing, regulate the discharge of materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites. The Company had no material environmental liabilities as of June 30, 2025, or December 31, 2024.

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Contractual Commitments

The Company is a party to a gas gathering, treating and processing agreement with our primary midstream counterparty in Texas. Under the terms of the agreement, the Company agreed to deliver an annual minimum volume during the contract term. As of June 30, 2025, approximately six years remain under this contract.

Under the A&R Tolling Agreement with RPC Power, the Company has committed to provide specified quantities of our natural gas for 10 years following the in-service date, for a fee based on a per MMBtu basis adjusted for contractual usage factors. The Company also entered into the Asset Optimization Agreement that requires RPC Power to provide operational expertise on the implementation and management of the power generating assets subject to the A&R Tolling Agreement for a monthly fee of \$20 thousand.

Under the Supply Agreement with RPC Merchant, the Company agreed to supply natural gas to fuel the natural gas generators under the Merchant Deal for 10 years. The Company's commitment under the Supply Agreement is contingent upon project start-up which is expected to occur before the end of 2026.

Under the A&R LLC Agreement with RPC Power, the Company agreed to make additional capital contributions to fund its portion of the capital budget for the RPC Power. The Company's remaining commitment, if required, is \$21.5 million.

See Note 8 - Equity Method Investment and Note 9 - Transactions with Related Parties for additional information related to RPC Power.

Midstream Gas Purchase Agreement

On December 31, 2024, the Company signed a long-term gas purchase agreement (the "Midstream Gas Purchase Agreement") for the Company's New Mexico field with a new midstream counterparty, which includes dedicated acreage for a significant portion of the Company's oil and gas assets in New Mexico, reimbursement by the Company of construction costs incurred by the midstream counterparty to connect to the Company's pipeline (subject to a monetary cap of \$18.7 million) and an initial 15-year term from the in-service date followed by a year-to-year continuation until terminated by either party upon 180 days written notice. In conjunction with the agreement, the Company intends to construct, own and operate low and high-pressure gathering lines and compression facilities that will connect to the new high capacity 20-inch natural gas pipeline to be constructed by the Company and designed to deliver gas volumes of up to 150 MMcf per day. In March 2025, the Company entered into a \$10.9 million purchase agreement for two compressors as part of the midstream buildout plan. In June 2025, the Company entered into a \$15.6 million pipe purchase agreement to further the midstream buildout plan. The remaining amounts owed for the compressors and pipe purchase agreements at June 30, 2025, was \$23.8 million.

(16) Subsequent Events

Dividend Declaration

On July 8, 2025, the Board of Directors of the Company declared a cash dividend of \$0.38 per share of common stock payable on August 7, 2025 to our shareholders of record at the close of business on July 24, 2025.

Silverback Acquisition

On July 1, 2025, the Company closed on the Silverback Acquisition. The Silverback Acquisition adds approximately 47,000 net acres directly adjacent to and overlapping with the Company's existing core acreage primarily in Eddy County, New Mexico.

The aggregate purchase price of the Silverback Acquisition is \$142 million, subject to customary purchase price adjustments pursuant to the securities purchase agreement (the "Purchase Agreement"), plus quarterly earnout payments of up to \$1,875,000 per fiscal quarter during calendar years 2026 and 2027 if the NYMEX WTI quarterly average exceeds certain stated amounts set forth in the Purchase Agreement, ranging from \$70 to \$75 per barrel or higher. The Company funded the acquisition with cash on hand and borrowings under our Credit Facility. This acquisition will be accounted for as a business combination.

See Note 4 - Acquisitions of Oil and Natural Gas Properties for additional information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's condensed consolidated financial statements and related notes thereto presented in this report as well as the Company's audited consolidated financial statements and related notes included in the Company's Annual Report for the fiscal year ended December 31, 2024. The following discussion contains "forward-looking statements" that reflect the Company's future plans, estimates, beliefs and expected performance. The Company's actual results could differ materially from those discussed in these forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" and "Part II, Item 1A. Risk Factors" below and the information set forth in the Risk Factors under Part I, Item 1A of the Company's Annual Report for the fiscal year ended December 31, 2024.

Overview

Riley Permian is a growth-oriented, independent oil and natural gas company focused on horizontal drilling of conventional oil-saturated and liquids-rich formations in the Permian Basin that produce long-term cash flows. The majority of our acreage is located in Yoakum County, Texas and Eddy County, New Mexico.

Our strategic business objectives include enhancing the rate of return on our invested capital, generating sustainable free cash flow, maintaining a strong and flexible balance sheet and maximizing returns to shareholders. We implement this strategy primarily through identification and capture of attractive development opportunities, optimization of our assets and pursuing complementary growth opportunities that increase our scale and meet our strategic and financial objectives.

Recent Developments

Geopolitical and Economic Conditions

Commodity prices remain volatile. General domestic and international economic, market and political conditions, including military conflicts, global economic growth, unpredictability of new tariffs, actions of OPEC+ countries and changes to the current political environment under the new administration could prolong market volatility and continue to cause a decline in commodity prices.

Inflation continues to be an ongoing concern. Although inflation has moderated somewhat, inflationary pressures remain elevated, which in turn may cause our capital expenditures and operating costs to increase. During inflationary periods, interest rates have historically increased. Increased interest rates could have the effects of raising our cost of capital and the potential for depressing economic growth, either of which (or the combination thereof) could hurt the financial and operating results of our business.

The Company cannot estimate the length or gravity of the future impact these events will have on the Company's results of operations, financial position, liquidity and the value of oil and natural gas reserves.

Silverback Acquisition

On July 1, 2025, the Company closed on the acquisition of 100% of the ownership interests of Silverback Exploration II, LLC and its subsidiaries for an aggregate purchase price of \$142 million, subject to customary purchase price adjustments. The Silverback Acquisition adds approximately 47,000 net acres directly adjacent to and overlapping with the Company's existing core acreage primarily in Eddy County, New Mexico. The Company funded the acquisition with cash on hand and borrowings under our Credit Facility. See Note 4 - Acquisitions of Oil and Natural Gas Properties and Note 16 - Subsequent Events for additional information.

Results of Operations

Comparison for the three and six months ended June 30, 2025, and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues (in thousands):⁽¹⁾				
Oil sales	\$ 85,921	\$ 106,353	\$ 184,513	\$ 203,345
Natural gas sales	(874)	(977)	710	(294)
NGL sales	347	(33)	2,628	1,716
Oil and natural gas sales, net	<u>\$ 85,394</u>	<u>\$ 105,343</u>	<u>\$ 187,851</u>	<u>\$ 204,767</u>
Production Data, net:				
Oil (MBbls)	1,382	1,342	2,788	2,631
Natural gas (MMcf)	2,213	1,608	4,441	3,239
NGLs (MBbls)	465	330	887	623
Total (MBoe)	<u>2,216</u>	<u>1,940</u>	<u>4,415</u>	<u>3,794</u>
Daily combined volumes (Boe/d)	24,352	21,319	24,392	20,846
Daily oil volumes (Bbls/d)	15,187	14,747	15,403	14,456
Average Realized Prices:⁽¹⁾				
Oil (\$ per Bbl)	\$ 62.17	\$ 79.25	\$ 66.18	\$ 77.29
Natural gas (\$ per Mcf)	\$ (0.39)	\$ (0.61)	\$ 0.16	\$ (0.09)
NGLs (\$ per Bbl)	\$ 0.75	\$ (0.10)	\$ 2.96	\$ 2.75
Average Realized Prices, including derivative settlements:⁽¹⁾⁽²⁾				
Oil (\$ per Bbl)	\$ 66.10	\$ 76.96	\$ 68.55	\$ 75.68
Natural gas (\$ per Mcf)	\$ (0.52)	\$ 0.16	\$ 0.08	\$ 0.69
NGLs (\$ per Bbl) ⁽³⁾	\$ 0.75	\$ (0.10)	\$ 2.96	\$ 2.75

(1) The Company's oil, natural gas and NGL sales are presented net of gathering, processing and transportation costs. The costs, related to natural gas and NGLs, at times exceeded the price received and resulted in negative average realized prices.

(2) The Company's calculation of the effects of derivative settlements includes gains and losses on the settlement of our commodity derivative contracts. These gains and losses are included under other income (expense) on the Company's condensed consolidated statements of operations.

(3) During the periods presented, the Company did not have any NGL derivative contracts in place.

Oil and Natural Gas Revenues

Our revenues are derived from the sale of our oil and natural gas production, including the sale of NGLs that are extracted from our natural gas during processing. Realized prices and revenues from product sales are a function of the volumes produced, product quality, market prices, gas Btu content, as well as gathering, processing and transportation costs. Gathering, processing and transportation costs are allocated across natural gas and NGLs based on revenue, which leads to heightened fluctuations in such cost allocations across periods. Our revenues from oil, natural gas and NGL sales do not include the effects of derivatives. Our revenues may vary significantly from period to period as a result of changes in the volume of production sold or changes in commodity prices. The following table presents the Company's oil and natural gas sales prior to and net of gathering, processing and transportation costs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)		(In thousands)	
Revenues:				
Oil sales, gross	\$ 85,930	\$ 106,365	\$ 184,530	\$ 203,379
Less: Gathering, processing and transportation costs	9	12	17	34
Oil sales, net	<u>\$ 85,921</u>	<u>\$ 106,353</u>	<u>\$ 184,513</u>	<u>\$ 203,345</u>
Natural gas sales, gross	\$ 2,102	\$ (705)	\$ 6,582	\$ 1,313
Less: Gathering, processing and transportation costs	2,976	272	5,872	1,607
Natural gas sales, net	<u>\$ (874)</u>	<u>\$ (977)</u>	<u>\$ 710</u>	<u>\$ (294)</u>
NGL sales, gross	\$ 8,828	\$ 6,788	\$ 19,054	\$ 13,272
Less: Gathering, processing and transportation costs	8,481	6,821	16,426	11,556
NGL sales, net	<u>\$ 347</u>	<u>\$ (33)</u>	<u>\$ 2,628</u>	<u>\$ 1,716</u>
Oil and natural gas sales, gross	\$ 96,860	\$ 112,448	\$ 210,166	\$ 217,964
Less: Gathering, processing and transportation costs	11,466	7,105	22,315	13,197
Oil and natural gas sales, net	<u>\$ 85,394</u>	<u>\$ 105,343</u>	<u>\$ 187,851</u>	<u>\$ 204,767</u>

Three months ended June 30, 2025, compared to three months ended June 30, 2024

The Company's total oil and natural gas revenues, net decreased by \$19.9 million. The following tables summarize the effects of price and volume changes on our revenues from oil, natural gas, and NGLs:

Oil revenues

Oil revenues decreased by \$20.4 million.

Oil sales, net for the three months ended June 30, 2024	\$	106,353
Price		(23,604)
Volume		3,172
Oil sales, net for the three months ended June 30, 2025	\$	85,921

Our realized oil prices decreased by \$17.08, which was the result of a \$17.24 decrease in the average WTI price. Daily oil volumes increased by 3% due to increased production from new wells turned to sales.

Natural gas revenues

Natural gas revenues increased by \$0.1 million.

Natural gas sales, net for the three months ended June 30, 2024	\$	(977)
Price		480
Volume		(377)
Natural gas sales, net for the three months ended June 30, 2025	\$	(874)

Our realized natural gas prices increased by \$0.22, which was the result of a \$1.13 increase in the average Henry Hub price, partially offset by higher allocated gathering and processing costs.

NGL revenues

NGL revenues increased by \$0.4 million.

NGL sales, net for the three months ended June 30, 2024	\$	(33)
Price		394
Volume		(14)
NGL sales, net for the three months ended June 30, 2025	\$	347

Our realized NGL prices increased by \$0.85 due to lower allocated gathering and processing costs because of higher Permian Basin natural gas prices.

Six months ended June 30, 2025, compared to six months ended June 30, 2024

The Company's total oil and natural gas revenues, net decreased by \$16.9 million. The following tables summarize the effects of price and volume changes on our revenues from oil, natural gas, and NGLs:

Oil revenues

Oil revenues decreased by \$18.8 million.

Oil sales, net for the six months ended June 30, 2024	\$	203,345
Price		(30,971)
Volume		12,139
Oil sales, net for the six months ended June 30, 2025	\$	184,513

Our realized oil prices decreased by \$11.11, which was the result of a \$11.57 decrease in the average WTI price. Daily oil volumes increased by 7% due to increased production from new wells turned to sales.

Natural gas revenues

Natural gas revenues increased by \$1.0 million.

Natural gas sales, net for the six months ended June 30, 2024	\$	(294)
Price		1,111
Volume		(107)
Natural gas sales, net for the six months ended June 30, 2025	\$	710

Our realized natural gas prices increased by \$0.25, which was the result of a \$1.56 increase in the average Henry Hub price, partially offset by higher allocated gathering and processing costs.

NGL revenues

NGL revenues increased by \$0.9 million.

NGL sales, net for the six months ended June 30, 2024	\$	1,716
Price		186
Volume		726
NGL sales, net for the six months ended June 30, 2025	\$	2,628

Our realized NGL prices increased by \$0.21 due to lower allocated gathering and processing costs because of higher Permian Basin natural gas prices. Daily NGL volumes increased by 43% due to additional available third-party processing capacity.

Costs and Expenses

The following table presents the Company's operating costs and expenses and other (income) expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Costs and Expenses:	(In thousands)			
Lease operating expenses	\$ 18,880	\$ 16,492	\$ 37,211	\$ 33,261
Production and ad valorem taxes	\$ 6,126	\$ 7,174	\$ 12,796	\$ 14,405
Exploration costs	\$ 47	\$ 60	\$ 56	\$ 64
Depletion, depreciation, amortization and accretion	\$ 19,563	\$ 17,470	\$ 38,701	\$ 35,249
Impairment of oil and natural gas properties	\$ 1,214	\$ —	\$ 1,214	\$ —
Administrative costs	\$ 6,199	\$ 6,644	\$ 13,637	\$ 11,983
Share-based compensation	2,685	3,281	4,054	4,973
General and administrative expense	\$ 8,884	\$ 9,925	\$ 17,691	\$ 16,956
Transaction costs	\$ 1,926	\$ 670	\$ 1,926	\$ 670
Interest expense, net	\$ 7,171	\$ 8,857	\$ 13,832	\$ 17,924
(Gain) loss on derivatives, net	\$ (18,720)	\$ 359	\$ (12,870)	\$ 17,436
Loss from equity method investment	\$ 129	\$ 192	\$ 248	\$ 25
Income tax expense	\$ 9,704	\$ 10,656	\$ 17,943	\$ 16,488

Lease Operating Expenses ("LOE")

LOE are the costs incurred in the operation and maintenance of producing properties. Expenses for electricity, compression, direct labor, saltwater disposal and materials and supplies comprise the most significant portion of our lease operating expenses. Certain operating cost components, such as direct labor and materials and supplies, generally remain relatively fixed across broad production volume ranges, but can fluctuate depending on activities performed during a specific period. For instance, repairs to our pumping equipment or surface facilities or subsurface maintenance result in increased production expenses in periods during which they are performed. Certain operating cost components, such as saltwater disposal associated with produced water, are variable and increase or decrease as hydrocarbon production levels and the volume of completion water disposal increases or decreases.

The Company's LOE increased by \$2.4 million and \$4.0 million for the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024, primarily due to higher production volumes.

Production and Ad Valorem Tax Expense

Production taxes are paid on produced oil, natural gas and NGLs based on a percentage of revenues at fixed rates established by federal, state or local taxing authorities. In general, the production taxes we pay correlate to changes in our oil, natural gas and NGL revenues. We are also subject to ad valorem taxes in the counties where our production is located. Ad valorem taxes are generally based on the valuation of our oil and natural gas properties, which also trend with oil and natural gas prices and vary across the different counties in which we operate.

Production and ad valorem taxes decreased by \$1.0 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily due to lower oil revenues.

Production and ad valorem taxes decreased by \$1.6 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024, primarily due to lower oil revenues in addition to the reversal of a previously accrued liability related to the Environmental Protection Agency's waste emission charge that was nullified in the first quarter of 2025.

Depletion, Depreciation, Amortization and Accretion ("DD&A") Expense

DD&A expense is the systematic expensing of the capitalized costs incurred to acquire, explore and develop oil, natural gas and NGLs. All costs incurred in the acquisition, exploration and development of properties (excluding costs of surrendered and

abandoned leaseholds, delay lease rentals, dry holes and overhead related to exploration activities) are capitalized. Capitalized costs are depleted using the units of production method.

Accretion expense relates to ARO. We record the fair value of the liability for ARO in the period in which the liability is incurred (at the time the wells are drilled or acquired) with the offset to property cost. The liability accretes each period until it is settled or the well is sold, at which time the liability is removed.

DD&A expense increased by \$2.1 million and \$3.5 million for the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024, primarily due to an increase in production volumes.

Impairments of Oil and Natural Gas Properties

During the three and six months ended June 30, 2025, the Company recognized a non-cash impairment loss on proved properties of \$1.2 million which related to a decrease in fair value of certain properties in New Mexico outside of the Company's acreage in the Red Lake field. There was no impairment loss for the six months ended June 30, 2024.

General and Administrative ("G&A") Expense

G&A expenses consist of administrative costs and share-based compensation expense. Administrative costs include corporate overhead such as payroll and benefits for our staff, office costs, fees for professional services such as audit and legal services, technology costs, insurance and other. Share-based compensation expense reflects costs associated with our stock granted to employees and members of our board of directors. G&A expenses are reported net of overhead recoveries.

G&A expense decreased by \$1.0 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024, primarily due to a decrease in share-based compensation.

G&A expense increased by \$0.7 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024, primarily due to an increase in professional services associated with commercial contract negotiations, partially offset by a decrease in share-based compensation.

Transaction Costs

Transaction costs represent costs incurred on successful or unsuccessful commercial transactions, business combinations or unsuccessful asset acquisitions. The transaction costs of \$1.9 million for the three and six months ended June 30, 2025, primarily related to the Silverback Acquisition. During the three and six months ended June 30, 2024, the transaction costs of \$0.7 million primarily relate to our RPC Power joint venture.

Interest Expense, net

Interest expense, net decreased by \$1.7 million and \$4.1 million for the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024, primarily due to higher debt balances in 2024.

Gain (Loss) on Derivatives

The Company recognizes settlements and changes in the fair value of our derivative contracts as a single component within other income (expense) in our condensed consolidated statements of operations. We have oil and natural gas derivative contracts, including fixed price swaps, basis swaps and collars, that settle against various indices. The following table presents the components of the Company's gain (loss) on derivatives, net:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Settlements on derivative contracts	\$ 5,151	\$ (1,829)	\$ 6,266	\$ (1,725)
Non-cash gain (loss) on derivatives	13,569	1,470	6,604	(15,711)
Gain (loss) on derivatives, net	<u>\$ 18,720</u>	<u>\$ (359)</u>	<u>\$ 12,870</u>	<u>\$ (17,436)</u>

Cash gains or losses on settled derivative contracts related to contracts that settle during the period and are a function of the difference in settled versus contractual prices and the associated hedged volumes for each underlying commodity. Non-cash gains or losses on derivatives relate to unsettled contracts and are a function of changes in derivative fair values associated with fluctuations in the forward price curves for the commodities relative to contractual pricing and the associated hedged volumes for each underlying commodity for our derivative contracts outstanding.

Income Tax Expense

Current income taxes represent the amount the Company expects to owe to federal and state tax authorities in the current period, based on our taxable income. Deferred income taxes are provided to reflect the future tax consequences or benefits of differences between the tax basis of assets and liabilities and their reported amounts in the financial statements using enacted tax rates. See Note 12 - Income Taxes for further discussion of income taxes. Total income tax expense is summarized below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In thousands)			
Current income tax expense	\$ 4,838	\$ 7,469	\$ 14,903	\$ 11,415
Deferred income tax expense	4,866	3,187	3,040	5,073
Total income tax expense	<u>\$ 9,704</u>	<u>\$ 10,656</u>	<u>\$ 17,943</u>	<u>\$ 16,488</u>
Effective income tax rate	22.8 %	24.0 %	23.3 %	24.0 %

Liquidity and Capital Resources

The business of exploring for, developing and producing oil and natural gas is capital intensive. Because oil, natural gas and NGL reserves are a depleting resource, like all upstream operators, we must make capital investments to sustain and grow production. The Company's principal liquidity requirements are to finance our operations, fund capital expenditures, fund acquisitions and joint venture commitments, pay dividends and satisfy any indebtedness obligations. Cash flows are subject to a number of variables, including the level of oil and natural gas production and prices, and the significant capital expenditures required to more fully develop the Company's oil and natural gas properties. Historically, our primary sources of capital funding and liquidity have been our cash on hand, cash flow from operations, borrowings under our Credit Facility and the issuance of our Senior Notes. At times and as needed, we may also issue debt or equity securities, including through transactions under our shelf registration statement filed with the SEC. In April 2024, the Company issued equity securities and used the proceeds to finance an acquisition, repay outstanding debt and for general corporate purposes. We estimate the combination of the sources of capital discussed above will continue to be adequate to meet our short and long-term liquidity needs.

Cash on hand and operating cash flow can be subject to fluctuations due to trends and uncertainties that are beyond our control. Likewise, our ability to issue equity, debt and obtain credit facilities on favorable terms may be impacted by a variety of market factors as well as fluctuations in our results of operations.

For further discussion of risks related to our liquidity and capital resources, see "Item 1A. Risk Factors."

Working Capital

Working capital is the difference in our current assets and our current liabilities. Working capital is an indication of liquidity and potential need for short-term funding. The change in our working capital requirements is driven generally by changes in accounts receivable, accounts payable, commodity prices, credit extended to, and the timing of collections from customers, the level and timing of spending for expansion activity, and the timing of debt maturities. Our working capital fluctuates as our drilling and completion activity changes with periods of higher and lower activity. As of June 30, 2025, we had a working capital deficit of \$37.8 million compared to a deficit of \$54.6 million as of December 31, 2024. The current portion of our Senior Notes, which includes our regularly scheduled principal payments of \$5 million per quarter, accounts for \$20 million of our working capital deficit as of June 30, 2025, and December 31, 2024. We utilize our Credit Facility and cash on hand to manage the timing of cash flows and fund short-term working capital deficits. At June 30, 2025, we had cash on hand of \$14.0 million and \$271 million of undrawn capacity under our Credit Facility.

Cash Flows

The following table summarizes the Company's cash flows:

	Six Months Ended June 30,	
	2025	2024
	(In thousands)	
Net cash provided by operating activities	\$ 84,021	\$ 107,766
Net cash used in investing activities	\$ (70,457)	\$ (87,656)
Net cash used in financing activities	\$ (12,662)	\$ (24,519)

Operating Activities

Net cash provided by operating activities were \$84.0 million for the six months ended June 30, 2025, compared to \$107.8 million for the six months ended June 30, 2024, and primarily consisted of the following:

	Six Months Ended June 30, 2025	
	2025	2024
	(In thousands)	
Total revenues	\$ 187,851	\$ 205,147
Operating expenses ⁽¹⁾	\$ (65,616)	\$ (60,715)
Advances from joint interest owners	\$ (8,813)	\$ (5)
Settlements on derivative contracts	\$ 6,266	\$ (1,725)
Interest paid, net of capitalized interest	\$ (11,187)	\$ (16,372)
Tax liabilities paid	\$ (14,784)	\$ (10,773)

(1) Operating expenses include LOE, production and ad valorem taxes, administrative costs, transaction costs and other miscellaneous operating expenses.

Oil and natural gas revenues decreased \$16.9 million due to a \$29.7 million decrease from lower realized prices, partially offset by a \$12.8 million increase in our oil and natural gas production.

Investing Activities

Net cash flows used in investing activities were \$70.5 million for the six months ended June 30, 2025, compared to \$87.7 million for the six months ended June 30, 2024, and primarily consisted of the following:

	Six Months Ended June 30, 2025	
	2025	2024
	(In thousands)	
Additions to oil and natural gas properties	\$ (40,938)	\$ (53,926)
Additions to midstream property and equipment	\$ (6,294)	\$ —
Acquisitions of oil and natural gas properties	\$ (2,138)	\$ (18,138)
Contributions to equity method investment	\$ (6,250)	\$ (15,162)
Funds held in escrow	\$ (14,201)	\$ —

Capital expenditures for oil and natural gas properties decreased by \$13.0 million due to fewer wells completed. Construction of our midstream project in New Mexico resulted in additions to midstream property and equipment. Acquisitions of oil and natural gas properties decreased due to the 2024 New Mexico Acquisition. Funds held in escrow increased due to the Silverback Acquisition, which closed on July 1, 2025.

Financing Activities

Net cash flows used in financing activities were \$12.7 million for the six months ended June 30, 2025, compared to \$24.5 million for the six months ended June 30, 2024, and primarily consisted of the following:

	Six Months Ended June 30,	
	2025	2024
	(In thousands)	
Proceeds (repayments) under credit facility, net	\$ 14,000	\$ (25,000)
Proceeds (repayments) from Senior Notes	\$ (10,000)	\$ (10,000)
Payment of common share dividends	\$ (16,121)	\$ (14,707)
Proceeds from issuance of common shares, net	\$ —	\$ 25,415

Proceeds under our Credit Facility increased primarily to fund the Silverback Acquisition escrow and for general working capital purposes compared to a net repayment position in 2024. The Company also received \$25.4 million in net proceeds from the 2024 Equity Offering.

Credit Facility and Senior Notes

The borrowing base under the Company's Credit Facility was \$400 million with outstanding borrowings of \$129 million and \$271 million of available borrowing capacity at June 30, 2025.

In December 2024, the Company entered into the sixteenth amendment to the Credit Facility to, among other things, extend the stated maturity date from April 2026 to December 2028 (or if any Senior Notes are then outstanding, the date that is 181 days prior to the earliest stated maturity date of such Senior Notes, which is October 2027) and increase the borrowing base from \$375 million to \$400 million.

The Senior Notes had a principal balance of \$155 million as of June 30, 2025.

See further discussion in Note 10 - Long-Term Debt for additional information.

Dividends

For the six months ended June 30, 2025, the Company recognized quarterly dividends totaling approximately \$16.5 million, with \$16.1 million paid in cash and \$0.4 million accrued for the holders of unvested restricted stock awards.

Contractual Obligations

As of June 30, 2025, the Company had a remaining volume commitment of approximately six years with our primary midstream counterparty in Texas. The Company also had natural gas delivery commitments under the A&R Tolling Agreement and the Supply Agreement and a remaining equity commitment under the Second Amendment to the A&R LLC Agreement of \$21.5 million to fund our portion of the capital budget for the RPC Power joint venture. Further, the Company entered into a 15-year gas purchase agreement (the "Midstream Gas Purchase Agreement") that required an acreage dedication to a midstream counterparty for a significant portion of our oil and gas assets in New Mexico. This agreement is expected to begin before the end of 2026. As a result of entering into the Midstream Gas Purchase Agreement, the Company is committed to spend approximately \$130 million in capital expenditures through 2026 to complete the initial projects of our midstream buildout plan. The Company has incurred approximately \$22 million since beginning the midstream project. See Note 15 - Commitments and Contingencies for additional information.

Critical Accounting Estimates

The Company's critical accounting estimates are described in "Critical Accounting Estimates" within "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 1 of the Notes to the Consolidated Financial Statements in the 2024 Annual Report. The accounting estimates used in preparing our interim condensed consolidated financial statements for the six months ended June 30, 2025, are the same as those described in the 2024 Annual Report.

See Note 3 - Summary of Significant Accounting Policies in the Company's consolidated financial statements in "Item 15. Exhibits and Financial Statement Schedules" in the 2024 Annual Report for a full discussion of our significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide both quantitative and qualitative insights into our exposure to market risk. Market risk refers to the potential for financial loss arising from adverse changes in commodity prices and interest rates. These disclosures are not intended to serve as precise forecasts of future losses, but rather to offer a framework for understanding reasonably possible risks. The forward-looking information presented reflects our approach to managing and mitigating market risk exposure within the context of our ongoing operational and financial strategy.

Commodity Price Risk

Our results of operations and cash flows are highly sensitive to fluctuations in the prices of crude oil, natural gas and NGLs. The volatility in these prices is influenced by various factors, including market conditions, geopolitical events, supply-demand imbalances, regulatory changes and other external factors outside of the Company's control. To partially reduce the impact of price volatility on our revenues and cash flows, we utilize commodity-based derivative contracts.

See Note 6 - Derivative Instruments for a full discussion of our derivative contracts and Note 7 - Fair Value Measurements for a full discussion of the fair value measurements associated with our derivatives.

For the six months ended June 30, 2025, oil and natural gas sales, net was \$187.9 million, excluding any effect of our derivative contracts. Oil and natural gas sales, net would have increased or decreased by approximately \$18.8 million if there was a 10% change in realized pricing. As of June 30, 2025, the fair value of our oil and natural gas derivative contracts was a net asset of \$10 million. A 10% change in the forward curves associated with our oil and natural gas derivative contracts would have changed our net position by approximately \$34 million.

Interest Rate Risk

Our business is subject to the effects of market interest rates. These interest rates are influenced by macroeconomic factors such as inflation, consumer spending and federal reserve monetary policy. Interest rate risk could increase our cost of capital and potentially slow economic growth, either of which (or the combination thereof) could hurt the financial and operating results of our business. To mitigate this risk, the Company utilizes interest rate derivative contracts to partially reduce exposure to interest rate fluctuations.

See Note 10 - Long-Term Debt for a full discussion of our long-term debt.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management establishes and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. We evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025, with the participation of our CEO and CFO, as well as other key members of our management. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended June 30, 2025, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various legal proceedings and claims in the ordinary course of business. The ultimate outcome of any such proceedings or claims, and any resulting impact on us, cannot be predicted with certainty. The Company believes that the amount of the liability, if any, ultimately incurred with respect to any such proceedings or claims will not have a material adverse effect on our financial condition, liquidity, capital resources, results of operations or cash flows.

Refer to "Part I, Item 3 - Legal Proceedings" of the 2024 Annual Report, and "Part I, Item 1. Note 15 - Commitments and Contingencies" in the notes to the unaudited condensed consolidated financial statements set forth in this Quarterly Report (which is incorporated by reference herein) for additional information.

Item 1A. Risk Factors

In addition to the information set forth in this Quarterly Report, the risks that are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, under the headings "Part I, Item 1. and Item 2. Business and Properties," "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part I, Item 1A. Risk Factors," and in "Part II, Item 1A. Risk Factors" of our subsequently filed Quarterly Reports should be carefully considered, as such risks could materially affect the Company's business, financial condition or future results. There has been no material change in the Company's risk factors from those that were described in the Company's 2024 Annual Report and subsequently filed Quarterly Report.

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

Issuer Repurchases of Equity Securities

Our common stock repurchase activity during the second quarter of 2025 was as follows:

Month Ended	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plan or Programs
April 30	10,473	\$ 29.15	—	—
May 31	—	\$ —	—	—
June 30	—	\$ —	—	—

(1) These amounts reflect the shares received by us from employees for the payment of personal income tax withholding on vesting transactions. The acquisition of the surrendered shares was not part of a publicly announced program to repurchase shares of our common stock. Any shares repurchased by the Company for personal tax withholdings are immediately retired upon repurchase.

Item 5. Other Information

On June 29, 2025, Bobby Riley, our Chief Executive Officer, adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) providing for the sale of up to 50,000 shares of Common Stock. The expiration date for Bobby Riley's plan is August 31, 2026.

Except as noted above, during the quarter ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description
2.1	Securities Purchase Agreement dated May 3, 2025, by and between Silverback Legacy, LLC and Silverback Blocker, LLC, as Seller, and Riley Exploration - Permian, LLC, as Purchaser (incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2025).
3.1	First Amended and Restated Certificate of Incorporation of Riley Exploration Permian, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on March 1, 2021, Registration No. 333-253750).
3.2	Third Amended and Restated Bylaws of Riley Exploration Permian, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 23, 2022).
4.1	Description of Registrant's Securities (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 6, 2024).
4.2	Note Purchase Agreement, dated as of April 3, 2023, among Riley Exploration - Permian, LLC, as Issuer, Riley Exploration Permian, Inc., as Parent, each of the subsidiaries of the Issuer party thereto as guarantors, each of the holders from time to time party thereto, and U.S. Bank Trust Company, National Association, as agent for the holders (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 4, 2023).
4.3	First Amendment to Note Purchase Agreement dated as of December 13, 2024 by and among Riley Exploration - Permian, LLC, as Issuer, Riley Exploration Permian, Inc., as Parent, each of the subsidiaries of the Issuer party thereto as guarantors, each of the holders from time to time party thereto, and U.S. Bank Trust Company, National Association, as agent for the holders (incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on December 18, 2024).
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C., Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C., Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Definition Linkbase Document
101.LAB*	XBRL Taxonomy Label Linkbase Document
101.PRE*	XBRL Taxonomy Presentation Linkbase Document

* Filed herewith.

† Compensatory plan or arrangement.

SIGNATURES

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

RILEY EXPLORATION PERMIAN, INC.

Date: August 6, 2025

By: /s/ Bobby Riley
Bobby Riley
Chairman of the Board and Chief Executive Officer

By: /s/ Philip Riley
Philip Riley
Chief Financial Officer and Executive Vice President of Strategy

CERTIFICATION

I, Bobby Riley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Riley Exploration Permian, Inc. for the quarter ended June 30, 2025.
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 officers 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; and
5. The registrant's other certifying officers 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.

Dated: August 6, 2025

By: /s/ Bobby Riley

Bobby Riley

Chairman of the Board and Chief
Executive Officer

CERTIFICATION

I, Philip Riley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Riley Exploration Permian, Inc. for the quarter ended June 30, 2025.
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 officers 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; and
5. The registrant's other certifying officers 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.

Dated: August 6, 2025

By: /s/ Philip Riley

Philip Riley

Chief Financial Officer and Executive
Vice President of Strategy

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 I hereby certify that:

I have reviewed the Quarterly Report on Form 10-Q of Riley Exploration Permian, Inc. (the “Company”) for the quarter ended June 30, 2025 (the “Report”).

To the best of my knowledge the Report (i) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m (a) or 78o (d)); and, (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2025

By: /s/ Bobby Riley

Bobby Riley

Chairman of the Board and Chief Executive
Officer

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 I hereby certify that:

I have reviewed the Quarterly Report on Form 10-Q of Riley Exploration Permian, Inc. (the “Company”) for the quarter ended June 30, 2025 (the “Report”).

To the best of my knowledge the Report (i) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m (a) or 78o (d)); and, (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2025

By: /s/ Philip Riley

Philip Riley

Chief Financial Officer and Executive Vice
President of Strategy